



AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: November 19, 2013

Agenda Item 6F
Approvals:
City Manager [Signature]
Dept. Head [Signature]
Attorney JAG
Finance [Signature]

Department: Public Works / Engineering
Prepared By: Tom Bonigut, Assistant City Engineer TB

Subject: *APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH ANDERSON PENNA FOR MARBLEHEAD COASTAL CONSTRUCTION INSPECTION SERVICES.*

Fiscal Impact: None. The cost of the requested construction inspection services will be offset by construction inspection fees collected for this project.

Summary: This request is for City Council approval of an agreement for Marblehead Coastal construction inspection services as described below.

Background: As the City Council is aware, LV Marblehead LLC has resumed work to complete the improvements required by the Marblehead Coastal Development and Subdivision Improvement Agreements. Improvements currently underway include the Phase I trail system, habitat restoration, detention/water quality basin and related grading, Avenida Vista Hermosa dry and wet utilities, plus AT&T fiber optic line relocation and backbone storm drain completion on the commercial site. Significant additional work will be started or resumed soon, including completion of Avenida Pico (street lights, landscaping and sidewalk), completion of Avenida Vista Hermosa (traffic signals, street lights and signs, landscaping, striping and decorative crosswalks), Phase II trails, Pico and Sunset parks, and completion of Avenida Costa Azul (to provide access to Sunset Park). On the commercial site, rough and precise grading will soon resume (by early December) followed by the start of commercial site utilities, parking lots landscaping and Phase I buildings. Since construction activity is increasing, additional contract inspection support is needed.

Discussion: When SunCal was developing the Marblehead Coastal project, the City used a contract inspector to provide inspection for the numerous improvements being constructed on the site. During the bankruptcy when limited work was being performed under a settlement agreement with Arch Insurance, City staff was able to provide construction inspection. Now that LV Marblehead LLC has assumed development responsibilities and construction activity is increasing, staff recommends resuming contract inspection to address this added inspection workload. During the bankruptcy, the contract inspector the City had used for this project switched to the firm of Anderson Penna. This contract inspector is already very familiar with City requirements and processes, as well as the scope and complexity of the Marblehead Coastal development improvements. Staff recommends Council approval of an agreement with Anderson Penna so that the same contract inspector can be used to provide construction inspection on this project. The contract will be on a time-and-materials basis using negotiated hourly

rates where only actual hours worked will be charged to the City, and the City may reduce the hours or cancel the contract commensurate with the anticipated inspection workload. The estimated cost for full-time contract inspection and administration through the remainder of Fiscal Year 2014 is about \$115,000. A supplemental appropriation will be required for this agreement, but this cost will be offset by inspection and permit fees collected for this project. The current approved FY 2014 budget includes only modest anticipated revenue from construction inspection fees because the timing of Marblehead Coastal work was uncertain when the budget was developed. Currently about \$119,000 in such fees has already been collected in FY 2014, with additional fee revenue expected. Therefore this request also includes an action to accept additional revenue from these fees, and staff will provide further appropriate updates during the FY 2014 mid-year adjustments. Contract inspection services will be needed beyond the end of the fiscal year, but that estimated cost (along with estimated construction permit fee revenue) will be included in the FY 2015 budget request.

Recommended

Action: STAFF RECOMMENDS THAT the City Council:

1. Approve and authorize the Mayor to execute a Professional Services Agreement with Anderson Penna for Marblehead Coastal Development Construction Inspection Services;
2. Approve a supplemental appropriation of \$115,000 from the General Fund Account No. 001-411-43892-000-00000 (Development Contractual Services); and
3. Accept revenue of \$115,000 into General Fund Account No. 001-000-34531 for construction inspection fees associated with the Marblehead Coastal development project.

Attachments: None. The proposed Professional Services Agreement for Marblehead Coastal Development construction inspection services is available for review in the City Clerk's office.

Notification: None.