

City of Hesperia

STAFF REPORT



DATE: March 5, 2019

TO: Mayor and Council Members
Chair and Board Members, Hesperia Water District

FROM: Nils Bentsen, City Manager

BY: Michael Blay, Assistant City Manager
Tina Souza, Senior Management Analyst

SUBJECT: Amend Professional Services Agreement with Parsons Transportation Group, Inc.

RECOMMENDED ACTION

It is recommended that the City Council and Board of Directors of the Hesperia Water District 1) authorize an amendment to Professional Services Agreement (PSA) 2007-08-077 with Parsons Transportation Group, Inc. in the amount of \$543,259 for a total PSA amount of \$3,603,259; 2) authorize a one-year extension of the PSA; and 3) authorize the City Manager to execute said amendment.

BACKGROUND

Through a Request for Proposal process, in February 2008, the City Council and Board of Directors of the Water District, along with the Board of Directors of the Hesperia Community Redevelopment Agency (HCRA), awarded a multi-year PSA to Parsons Transportation Group, Inc. (Parsons) for preliminary engineering, studies, design, and construction management services for various capital improvement projects in the amount of \$550,000. This PSA included services for 11 Capital Improvement Program (CIP) projects, including the Ranchero Road Widening Project (Ranchero) and the "G" Avenue Rail Lead Track Project (Lead Track). The initial PSA amount of \$550,000 was a lump sum to allow for services through the end of Fiscal Year 2007-2008 for the projects collectively, with the intent that future amendments to the PSA would occur as needed during progression of the various projects.

In October 2008, the City Council and Board of Directors of the Water District, along with the Board of Directors of the HCRA, authorized an amendment to the PSA in the amount of \$2,510,000 for a total PSA amount of \$3,060,000.

In addition to construction management, Parsons provides habitat mitigation for the Lead Track which is ongoing until U.S. Army Corps of Engineers (USACE) approves the mitigation efforts to date. Currently, Parsons and the City is working with USACE to obtain approval of the mitigation efforts and release of any further obligations as they relate to the Lead Track.

Parsons began preliminary design work for Ranchero in 2008 which was delayed due to the elimination of the redevelopment agency. The Ranchero project is being designed, and will be constructed in partnership with San Bernardino County (SBC), with the exception of the aqueduct crossing. A Memorandum of Understanding (MOU) with SBC was approved by the City Council in May of 2011 to share the cost of the environmental and design [plans, specifications, and

estimates (PS&E)] services. The City contracts with, and pays Parsons directly, then subsequently invoices SBC for their 50% share. The MOU will require an amendment at a later date. Ranchero is currently the City's highest priority for roadway capital construction and SBC has the costs associated with Ranchero in the approved budget.

Parsons resumed work for design and environmental clearance in July of 2011. Design of the roadway by Parsons was completed in August 2015; however, the plans were never approved by the City or SBC; as the project was not moving forward with construction due to lack of funding. In addition, right of way (ROW) identification, mapping and acquisition, as well as utility coordination were some of the major items pending. Further, the aqueduct crossing is being designed by a consulting firm that has expertise in structural design (TranSystems) under a separate PSA.

ISSUES/ANALYSIS

In order to continue implementation of the required habitat mitigation for the Lead Track, at a cost of \$58,696, an amendment to the PSA is needed.

In addition, since the design for Ranchero Road began 11 years ago, costs have increased, field conditions have changed and unforeseen conditions have arisen, such as the discovery of shallow waterlines that need to be relocated. Thus, generating the need for revisions to the plans and additional design work in order for the project to be construction ready. The following are a list of vital, pending items:

- ROW Requirements – ROW documents were not finalized. Additionally, plan revisions necessitate the need for updating ROW identification accordingly.
- Roadway Revisions and Traffic Signals – During the latest job walk, changes in field conditions were discovered. Features such as existing pavement conditions, installation of the temporary additional lanes, new development, driveway improvements, fencing, new utilities, and the need for traffic signals at certain intersections are unforeseen conditions that have arisen since design began in 2008. Many of these features are public safety components for the residents as well as motorists and pedestrians traveling Ranchero Road.
- Drainage Revisions – The job walk also identified unexpected conditions of the drainage crossings along Ranchero. There are concerns over the durability and longevity of existing drain pipes as well as sheet flow of storm water currently crossing the roadway. These have raised safety concerns for motorists as well as protection of the forthcoming improvement investment.
- Utility Potholing, Geotechnical Services, Survey Verification – Because so much time has passed, new development has occurred, and plan revisions are required, these are essential to ensuring design accuracy.
- Water Line Relocation Plans – During construction of the temporary additional lanes on Ranchero Road, water lines belonging to County Special Districts, Zone J (Zone J) were unexpectedly found to be extremely shallow. This, along with further investigation, has led to the determination that the Zone J line requires relocation. Because Zone J has prior rights, this is the responsibility of the City and SBC.

Addressing several of these issues now will aide in mitigating substantial changes orders during construction and ultimately serve as a benefit to the City and SBC, as significant change orders result in additional construction time and increased project costs.

Since 2007, street improvement funding has changed with Senate Bill (SB) 1. With this funding, the City was awarded a Local Partnership Program (LPP) grant in May of 2018. The LPP grant has many milestones that must be reached by specific deadlines as required in the grant. Subsequently, the Ranchero Road Widening Project must continue progressing without delay, thus the need for the contract amendment and extension.

The hourly rates under the PSA are no longer valid and as such, Parsons has provided a new proposed, not to exceed cost of \$544,708.40 to perform the work needed going forward, requiring an amendment to the PSA. The previous Ranchero budget (not the PSA amount) was \$1,367,611. To date, there is a project budget balance of \$102,075. The total cost for services going forward is \$544,708, which includes a 10% contingency and completion of prior work yet to be performed under the existing budget. The overall project budget increase to complete the work and obtain a final revised plan set is \$442,633. The table below provides a breakdown of the project budget.

Previous Project Budget	\$1,367,611
Proposed Cost Going Forward	\$495,188
10% Contingency	\$49,520
Grand Total of Cost Going Forward	\$544,708
Less Remaining Project Budget	\$102,075
Total Project Budget Increase/Additional Work	\$442,633
50% Share of Cost Going Forward	\$272,354
Total Project Budget	\$1,810,244

As indicated in the table above, the City's and SBC's 50% share of the total cost going forward is \$272,354 each, totaling \$544,708.

Staff is recommending an amendment to the PSA in the amount of \$543,259 for a total PSA amount of \$3,603,259. The table below depicts the status of the PSA.

Original PSA	\$550,000
PSA Amendment 1	\$2,510,000
Previous PSA Total	\$3,060,000
Lead Track Expenses	-\$1,177,584
Combined Other Project Expenses	-\$556,734
Ranchero Expenses	-\$1,265,536
PSA Balance	\$60,145
Future Ranchero Expenses	\$544,708
Future Lead Track Mitigation Expenses	\$58,696

Less Remaining PSA Balance	-\$60,145
Total Amendment Request	\$543,259
New PSA Total	\$3,603,259

FISCAL IMPACT

Funding for the Lead Track habitat mitigation is budgeted annually in Fund 263.

Funding for the Ranchero Project is budgeted in Fund 204, 205, 207, 300, and 504 in the Fiscal Year 2018-2019 CIP budget and will continue to be budgeted in future fiscal year CIP's contingent upon funding availability.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None