



June 20, 2017

TO: LOCSD Board of Directors
FROM: Rob Miller, District Engineer
SUBJECT: **Agenda Item 11G – 7/6/2017 Board Meeting**
Approval and Award of Design Services Contract to
MNS Engineers - 8th Street Well Equipping Project

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DESCRIPTION

In April 2017, the District issued a Request for Proposals (RFP) for design services to equip the recently drilled 8th Street and El Moro Well. This upper aquifer well was drilled in December 2016. Once equipped with a well pump and ancillary equipment, water from this upper aquifer well will be blended with water from the lower aquifer well, thus reducing the pumping demand on the lower aquifer while making use of upper aquifer water. On May 15, 2017, a non-mandatory pre-proposal meeting was held at the Project site. Four prime consulting firms were at the meeting, including Phoenix Civil Engineering, MSN Engineers, AECOM, and MKN Associates. Thoma Electric, a probable electrical subconsultant to the prime consultants, also attended the meeting. Two proposals were received on May 25, 2017 from Phoenix Civil Engineers and MNS Engineers.

SUMMARY OF STAFF RECOMMENDATION

After review of the two proposals, based on overall qualifications stated in the proposals, the District Engineer recommends contract award to MNS Engineers. After making this qualifications-based selection, staff opened sealed fees and began reviewing design fees with the recommended consultant (MNS Engineers). The District Engineer met with MNS Engineers and recommended streamlining the scope of services and fees by implementing a two-phase approach to design services: Phase 1) Preliminary scoping meeting with District Engineer; and Phase 2) Final Design Services.

Motion: I move that the Board award a professional engineering services contract to MNS Engineers for the design of the 8th & El Moro Upper Aquifer Well Equipping, Phase 1 as stated, not to exceed \$8,300.

DISCUSSION

A detailed review of the two proposals based on criteria outlined in the RFP is attached to this Staff Report (Exhibit 1). Based on this review, the District Engineer recommends awarding contract to MNS Engineers, upon successful negotiation of the work scope and fees. MNS Engineers also provided some comments to the District's proposed Agreement for Professional Services. District Counsel reviewed the proposed comments by MNS Engineers, and after accepting some revisions, rejecting others, came to agreement with MNS Engineers on the proposed Agreement for Services, included as Exhibit B.

After reviewing the scope of services proposed by MNS Engineers, and corresponding fees, the District Engineer and MNS Engineers met to discuss options to streamline and reduce the overall effort for design services. It was agreed to begin the design services with an initial Phase 1 scope of services, with the understanding that this Phase 1 Scope of Services will result in overall streamlined detailed design fees, to be brought to the Board at the next or subsequent Board meeting.

Kickoff and Scoping Meeting

Wallace Group will arrange for a meeting with MNS, Thoma Electric, and LOCSD Operations staff, to kick off the meeting, and review and discuss project design requirements. Wallace Group will also invite the County of San Luis Obispo to this meeting, to discuss requirements for backup power considerations with the on-site County generator building. The focus of the meeting will be to streamline detailed design requirements to add to MNS' design contract with the District. MNS shall prepare meeting minutes to this meeting, for distribution to all.

The meeting will be held at Wallace Group's office, 612 Clarion Court, San Luis Obispo. Meeting duration is expected to be 2 hours.

NTE Fees: \$3,200

Preliminary Design Letter

Following the kickoff and scoping meeting, MNS shall prepare a brief design letter report, outlining the design recommendations discussed at the kickoff meeting. Wallace Group and District staff will review and comment on the letter report. MNS shall prepare a final letter report documenting design decisions, followed by preparation of an updated and refined detailed design scope of services.

NTE Fees: \$5,100

FINANCIAL IMPACT

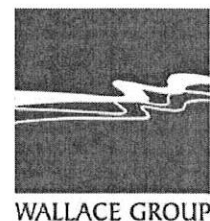
The Phase 1 not-to-exceed fees are \$8,300, well within the District's Water Fund line item design fee budget for this Capital Improvement Project. It is expected that the Phase 2 design services, in conjunction with these Phase 1 fees, will also remain within the District's design fee budget for this Project.

