



CITY OF POMONA COUNCIL REPORT

April 6, 2020

To: Honorable Mayor and Members of the City Council

From: James Makshanoff, City Manager

Submitted By: Benita DeFrank, Neighborhood Services Director

SUBJECT: Recommend Approval of Change Orders and Change Order Authority for the Construction Contract with TELACU Construction Management for Design-Build Services in the amount of \$500,000; and approval of amendments to the Professional Services Agreement with WLC Architects, Inc. in the Amount of \$16,830 and to the Engagement Letter Agreement with Kabbara Engineering in the Amount of \$16,590.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Approve change order authority for the construction contract with TELACU Construction Management (TELACU) for Design-Build Services at the “Year-Round Emergency Shelter,” Project No. 428-2590-XXXXX-71044, in the amount of \$500,000, which exceeds the \$100,000 maximum allowed without Council approval and,
2. Approve an amendment to the Professional Services Agreement with WLC Architects, Inc. in the Amount of \$16,830 to include engineering services, in addition to the contracted design services, for installation of shade structures at the “Year-Round Emergency Shelter,” CIP Project No. 428-2590-XXXXX-71044, which exceeds the 25% of original contract maximum allowed without Council approval; and,
3. Approve an amendment to the Engagement Letter Agreement with Kabbara Engineering in the amount of \$16,590 to provide additional engineering services for the “Emergency Shelter Annex/Water Utility Access,” CIP Project No. 428-2590-XXXXX-71053; which exceeds the 25% of original contract maximum allowed without Council approval; and,
4. Authorize the City Manager to execute all documents and subsequent amendments related with this action, with approval of the City Attorney as to form.

Fiscal Impact

Funds for the change order authority to the TELACU construction contract and the amendment to the WLC agreement are available in the “Year-Round Emergency Shelter,” Capital Improvement Program (CIP) Project Number 428-2590-XXXXX-71044. The following Table summarizes the fiscal impact of this action.

Category	“Year-Round Emergency Shelter” Project No. 428-2590-XXXXX-71044
Budget (Funded)	\$12,060,016
Less Expenditures/Encumbrances (as of March 24, 2020)	(\$11,092,444)
Less Change Order Authority for TELACU Contract	(\$500,000)
Less Amendment to WLC Architects Agreement	(\$16,830)
Budget Remaining for Construction Contract, Construction Contingency, Internal and Miscellaneous Costs	\$450,742

Funds for the amendment to the Kabbara Engineering agreement are available in the “Emergency Shelter Annex/Water Utility Access,” CIP Project No. 428-2590-XXXXX-71053. The following Table summarizes the fiscal impact of this action.

Category	“Emergency Shelter Annex/Water Utility Access” Project No. 428-2590-XXXXX-71053
Budget (Funded)	\$1,705,228
Less Expenditures/Encumbrances (as of March 24, 2020)	(\$1,135,769)
Less Amendment to Kabbara Engineering Contract	(\$16,590)
Budget Remaining for Construction Contract, Construction Contingency, Internal and Miscellaneous Costs	\$552,869

Authority - In accordance with Section 2-1003 (l) of the City Code, the requested change order authority will allow approval of change orders up to the amount of \$500,000 for the TELACU contract which has not been previously authorized by City Council for this contract.

In accordance with Section 2-984 (2) of the City Code, amendments to contracts which exceed 25% of the original contract need Council approval. Both the amendment to the WLC Architects agreement in the amount of \$16,830, which will increase the agreement to \$41,830 and the requested amendment to the Kabbara Engineering agreement in the amount of \$16,590, which will

increase the agreement to \$77,700, require Council approval since both amendments exceed 25% of their respective original agreement amounts per the section of the City Code for Public Works projects referenced at the beginning of this paragraph.

