Bill No. 8. b.
Date: August 21, 2018
Subject: Professional Services Agreement Amendment No. 3: KBA Construction, Inc - Clean Water Facility & Windjammer Park

FROM: Cathy Rosen, Public Works Director

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

- Bob Severns, Mayor
- Patricia Soule, Finance Director
- Nikki Esparza, City Attorney, as to form

RECOMMENDED ACTION
It is recommended that the City Council Authorize the Mayor to sign Contract Amendment No. 3 with KBA, Inc. in the amount of $543,500 increasing the total contract amount from $3,617,500 to $4,161,000.

BACKGROUND / SUMMARY INFORMATION
The City of Oak Harbor is completing the largest public works project in the City’s history by building a new membrane bioreactor wastewater treatment plant. While the City has a strong General Contractor/Construction Management (GC/CM) team with Carollo Engineers and Hoffman Construction, with KBA assisting the City with strong oversight and control. The last amendment to KBA’s contract was approved over two years ago on May 3, 2016.

KBA is providing on-site construction period services including project administration, resident engineering, neighborhood relations, quality assurance, special inspections/materials testing, regulatory compliance, and cost review. KBA also provides other GC/CM services including independent cost review, GC/CM contract negotiations, schedule review, project close out, and risk assessment.

The original KBA contract and amendments provided construction management services to completion of the process facilities of the construction project (GMP #12) anticipated through August of 2018. During the previous two years, KBA also provided more oversight than anticipated due to the increased number of self-performed construction packages. Keeping track of time and materials work increased the labor hours substantially beyond the anticipated hours to monitor the effort and review billings.

With initiation of the Windjammer Park and the Site Improvements (GMP #13) portion of the project, KBA’s services need to be contracted through project completion. Once active construction is completed, a multitude of administrative tasks is required to satisfy normal legal and funding requirements. KBA’s services are critical to completing the City’s closeout schedule.

This amendment provides the necessary contracted services through June of 2019. At the end of that timeframe, the City will evaluate the status of the project. If staff can complete the administrative tasks at that time then KBA’s contract will end or else a new amendment will be requested from City Council.

The attached Contract Amendment No. 2 extends KBA’s scope of work and shall be paid on a time and materials basis not to exceed $543,500 bringing the total contract amount to $4,161,000. It is anticipated that this contract amendment will partially offset the total project budget by cost savings on other tasks or refunds from the general fund.

LEGAL AUTHORITY

FISCAL IMPACT
Funds Required: $543,200

Appropriation Source: Wastewater Fund

PREVIOUS COUNCIL / BOARD / CITIZEN INPUT
This contract amendment for KBA was discussed at the July 25, 2018 City Council Workshop.

The City Council also took the following actions:

- **May 5, 2015** - The City Council authorized the Mayor to sign a Profession Service Agreement with KBA, Inc. for an amount not to exceed $295,500.
- **October 20, 2015** - The City Council authorized the Mayor to sign Amendment No. 1 to the Profession Service Agreement with KBA, Inc. for an amount not to exceed $510,000, increasing the total contract amount to $805,500.
- **May 3, 2016** - The City Council authorized the Mayor to sign Amendment No. 2 to the Profession Service Agreement with KBA, Inc. in the amount of $2,812,000 increasing the total contract amount from $805,500 to $3,617,500.