Attachments – Exhibits A & B

EXHIBIT A PROPOSAL REVIEW

MEMORANDUM

Los Osos CSD
8th & El Moro Well Equipping



Date: May 31, 2017
To: Rob Miller, District Engineer
From: Steven G. Tanaka
Subject: Review of Proposals for 8th & El Moro Equipping

CIVIL AND
TRANSPORTATION
ENGINEERING

CONSTRUCTION
MANAGEMENT

LANDSCAPE
ARCHITECTURE

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ENGINEERING

PLANNING

PUBLIC WORKS
ADMINISTRATION

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GIS SOLUTIONS

WATER RESOURCES

This memorandum summarizes the review of proposals received for the 8th & El Moro Well Equipping Project. Two proposals were received, from Phoenix Civil Engineering, and MNS Engineers.

Proposals were reviewed and ranked according to criteria listed in the RFP, with corresponding point scores, for a total possible point score of 100 points.

Responsiveness to RFP. Both firms provided all of the information requested. MNS reviewed the District's Agreement in detail and offered suggested revisions to the Agreement.

Team Qualifications. The MNS team offers individuals experienced in municipal water well design. Phoenix provided a solid team of water resource engineers. Jon Turner, proposed PM for Phoenix, has a solid 20 year design background, but no listed experience with domestic water wells. Julia Aranda, proposed PM for MNS, offers over 25 years of similar experience, including relevant projects pertaining to domestic water wells. Both firms had ample qualifications relative to municipal water system projects. All of MNS' relevant municipal/domestic water supply projects related to water wells, wellhead treatment. Phoenix provided a substantial list of water related projects, but all were water distribution piping and sewer collection projects, with no relevant domestic well experience. Phoenix mentions one water well project with San Simeon in the Understanding Section, but it is not listed in the Project Experience Section of the Proposal.

Understanding. Both firms presented a good understanding of the project needs relative to technical requirements to equip the new well. MNS provided good insight to the District's needs relative to limited financial resources and the need to keep a cost-effective practical design in mind.

- Phoenix included a hydrogeological consultant on the team. They proposed an optional task for peer review of the existing well study prepared by Cleath. It was not made clear why Phoenix felt this optional task might be needed.
- Phoenix' scope and expectation for meetings is excessive. They propose up to 5 team meetings, 12 project review meetings, and 4 permit review meetings.

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It is expected, however, that this issue could be addressed during negotiations with the consultant.

Schedule. Both firms propose an approximate 5-1/2 month design schedule, which appears reasonable.

Local Presence. Phoenix's office is located in the Santa Paula office, approximately 140 miles south of San Luis Obispo. MNS will "staff" the project from the San Luis Obispo Office. However, it is not clear from which office the MNS Project Manager is from; however, she has an 818 area code which suggests San Fernando Valley/Los Angeles area. Neither proposal made it clear where their respective Project Managers reside or which office they work out of.

RECOMMENDATION

After review of both proposals received, Wallace Group's recommendation is to award to MNS and begin contract negotiations with this selected firm.

Criteria	Total Points	Phoenix	MNS
Responsiveness to RFQ	15	14	15
Team Qualifications	25	22	25
Understanding and Approach	30	25	29
Project Schedule	20	20	20
Local Presence	10	9	10
TOTAL	100	90	99

SGT:

EXHIBIT B
AGREEMENT FOR SERVICES MNS

NOTE: Requested edits proposed by MNS, accepted by District Counsel, except as noted

Contract Exceptions

MNS reviewed this RFP and the District's standard agreement. We request our suggestions be considered by the District in an effort to reduce the amount of liability. Please contact us with any questions or concerns in regard to these changes. We are certain we can come to an acceptable agreement with the District in regard to the standard agreement. Only pages with comments are provided in this section.

2.03 **Tools and Instrumentalities:** Consultant shall provide all tools and instrumentalities to perform the services under this agreement.

2.04 **Workers' Compensation and Other Employee Benefits:** LOCSD and Consultant intend and agree that Consultant is an independent contractor of LOCSD and agree that Consultant and Consultant's employees and agents have no right to Workers' Compensation and other LOCSD-sponsored employee benefits. Consultant agrees to provide Workers' Compensation and other employee benefits, where required by law, for Consultant's employees and agents. Consultant agrees to hold harmless and indemnify LOCSD for any and all claims arising out of any claim for injury, disability, or death of Consultant and any of Consultant's employees or agents.