Previous Related Action –

- On September 12, 2016, the City Council declared a Shelter Crisis in the City of Pomona.
- On November 21, 2016, the City Council approved the purchase of 1400 E. Mission Blvd. and the creation of “Year-Round Emergency Shelter,” Project No. 428-2590-XXXXX-71044, also known as the Hope for Home Service Center.
- On January 9, 2017, the City Council adopted the Strategic Plan on Homelessness – “A Way Home”, which proposed strategies to develop a year-round shelter and centralized service center to address the needs of the unsheltered homeless of Pomona.
- On May 1, 2017, the City Council approved the appropriation of \$4,000,000 of AD Low Mod Bond Proceeds to Project No.428-2590-XXXXX-71044 for the construction of the Year-Round Emergency Shelter/Hope for Home Service Center.
- On November 6, 2017, the City Council approved an Award of Contract to TELACU Construction Management for Design-Build Services for the design and construction of Essential Services Areas of “Year-Round Emergency Shelter” Project No. 428-2590-XXXXX-71044, in the amount of \$3,890,017.
- On July 2, 2018, the City Council authorized the acceptance of \$3,400,000 of Measure H Capital Cost for Crisis and Bridge Housing Funds for the development of Phase II of the Hope for Home Service Center.
- On August 6, 2018, the City Council amended the contract with TELACU Construction Management for Design-Build Services for completion of the “Year-Round Emergency Shelter,” Project No. 428-2590-XXXXX-71044, in the amount of \$4,445,593.

EXECUTIVE SUMMARY:

Both the “Year-Round Emergency Shelter,” CIP Project No. 428-2590-XXXXX-71044, located at 1400 E. Mission, and the “Emergency Shelter Annex/Water Utility Access,” CIP Project No. 428-2590-XXXXX-71053, located at 1390 E. Mission, have been moving forward since February 2018 towards the completion of the Hope for Home Services Center. The entities contracted to complete different areas of the project include: TELACU Construction Management, WLC Architects, Inc., and Kabbara Engineering. TELACU has had many change orders over this time that exceed the \$100,000 threshold and both WLC and Kabbara require amendments to their service agreements to address the projects they were engaged to complete at the Hope for Home Service Center. The requested actions by City Council will allow the aforementioned CIP projects to move forward to completion.

BACKGROUND

The Hope for Home Service Center is made up of two Capital Improvement Projects (CIP), the “Year-Round Emergency Shelter,” CIP Project No. 428-2590-XXXXX-71044, located at 1400 E. Mission, and the “Emergency Shelter Annex/Water Utility Access,” CIP Project No. 428-2590-

XXXXX-71053, located at 1390 E. Mission. The “Year-Round Emergency Shelter” project consists of the main Hope for Home Service Center that includes: the fabric structure shelter, the essential services building, the day use area with storage center, the kitchen and the access center. The “Emergency Shelter Annex/Water Utility Access” property was purchased to create a parking area for the campus and to host several storage containers for the Hope for Home programs. Together these two properties make up the Hope for Home Service Center campus.

To build the campus, the City has contracted with several companies to complete different aspects of the project. TELACU was contracted to construct Phase I and II of the Hope for Home Service Center. This was a design build contract that utilized WLC Architects, Inc. as the architectural design team. Towards the end of Phase II construction, it was determined that the Hope for Home campus needed additional areas of covered space, or shade structures, to accommodate both participants and programming. Once this was determined, WLC Architects was contracted in December 2019, as a sole-source contractor, to develop the design and placement of these shade structures and to prepare the necessary documents for a bid package to build the structures. In addition to these two companies, in November 2018, Kabbara Engineering was engaged by the City to provide engineering design services for the construction of the parking lot to service the Year-Round Emergency Shelter, Hope for Home.

DISCUSSION

As the City moves towards completion of the Hope for Home Service Center, there are several actions by City Council that are necessary. The first being the approval to the change order authority for the construction contract with TELACU Construction Management (TELACU) for Design-Build Services at the “Year-Round Emergency Shelter,” Project No. 428-2590-XXXXX-71044, in the amount of \$500,000. The second being the approval of an amendment to the Professional Services Agreement with WLC Architects, Inc. in the Amount of \$16,830 to include engineering services, in addition to the contracted design services, for installation of shade structures at the Hope for Home Services Center. The third being approval of an amendment to the Engagement Letter Agreement with Kabbara Engineering in the amount of \$16,590 to provide additional engineering services for the Hope for Home parking lot area.