**ATTACHMENTS**
1. Attachment A - PSA Amendment No. 3
2. Attachment B - KBA Inc Fee Estimate No. 3
3. Attachment C - KBA Inc Original PSA and previous Amendments
<table>
<thead>
<tr>
<th>Professional Services Agreement Amendment Number: 3</th>
<th>Organization and Address: City of Oak Harbor 865 SE Barrington Drive Oak Harbor, WA 98239</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Agreement Title:</td>
<td>Phone: (360) 279-4500</td>
</tr>
<tr>
<td><strong>WWTP Construction Management Services</strong></td>
<td><strong>Execution Date</strong> 10/20/2015 <strong>Completion Date</strong> 6/30/19</td>
</tr>
<tr>
<td><strong>Project Number:</strong> ENG-16-09 &amp; ENG-17-01 (previously ENG-15-02 &amp; ENG-13-05)</td>
<td></td>
</tr>
<tr>
<td><strong>Project Title:</strong> City of Oak Harbor Wastewater Treatment Plant</td>
<td>New Maximum Amount Payable $4,160,700</td>
</tr>
<tr>
<td>Description of Work:</td>
<td></td>
</tr>
<tr>
<td>Continue to provide construction administration services for the Clean Water Facility, and the addition of construction administration services for Windjammer Park.</td>
<td></td>
</tr>
</tbody>
</table>

The Local Agency of City of Oak Harbor desires to supplement the agreement entered into with KBA, Inc. and executed on May 5, 2015 and identified as Professional Services Agreement with KBA, Inc.

All provisions in the basic agreement remain in effect except as expressly modified by this supplement.

The changes to the agreement are described as follows:

**SCOPE OF WORK** is hereby changed to read: See attached Exhibit A – Supplement 3.

**TIME FOR BEGINNING AND COMPLETION IS AMENDED** to read: Time of completion for this Agreement is June 30, 2019.

**PAYMENT** shall be amended as follows:

Amendment 3 reflects the additional effort necessary for Windjammer Park construction administration services. The Maximum Amount Payable under this Agreement is increased from $3,617,500 to $4,160,700. an addition of $543,200 for Windjammer Park services, as shown in the attached Exhibit B – Supplement 3.

If you concur with this amendment and agree to the changes as stated above, please sign in the appropriate spaces and return to this office for final action.

By: K. Wendell Adams, Vice-President

By: Robert Severns, Mayor

[Signature]

[Signature]

Consultant Signature

Approving Authority Signature

Date
EXHIBIT A – SUPPLEMENT 3
SCOPE OF SERVICES
Construction Administration Consultant
for
Oak Harbor Clean Water Facility & Windjammer Park
City Project No. ENG-16-09 & ENG-17-01 (previously ENG-15-02 & ENG-13-05)

KBA, Inc., the Construction Administration Consultant (Consultant) will continue to provide Construction Administration services to the City of Oak Harbor (Client), for the Project known as the Oak Harbor Clean Water Facility. These services include consultation, contract administration, field observation, documentation, and material testing, as required during the construction of the Project.

Exhibit A – Supplement 3 – Scope of Services adds the following services: Construction Administration services for Windjammer Park.

The original Exhibit A - Scope of Services is still in effect, with the following revisions/additions:

SECTION I

1. Agreement is revised to include Construction Administration services for Windjammer Park. Everything else in this section remains the same.

2. Section I.E.1.a is revised to include the following:
   • Staffing levels for Clean Water Facility & Windjammer Park services are anticipated in accordance with the budget estimate attached as Exhibit B – Supplement 3, and assumes staff shown will be on-site through the month of June 2019. If services are needed beyond June 2019, a Supplement will be negotiated between Client and Consultant.