2.05 **Indemnification: Design Professional:** (a) To the fullest extent permitted by law, the Design Professional shall indemnify the LOCSD, and its elected officials, officers, and employees from and against all liabilities that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Design Professional, or its employees, agents, or subcontractors. Liabilities to the extent caused by the Design Professional and subject to the obligation to indemnify include all claims, losses, damages, defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. The Design Professional's obligation to indemnify applies ~~unless it is finally adjudicated that the liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, then Design Professional's indemnification obligation shall be reduced in proportion to the established comparative liability.~~

only to the extent caused by, and on a percentage basis of fault as ultimately determined by a court of competent jurisdiction.

(b) The duty to defend is a separate and distinct obligation from Design Professional's duty to indemnify. Design Professional shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, ^{applicable only to matters not related to Professional Liability} ~~with counsel approved by the LOCSD,~~ the LOCSD and its elected officials, officers, and employees, immediately upon tender to Design Professional of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. ~~An allegation or determination that persons other than Design Professional are responsible for the claim does not relieve Design Professional from its separate and distinct obligation to defend under this section.~~ The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent defense counsel if Design Professional asserts that liability is caused in whole or in part by the



EXHIBIT C

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to LOCSD in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to LOCSD.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office “Commercial General Liability” policy form CG 00 01 or the ~~exact~~-equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.



Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto) or the ~~exact~~ equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant’s employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.



[Note: may need to delete workers' compensation and employer's liability insurance requirements for certain sole proprietorships, partnerships, or corporations without employees]

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer’s liability limits no less than \$1,000,000 per accident or disease.

[Note: If the required limits for general liability, auto and employer’s liability are \$1 million or less, the following paragraph may be omitted.]

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured’s liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to LOCSD for injury to employees of Consultant, subconsultants or others involved in the Work. The scope of coverage provided is subject to approval of LOCSD following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against ^{negligent} acts, errors or omissions of the consultant and



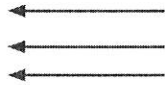
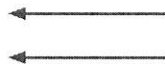
LOCS D
Professional Services Contract
Page 12

“Covered Professional Services” as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer’s duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and LOCS D agree to the following with respect to insurance provided by Consultant:

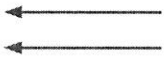
1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds ^{or equivalent} LOCS D, its officials, employees ~~and agents~~, using standard ISO endorsement No. CG 2010 ~~with an edition prior to 1992~~. Consultant also agrees to require all contractors, and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant’s employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against LOCS D regardless of the applicability of any insurance proceeds, and to require all contractors and subcontractors to do likewise.
3. All insurance coverage and limits provided by Contractor and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the LOCS D or its operations limits the application of such insurance coverage.
- ~~4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to LOCS D and approved of in writing.~~
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called “third party action over” claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by the LOCS D, as the need arises. Consultant shall not make any reductions in scope of coverage ~~(e.g. elimination of contractual liability or reduction of discovery period)~~ that may affect LOCS D’s protection without LOCS D’s prior written consent.
7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant’s general liability policy, shall be delivered to LOCS D at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, LOCS D has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid



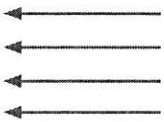
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by LOCS D shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at LOCS D option.

- 8. Certificate(s) are to reflect that ~~the insurer will provide~~ 30 days notice to LOCS D of any cancellation of coverage. ~~. 10-day notice for non-payment of premium, will be provided.~~
- 9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self insurance available to LOCS D.
- 10. Consultant agrees to ensure that subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to LOCS D for review.
- 11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any contractor, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to LOCS D. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the LOCS D. At that time the LOCS D shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
- 12. The LOCS D reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the LOCS D will negotiate additional compensation proportional to the increased benefit to LOCS D.
- 13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.



~~14. Consultant acknowledges and agrees that any actual or alleged failure on the part of LOCS D to inform Consultant of non-compliance with any insurance requirement in no way imposes any additional obligations on LOCS D nor does it waive any rights hereunder in this or any other regard.~~



- 15. Consultant will renew the required coverage annually as long as LOCS D, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until LOCS D executes a written statement to that effect.