

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Katy Allen

**SUBJECT:** SEE BELOW

**DATE:** 01-22-08

Approved

Date

1/25/08

**COUNCIL DISTRICT:** Various

**SUBJECT: MASTER AGREEMENTS WITH CONSOLIDATED ENGINEERING LABORATORIES, KLEINFELDER WEST, INC. AND KRAZAN & ASSOCIATES, INC. FOR SPECIAL INSPECTIONS AND MATERIAL TESTING SERVICES FOR VARIOUS CITY PROJECTS**

## RECOMMENDATION

- a. Approval of consultant master agreements with the following firms for various City projects:
1. Consolidated Engineering Laboratories for a variety of special inspections and material testing services from the date of execution through December 31, 2010 in an amount not to exceed \$500,000.
  2. Kleinfelder West, Inc. for a variety of special inspections and material testing services from the date of execution through December 31, 2010 in an amount not to exceed \$500,000.
  3. Krazan & Associates, Inc. for a variety of special inspections and material testing services from the date of execution through December 31, 2010 in an amount not to exceed \$500,000.
- b. Adoption of a resolution giving the Director of Public Works authorization to amend the scope of services for any of the above master agreements to add additional standard services.

## OUTCOME

Approval of the master agreements with Consolidated Engineering Laboratories, Kleinfelder West, Inc. and Krazan & Associates, Inc. to provide the City with the ability to provide on-call special inspections and material testing services for the development of City projects on an as needed basis. Adoption of a resolution giving the Director of Public Works authorization to

amend the scope of services for any of these agreements enables staff to significantly expedite service order processing and meet project schedule commitments.

### **EXECUTIVE SUMMARY**

City staff recommends the approval of three master agreements for material testing consultant services for various City projects. The master agreements with Consolidated Engineering Laboratories, Kleinfelder West, Inc. and Krazan & Associates, Inc., each in an amount not to exceed \$500,000 provide for a variety of special inspection and material testing consultant support services for various City projects. Selection of these consultant firms was carried out in accordance with Council-approved policy for consultant services solicitation.

Under these agreements, consultant services will be initiated by authorized service orders specifying the services to be performed, the schedule and the compensation. Services will be tailored to complement City staff expertise which will enable effective application of in-house resources in the most efficient manner. Adoption of the resolution would allow the Director of Public Works to add additional standard services to the menu of services contained in the master agreement.

### **BACKGROUND**

Resource and staffing needs are determined on an annual basis as part of each department's staffing plan process. A project team develops these needs based on input from the client, the Public Works project manager and the department section lead.

In anticipation of providing consultant assistance for projects with special inspections and material testing needs, on September 18 2007, the Department of Public Works (PW) City Facilities Architectural Services Division (CFAS) initiated the process to obtain consultant services for special inspection and material testing.

CFAS collaborated with other divisions within PW to allow the use of a master agreement. Sharing master agreements is a cost and time efficient method to obtain consultant services.

### **ANALYSIS**

In the past, staff has employed a conservative approach to acquiring consultant services in order to avoid over committing outsourcing staffing needs. However, the field of special inspections and material testing services is so specialized that staff does not have the expertise and/or equipment needed to perform a variety of these services.

Beginning in January 2008, construction will be underway for a significant number of large size projects, including the new Police Substation, Happy Hollow Park and Zoo, ongoing work at the Airport as well as various other bond projects for Public Safety, Library and Community Centers. Additionally, the schedules associated with the above projects require the expertise

immediately making it not practicable for staff to obtain the necessary skills, knowledge and certifications.

The master agreements are tailored to complement City staff expertise, where possible and provide training, as appropriate, in the area of special inspections and material testing. Under the proposed master agreements, project consultant services shall be initiated by authorized service orders detailing the specific scope of services, schedule, and compensation, along with the appropriate funding source(s) for the projects.

Staff began a consultant selection process on September 18, 2007 with a Request for Qualifications (RFQ). Of the ten firms who responded to the RFQ, the top five were selected for interviews. The selection criteria were based on the following:

- Qualifications of the lead personnel of the firm
- Qualifications of the subconsultants
- Firm's experience (past and present) with a variety of special inspections and material testing consulting services
- Firm's acceptance of City's contractual procedures

On November 20, 2007, the Department of Public Works panel members interviewed five firms. The three top ranked firms were selected for contract negotiation.

