



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: October 1, 2013

REPORT NO: 13-079

ATTENTION: Honorable Council President and City Council

SUBJECT: Contract Amendment to the Consultant Agreement with Lee & Ro, Inc. (L&R), and Contract Amendment to the Construction Management Agreement with Jacobs Project Management Co. (JPM) for the Point Loma Grit Processing Improvements Project.

REFERENCE: N/A

REQUESTED ACTION:

1. The Mayor or his designee is authorized to execute a Sixth Amendment to the Agreement with Lee & Ro, Inc. for the engineering design and construction support services in CIP S-00315, Point Loma Grit Processing Improvements, Fund 700009, Metro Sewer CIP, in an amount not to exceed \$601,713.00, and;
2. The Mayor or his designee is authorized to execute the First Amendment to the Agreement with Jacobs Project Management Co. for construction management services in CIP S-00315, Point Loma Grit Processing Improvements, Fund 700009, Metro Sewer CIP, in an amount not to exceed \$762,706.00, and;
3. The Chief Financial Officer is authorized to expend an amount not to exceed \$1,364,419.00 from CIP S-00315, Point Loma Grit Processing Improvements, Fund 700009, Metro Sewer CIP, for purposes of executing the two amendments to the agreements.

STAFF RECOMMENDATION:

Adopt the Ordinance (Design Contract Amendment with Lee & Ro, Inc.)  
Adopt the Resolution (Construction Management Contract Amendment with Jacobs Project Management Co.)

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

The Point Loma Grit Processing Improvements Project (GIP) is located at the existing Point Loma Wastewater Treatment Plant (PLWTP). Presently the PLWTP has six aerated grit basins constructed between 1962 and 1988. The south grit tanks were part of the original PLWTP construction. Adequacy of the grit removal is a major issue because of the wear and tear the grit material causes on the downstream equipment and the decrease in treatment capacity and

efficiency. The material also effects the operations, maintenance and performance of the Point Loma Treatment Plant and Metro Bio-solids Center.

This project will reconstruct the two south grit tanks and its adjacent pump gallery; replace the head works building with truck loading facility and new grit processing equipment. The project also includes an interim grit processing facility to allow processing to continue during construction.

This project is being implemented through three contracts: a design contract with Lee & Ro, Inc (L&R), a construction management contract with Jacobs Project Management Co. (JPM), and the construction contract with Archer Western Constructors, Ltd. (AW).

On March 17, 2011 the City issued the Notice-To-Proceed to AW for construction of the GIP. The contract's original construction schedule was 760 working days with a completion date of March 26, 2014. Due to unforeseen conditions, construction challenges and an increase in construction scope (change order work), the construction completion projection for AW's contract has been extended to November 2014.

However, this construction schedule extension will require the modification of the design and construction management contracts to provide the necessary support services. The design contract with L&R will require a time extension as well as a dollar increase in the existing scope task budget. The construction management contract with JPM will also require a time extension as well as a dollar increase in the existing scope task budget.

The original agreement between the City and L&R was authorized in December 2000 (Resolution No. 294342, \$2,134,362) for the design of the GIP. Since then this contract has undergone 5 amendments summarized below:

- Amendment No. 1: This amendment was approved in January 2001(C-10619, \$0.00); this "No Cost" amendment corrected Commitment Percentages and Contract Amounts for all Sub-Consultants (replace Table C-2 of the original contract).
- Amendment No. 2: This amendment was approved in December 2002(R-297457, \$800,000), for additional engineering design services to address additional scope requirements (tank configurations and an interim facility).
- Amendment No. 3: This amendment was approved in June 2005 (O-19391, \$0.00); this "No Cost" amendment deferred the final funding phase of this design contract to FY 07.
- Amendment No. 4: This amendment was approved in January 2006(C-13612, \$0.00); this "No Cost" amendment addressed separating out a portion of the GIP scope (which was placed on hold until the completion of the pilot testing for secondary wastewater treatment at PLWTP was completed); allowing the Grit Aeration Systems (GAS) portion of the GIP project to proceed. The amendment deleted several not needed design tasks from the original contract, as well as included additional tasks to provide the engineering services to prepare construction drawings for the GAS project.
- Amendment No. 5: This amendment was approved in September 2008 (O-19783, \$976,759). Once the pilot study was completed, the original GIP scope was supported and the project resumed. This amendment updated the GIP design to current building code and technology standards and allowed for the repackaging of the construction bidding documents.

- Amendment No. 6: This council action will enable L&R to provide engineering construction support services to the end of the extended construction schedule. This action adds \$601,713 to the agreement as well as extends the contract term beyond the 5 year limit provided by Amendment No. 5.

The original agreement between the City and JPM was authorized in July 2010 (Resolution No. 306042, \$2,409,040) for construction management services for the GIP.

- Amendment No. 1: This council action will provide additional budget in the amount of \$762,706 to existing scope tasks, as defined in the original contract bringing the total contract amount to \$3,171,746. This amendment will enable JPM to provide construction management services to the end of the extended construction schedule.

FISCAL CONSIDERATIONS:

The total cost for professional engineering services with Lee & Ro, Inc. is \$4,512,834. Funding of \$3,911,121 was previously authorized and is available in CIP S-00315, Point Loma Grit Processing Improvements, Fund 700009, Metro Sewer CIP Fund, and funding for the additional \$601,713 is available in CIP S-00315, Point Loma Grit Processing Improvements, Fund 700009, Metro Sewer Utility Fund for this purpose.

The total cost for professional engineering services with Lee & Ro, Inc. is \$4,512,834. The project cost may be reimbursed with current or future financing. This agreement is scheduled to be phase funded in FY 2014. No future funding is anticipated for this agreement.

The total cost for professional construction management services with Jacobs Project Management Co. is \$3,171,746. Funding of \$2,409,040 was previously authorized and is available in CIP S-00315, Point Loma Grit Processing Improvements, Fund 700009, Metro Sewer CIP Fund, and funding for the additional \$762,706 is available in CIP S-00315, Point Loma Grit Processing Improvements, Fund 700009, Metro Sewer Utility Fund for this purpose.

The total cost for professional construction management services with Jacobs Project Management Co. is \$3,171,746. The project cost may be reimbursed with current or future financing. This agreement is scheduled to be phased funded in FY 2014 and 2015. No future funding is anticipated for this agreement.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):

This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Sections 22.2701 through 22.2708 and Non-discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

Workforce Report Submitted: Staff will monitor plan and adherence to Non-Discrimination Ordinance.

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee):

Lee & Ro, Inc.:

Council approved the Agreement on December 5, 2000 (R-294342, \$2,134,362).

Council approved the following contract amendments:

Amendment #1 February 13, 2002 (C-10619)

Amendment #2 December 9, 2002 (R-297457, \$800,000)

Amendment #3 June 20, 2005 (O-19391)

Amendment #4 January 18, 2006 (C-13612)

Amendment #5 September 10, 2008 (O-19783, \$976,759)

Jacobs Project Management Co.:

Council approved the Agreement on July 27, 2010 (R-306042, \$2,409,040).

The subject items will be presented to the Infrastructure Committee prior to the Council docket date.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders are the City of San Diego and the Public Utilities Department customers. These amendments are for engineering support services and construction management services and do not present any impacts to residential area.

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Originating Department

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Deputy Chief/Chief Operating Officer