

City of Oak Harbor
City Council Agenda Bill

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 contact 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 contact 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](#)

Professional Services Agreement Amendment Number: 3	Organization and Address: City of Oak Harbor 865 SE Barrington Drive Oak Harbor, WA 98239	
Original Agreement Title: WWTP Construction Management Services	Phone: (360) 279-4500	
Project Number: ENG-16-09 & ENG-17-01 (previously ENG-15-02 & ENG-13-05)	Execution Date 10/20/2015	Completion Date 6/30/19
Project Title: City of Oak Harbor Wastewater Treatment Plant	New Maximum Amount Payable \$4,160,700	
Description of Work: Continue to provide construction administration services for the Clean Water Facility, and the addition of construction administration services for Windjammer Park.		

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



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:
 - o 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.



Project Name: Oak Harbor CWTF/Windjammer

Client Project No.: ENG-15-02
 KBA Project No.: 015011-02
 Contract Type: Cost Plus Net Fee
 Date Prepared: 8/9/2018
 Prepared by: K. Adams
 Salary Escalation 4%

Determination of Hours	Month	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
	Days/Mo	23	20	23	20	20	22	20	21	22	22	20
	Hr/Mo	184	160	184	160	160	176	160	168	176	176	160
	Extra Work	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
	Adj Hr/Mo	206	179	206	179	179	197	179	188	197	197	179

Schedule	ESTIMATED WINDJAMMER COST TO COMPLETE											
	START-UP			CONSTRUCTION						CLOSEOUT		

KBA Labor Hours

Employee	Title	2018 Rate	2019 Rate	Total Hours	2018 Total	2019 Total	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
K. Adams	(M3) Project Manager	\$86.52	\$89.98	188	76	112	4	18	18	18	18	18	18	19	19	19	19
Kris Betty	(M5) Principal Advisor	\$105.00	\$109.20	12	6	6	2	1	1	1	1	1	1	1	1	1	1
Dan Williams	(E6) Resident Eng	\$62.00	\$64.48	1,395	633	762	35	144	166	144	144	132	120	126	132	132	120
Chris Bailey	(P4) Admin Specialist	\$40.00	\$41.60	1,327	633	694	35	144	166	144	144	114	104	118	123	123	112
Edwin Field	(E4) Inspector	\$49.00	\$50.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brian Hanson	(E3) Inspector	\$42.00	\$43.68	424	424	-	-	-	104	160	160	-	-	-	-	-	-
Connie Tomlinson	(A4) Contract Admin	\$35.00	\$36.40	22	10	12	2	2	2	2	2	2	2	2	2	2	2
Wendy Blackwood	(A3) Subcontract Admin	\$33.00	\$34.32	14	10	4	2	2	2	2	2	2	2	-	-	-	-
Ian Laursen	(P1) Intern	\$18.00	\$18.72	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stephen Brannen	(T3) Inspector	\$42.24	\$43.93	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - KBA Labor Hours				3,381	1,791	1,590	80	311	458	471	471	269	247	266	277	277	254

Direct Expenses

Item	Total Costs	2018 Total	2019 Total	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19		
Mileage @ IRS Mileage Rate of \$0.575/mile	\$ 4,650	1,850	2,800	50	450	450	450	450	450	450	475	475	475	475		
Lodging @ \$65/night	\$ 2,483	988	1,495	27	240	240	240	240	240	240	254	254	254	254		
Misc: Supplies, Equipment, Postage, Copies	\$ 791	315	476	9	77	77	77	77	77	77	81	81	81	81		
Subtotal - Direct Expenses				\$ 7,924	3,152	4,771	85	767	767	767	767	767	809	809	809	809

Subconsultant(s)

Subconsultants	Total Costs	2018 Total	2019 Total	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	
Geotest Services, Inc. - Materials Testing (not to exceed amount)	\$ 30,000	30,000	-	-	-	10,000	10,000	10,000	-	-	-	-	-	-	
5% mark-up on Subconsultant	\$ 1,500	1,500	-	-	-	500	500	500	-	-	-	-	-	-	
Oxford Engineering	\$ 7,400	7,400	-	200	1,800	1,800	1,800	1,800	-	-	-	-	-	-	
5% mark-up on Subconsultant	\$ 370	370	-	10	90	90	90	90	-	-	-	-	-	-	
Subtotal - Subconsultant Costs				\$ 39,270	39,270	-	210	1,890	12,390	12,390	12,390	-	-	-	-

Combined Costs

Employee	Title	2018 Rate	2019 Rate	Total DSC	2018 Total	2019 Total	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
K. Adams	(M3) Project Manager	\$86.52	\$89.98	\$ 16,266	6,576	9,690	346	1,557	1,557	1,557	1,557	1,557	1,557	1,644	1,644	1,644	1,644
Kris Betty	(M5) Principal Advisor	\$105.00	\$109.20	\$ 1,260	630	630	210	105	105	105	105	105	105	105	105	105	105
Dan Williams	(E6) Resident Eng	\$62.00	\$64.48	\$ 86,465	39,221	47,244	2,170	8,928	10,267	8,928	8,928	8,184	7,440	7,812	8,184	8,184	7,440
Chris Bailey	(P4) Admin Specialist	\$40.00	\$41.60	\$ 53,064	25,304	27,760	1,400	5,760	6,624	5,760	5,760	4,560	4,160	4,720	4,920	4,920	4,480
Edwin Field	(E4) Inspector	\$49.00	\$50.96	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Brian Hanson	(E3) Inspector	\$42.00	\$43.68	\$ 17,808	17,808	-	-	-	4,368	6,720	6,720	-	-	-	-	-	-
Connie Tomlinson	(A4) Contract Admin	\$35.00	\$36.40	\$ 770	350	420	70	70	70	70	70	70	70	70	70	70	70
Wendy Blackwood	(A3) Subcontract Admin	\$33.00	\$34.32	\$ 462	330	132	66	66	66	66	66	66	66	-	-	-	-
Ian Laursen	(P1) Intern	\$18.00	\$18.72	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Stephen Brannen	(T3) Inspector	\$42.24	\$43.93	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct Salary Costs				\$ 176,095	90,219	85,876	4,262	16,486	23,058	23,206	23,206	14,542	13,398	14,351	14,923	14,923	13,739
Overhead @ 151.67%				\$ 267,083	136,835	130,248	6,464	25,005	34,971	35,197	35,197	22,056	20,321	21,766	22,634	22,634	20,838
Subtotal (DSC + OH)				\$ 443,178	227,053	216,125	10,726	41,491	58,029	58,403	58,403	36,599	33,720	36,117	37,556	37,556	34,577
Fee (on DSC only) @ 30.00%				\$ 52,828	27,066	25,763	1,279	4,946	6,917	6,962	6,962	4,363	4,020	4,305	4,477	4,477	4,122
Subtotal (DSC + OH + Fee)				\$ 496,007	254,119	241,888	12,005	46,437	64,946	65,365	65,365	40,961	37,739	40,422	42,033	42,033	38,698
Direct Expenses (No Mark-up)				\$ 7,924	3,152	4,771	85	767	767	767	767	767	767	767	809	809	809
Subconsultant(s) + Mark-up				\$ 39,270	39,270	-	210	1,890	12,390	12,390	12,390	-	-	-	-	-	-
TOTAL ESTIMATED COSTS				\$ 543,200	296,541	246,659	12,300	49,094	78,103	78,522	78,522	41,728	38,506	41,232	42,843	42,843	39,508

*Displayed fields are rounded to the nearest dollar in Excel. Column/Row totals may be over/under by \$1 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.