**Material Testing Service Firms Ranked List Determined by the Interview Board:**

|   |   |
|---|---|
| 1 | Kleinfelder West, Inc.                                      |
| 2 | Consolidated Engineering Laboratories                       |
| 3 | Krazan & Associates, Inc.                                   |
| 4 | RES Engineers   |
| 5 | Inspection Services, Inc. / Critical Weld Inspections, Inc. |

The three resulting agreements reflect a new approach that was initiated by the master agreements for environmental support services that were executed in September 2007. Traditionally, the master agreement itself has not contained any details of the scope of work to be performed by the consultant; that information had been contained in the subsequent service orders that authorize the consultant to perform the work. However, over the years, the experience of Public Works has been that, although each project is different, much of the special inspection work is essentially the same. Under the traditional approach, a new scope of services would need to be drafted and reviewed for each service order.

Public Works is continuing to use the new approach that was initiated by the environmental support services agreements because it helps streamline delivery of services. This new approach involves specifying a "menu" of standard services in the master agreement itself. The menu will consist of identifying the various special inspections/tests and detailing the scope of that work. The service order would then simply identify which standard service or services from the menu the consultant is to perform, as well as the schedule and compensation for those services. The

service order generation and review times for this method is anticipated to be considerably shorter than the traditional method.

The menu of services for these three master agreements includes but is not limited to special inspection and material testing work for concrete, steel, soil, masonry, wood and structural & miscellaneous metals as well as fireproofing and waterproofing. To the extent that the City needs services not on the standardized menu, the master agreements permit the traditional approach of drafting a customized scope of services in the service order.

Staff is requesting the City Council to adopt a resolution authorizing the Director of Public Works to amend the scope of services of each of the three master agreements to add new standard services if required to address individual project's needs. In addition to the "Menu" driven service model in the master agreements, this additional authority will allow even greater responsiveness to each project's requirements. As the need for new standard services are identified by individual projects, the master agreement's scope of services would be amended by the Director so that other projects could subsequently utilize them.

In accordance with the QBCS policy, staff successfully negotiated the master agreement terms with Consolidated Engineering Laboratories, Kleinfelder West, Inc. and Krazan & Associates, Inc. Staff will encourage local sub-consultant participation with these consultant firms.

### **EVALUATION AND FOLLOW-UP**

These master agreements will provide staff with the ability to engage the services of a special inspection and material testing services firm on an as-needed basis, thereby enabling a more cost effective and timely delivery of projects. No additional follow up action with the Council is expected at this time.

### **POLICY ALTERNATIVES**

**Alternative #1:** An alternative approach to accomplish this effort would be for all work to be carried out by existing City staff in lieu of the proposed partnership effort with outside professional environmental consulting firms.

**Pros:** The work would be done by City staff.

**Cons:** In-house staff does not possess the appropriate technical capability, certifications and specialized equipment across the broad range of required expertise to forego outside assistance. Reliance solely on City resources could well jeopardize the successful implementation of these projects.

**Reason for not recommending:** The City would need to hire staff to cover diverse areas of professional expertise. Because the demand for services in these diverse areas varies, the workload generated in each of these specialties is projected to be intermittent and would not be sustainable throughout the year. Accordingly, it is recommended that the partnership effort previously described be approved to assure efficient and timely accomplishment of these services.

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This action does not meet any of the above listed criteria; however this memorandum will be posted on the City's website for the February 12, 2008 Council agenda. Also, a Request for Qualifications was advertised in the *San José Post Record* and on the City's Internet Bid Line.

### **COORDINATION**

This memorandum was coordinated with the Planning, Building and Code Enforcement Department, City Attorney's Office and the City Manager's Budget Office. This item was also coordinated with the City's Contracting-In Committee.

### **FISCAL/POLICY ALIGNMENT**

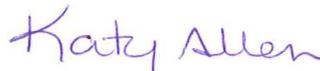
Not applicable.

### **COST SUMMARY/IMPLICATIONS**

No funding is needed to approve these master agreements. Funds will be appropriated as needed for the various City projects.

### **CEQA**

CEQA: Not a project.



KATY ALLEN

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For questions please contact DAVID SYKES, ASSISTANT DIRECTOR, at (408) 535-8300.