Everything else in Section I remains the same.
## KBA Labor Hours

<table>
<thead>
<tr>
<th>Employee</th>
<th>Title</th>
<th>2018 Rate</th>
<th>2019 Rate</th>
<th>Total Hours</th>
<th>2018 Total</th>
<th>2019 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>K. Adams</td>
<td>(M3) Project Manager</td>
<td>$84.50</td>
<td>$84.50</td>
<td>188</td>
<td>74</td>
<td>112</td>
</tr>
<tr>
<td>Kris Betty</td>
<td>(M5) Principal Advisor</td>
<td>$105.00</td>
<td>$105.00</td>
<td>11</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Dan Williams</td>
<td>(E5) Resident Eng.</td>
<td>$62.00</td>
<td>$64.48</td>
<td>1,395</td>
<td>630</td>
<td>762</td>
</tr>
<tr>
<td>Chris Bailey</td>
<td>(F4) Admin Specialist</td>
<td>$40.00</td>
<td>$41.60</td>
<td>1,372</td>
<td>630</td>
<td>694</td>
</tr>
<tr>
<td>Brian Hanson</td>
<td>(E4) Inspector</td>
<td>$48.00</td>
<td>$50.96</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connie Timlinke</td>
<td>(A4) Contract Admin.</td>
<td>$35.00</td>
<td>$36.40</td>
<td>22</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Wendy Blackwood</td>
<td>(A5) Subcontract Admin.</td>
<td>$33.00</td>
<td>$34.32</td>
<td>14</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>lan Lauren</td>
<td>(F4) Intern</td>
<td>$18.00</td>
<td>$18.72</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stephen Brannon</td>
<td>(T3) Inspector</td>
<td>$47.24</td>
<td>$43.33</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Subtotal - KBA Labor Hours

|          | 3,861 | 1,793 | 1,990 | 853 | 811 | 406 | 856 | 809 | 806 |

## Direct Expenses

### Mileage (P&I) Mileage Rates of $0.575/mile

- Jan-19: $4,650
- Apr-19: 2,800

### Lodging & Meals

- 2018: $1,169
- 2019: 1,495

### Subtotal - Direct Expenses

|          | 7,704 | 3,352 | 4,771 | 853 | 811 | 406 | 856 | 809 | 806 |

### Subconsultants

#### Subtotal - Subconsultant Costs

|          | 36,772 | 28,272 | 34,577 | 20,838 | 13,739 | 7,440 | 1,644 | 254 |

## Combined Costs

### Total Subconsultant Costs

|          | 36,772 | 28,272 | 34,577 | 20,838 | 13,739 | 7,440 | 1,644 | 254 |

### Disclaimer:

- Fields are rounded to the nearest dollar in Excel.
- Column totals may be over/under by $2 if checking whole number totals by hand.
PROFESSIONAL SERVICES AGREEMENT BETWEEN
CITY OF OAK HARBOR
AND KBA, INC.
FOR CONSULTANT SERVICES

THIS AGREEMENT ("Agreement") is made and entered into by and between the City of Oak Harbor, a Washington State municipal corporation ("City"), and KBA, Inc., a Washington Corporation ("Consultant").

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, the parties hereto agree as follows:

ARTICLE I. PURPOSE

The purpose of this Agreement is to provide the City with Construction Administration services for the Clean Water Facility Project ("Project") as described in Article II. The general terms and conditions of the relationship between the City and the Consultant are specified in this Agreement.

ARTICLE II. SCOPE OF SERVICES

The Scope of Services is attached hereto as Exhibit "A" and incorporated herein by this reference ("Scope of Services"). All services and materials necessary to accomplish the tasks outlined in the Scope of Services shall be provided by the Consultant unless noted otherwise in the Scope of Services or this Agreement. All such services shall be provided in accordance with the standards of the Consultant's profession.

ARTICLE III. OBLIGATIONS OF THE CONSULTANT

III.1 MINOR CHANGES IN SCOPE. Minor changes, amendments, or revision in the detail of the Scope of Services as may be required by the City, with no impact to service costs or proposed schedules, shall be discussed and agreed upon between the Consultant and the City. Extra work, if any, involving substantial changes and/or changes in cost or schedules will be addressed as follows:

Extra Work. The City may desire to have the Consultant perform work or render services in connection with the Project in addition to or other than work provided for by the expressed intent of the Scope of Services, or as noted in the Scope of Services. Such work will be considered as Extra Work and will be specified in a written supplement to the scope of services, to be signed by both parties, which will set forth the nature and the scope thereof. All proposals for extra work or services shall be prepared by the Consultant at no cost to the City. Work under a supplemental agreement shall not proceed until executed in writing by the parties.