TELACU Construction Management

To complete construction of the Hope for Home Services Center under the “Year-Round Emergency Shelter,” Project No. 428-2590-XXXXX-71044, the City contracted with TELACU Construction Management to provide Design-Build Services. The contract was awarded in two parts under Phase I and Phase II and totaled \$8,335,610. During construction however, several unforeseen circumstances arose, where the scope of the original contract was not sufficient to meet the reality of the project, leading to the submission of change orders by TELACU that ultimately altered the original contract amount. All of these change orders were reviewed by City staff and by Cummings, the construction management company hired by the City to oversee the project from a third party position.

The change orders covered everything from the discovery of seepage pits and undocumented landfill on the property, to the reinstallation of the fire service water lines and relocation of utility lines due to the existing cell tower, to adding equipment to the kitchen and cameras to the exterior of buildings. In total, there were 34 change order submissions by TELACU, of which two were rejected, the majority approved and approximately six are pending final approval. Each submission was reviewed against the original contract and, if found to be outside of the original scope of work, was reviewed for necessity and cost efficiency. The initial requests were discussed by City staff and once deemed necessary were submitted to Cummings for review before final approval. Because the amount of the submitted change orders are close to \$500,000, exceeding the authority of \$100,000 afforded the City Manager, staff is requesting the City Council approve the change order authority for the construction contract with TELACU for Design-Build Services in the amount of \$500,000, bringing the total not to exceed amount to \$8,835,610.

WLC Architects, Inc

Since the award of the construction contract in November 2017 to TELACU, for the Year-Round Emergency Shelter Project, WLC Architects, Inc. has been an integral part of the development team for the Hope for Home project, ensuring that the development meets the needs and requirements of the City. On December 5, 2019, a Professional Services Agreement was approved under City Code Sec. 2-1003 with WLC Architects, Inc. in the amount of \$25,000 under “Year-Round Emergency Shelter,” CIP Project No. 428-2590-XXXXX-71044. This agreement provided for architectural services to assist the City in the consultation, design layout and development of a shade structure package for both bidding and construction by general contractor. After review of the proposed design, staff requested the addition of electrical power at the shade structures to provide for lighting, fans and convenience outlets. Staff is recommending that City Council amend the Professional Services Agreement to accommodate the additional electrical scope of work in the amount of \$16,830, increasing the total agreement to \$41,830.

Kabbara Engineering

As of November 2018, Kabbara Engineering has been engaged by the City to provide engineering services for the “Emergency Shelter Annex/Water Utility Access,” CIP Project No. 428-2590-XXXXX-71053. Kabbara Engineering has been designing the parking lot and landscaping at 1390 E. Mission Boulevard and the access design between the parking lot and the main Hope for Home Services Center campus. As the City finalizes the construction phase of the Hope for Home Services Center, the City is also moving forward to complete the design phase and finalize the plans, specifications and cost estimate documents to be used in the procurement phase of the parking lot construction.

Staff is requesting an amendment to the engineering scope of work to 1) provide for an additional property survey, made necessary by an increase of dirt on the site as a result of the construction of the Hope for Homes Services Center being staged on this adjacent property; 2) to revise the proposed parking lot design to incorporate specifications to accommodate the accessibility path of travel from the parking lot to the shelter property; 3) to redesign affected landscape areas; and, 4) to add convenience receptacles near the storage container area.

Staff is recommending that City Council amend the current Letter of Engagement to extend the services of Kabbara Engineering through completion of the construction of the parking lot at 1390 E. Mission, for the amount of \$16,590, increasing the total agreement to \$77,700.

COUNCIL PRIORITIES & GOALS: This action supports City Council Goal K – to reduce the unsheltered homeless population by 10% annually and take actions to mitigate the impacts of homelessness on the community.

Prepared by:

Benita DeFrank,
Neighborhood Services Director