

City of Santa Fe, New Mexico

memo

Date: January 22, 2015

To: Robert Rodarte, Purchasing Officer 

Via: Nick Schiavo, Public Utilities Department Director *NSA*

From: Robert Jorgensen, Engineer 

Item & Issue

Approval of a sole source contract with Weaver Construction Management in the amount not to exceed \$135,140.25 is requested.

Background

Weaver Construction Management (WCM) is under contract with the City of Santa Fe to provide construction management services for reservoir improvements. The construction management contract was entered into on June 6, 2011 with an expiration date of December 31, 2012 and included three phases: 1) pre-construction phase which was concurrent with engineering design was anticipated to take 90 - 120 calendar days; 2) construction phase services was anticipated to take 365 days; 3) project closeout phase was anticipated to take 30 calendar days.

The original project scope included new catwalk bridges from the dam crest to the vertical intake tower and the repair/replacement of intake valves at both McClure and Nichols dams. After an engineering evaluation of the vertical towers, the project scope was greatly expanded to completely replace the intake structures at each dam. The pre-construction phase went from 6 months to 24 months. The replacement intake structures required 9 months per dam to construct and required that the dam be drained during the work. Therefore sequential construction was required and the construction phase increase from 12 months to 24 months. The WCM contract was amended to accommodate these scope changes.

Construction at Nichols dam began in September 2013 and substantially completed in May 2014. The City issued a notice to proceed (NTP) with work at McClure dam to RMCI, the construction contractor, on November 7, 2014 along with a change order extending the contract completion date to November 27, 2015.

The WCM contract expires on June 5, 2015 prior to the completion of construction. Due to a 4 year term limit, the WCM contract cannot be extended.

Sole Source Contract

A sole source contract with WCM to complete construction phase and project close phase work will provide project continuity which is in the best interests of the City. Project continuity will ensure that construction quality is maintained throughout the project and will not require

mobilization and start-up costs required if a new vendor was selected. The original contract with WCM for construction management was procured through RFP '11/16/P and contract pricing is consistent with the original proposal.

Two alternatives to a sole source contract with WCM are described below along with the reasoning as to why they are not recommended:

- A. Let the WCM contract expire on June 5, 2015 and complete project management with City staff. The City may need to have limited specialized consulting services for soil and concrete inspection / consultation and have a full time person dedicated to the project. The City will not be licensed or capable of performing construction services as is WCM nor have the direct construction experience/expertise as does WCM. Delay in identifying and resolving contract issues or field problems may result in added costs and completion time and/or may reduce project quality.
- B. Issue RFP for CM services from June 6, 2015 through December 27, 2015. A new construction manager would have to mobilize setting up field office and have little time to get up to speed as project construction activities would be at or near peak levels. It is anticipated that a new construction manager would have added work as compared to WCM to research and review contract documents, inspections, and as-constructed drawings, test records, and other items.

A WCM sole source contract with a term from May 29, 2015 to December 27, 2015 in the amount not to exceed \$135,140.25 requested. The 'not to exceed amount' is based on a construction start date of February 2, 2015 and construction completion date of November 27, 2015 as outlined in attached WCM letter dated November 17, 2014. WCM will issue a credit of \$5,250 plus GRT for each full week that construction is completed prior to November 27, 2015.

A transition from the current WCM contract with a deductive change order and a WCM sole source contract is detailed in the attached worksheet.

Funding

Funding in the amount of \$49,942.60 will be available after the current WCM contract and P.O. 13140965 is closed. Funding in the amount of \$85,197.66 is available in BU/LI 52350.572970.

Recommendation

Approval of the sole source construction management contract in the amount not to exceed \$135,140.25 to complete work at McClure Dam and Reservoir is in the best interest of the City and is requested.

Weaver Construction Management Contract Transition Worksheet

The current WCM contract is summarized in the Table 1 below.

Table 1 : WCM Current Contract Summary							
	Amount	NMGRT	Total	Contract Cumul. Tot.	Contract Extension	Contract Expiration	Contract/Amendment Approval
Original	549,550.00	44,994.41	594,544.41	594,544.41	NA	12/31/12	Council 5/25/11 Item #11-0439
Amend #1	3,572.00	292.46	3,864.46	598,408.87	365 Days	12/31/13	CM 1/2/13 Item #13-0045
Amend #2	0.00	0.00	0.00	598,408.87	365 Days	12/31/14	CM 11/19/13 Item #13-1191
CO-03*	238,722.00	19,545.36	258,267.36	856,676.23	365 Days	12/31/15	Council 3/26/14 Item #14-0117A
CO-04*	0.00	0.00	0.00	856,676.23	-209 Days	6/5/15	CM 5/21/14 Item #14-0349
Total	791,844.00	64,832.23	856,676.23				

Contract approved by Council on May 25, 2011 with WCM signature dated June 6, 2011

* Change Orders 03 & 04 signed concurrently on 5/21/14 by mayor/city manager respectively

In order to transition between the current WCM contract which expires on June 5, 2015 and a sole source contract with a term beginning in May 29, 2015 and extending through December 27, 2015, the current WCM contract will be modified with a deductive change order as detailed in Table 2 below.

Table 2: Deductive Change Order Current WCM Contract			
	Amount	NMGRT	Total
Current	791,844.00	64,832.23	856,676.23
Deductive CO	-46,163.00	-3,779.60	-49,942.60
Final Amount	745,681.00	61,052.63	806,733.63

The WCM sole source contract will include the work under the deductive change order outlined above as well as the work additional work required to extend the construction phase to November 27, 2014 and through project closeout as detailed in Table 3 below.

Table 3: Proposed Sole Source WCM Contract			
	Amount	NMGRT	Total
Transfer from Old Contract	46,163.00	3,779.60	49,942.60
Additional Work	78,750.00	6,447.66	85,197.66
Not to Exceed Amount	124,913.00	10,227.25	135,140.25

The 'not to exceed amount' is based on construction completion by November 27, 2015. WCM will issue a credit of \$5,250 plus GRT for each full week that construction is completed prior to November 27, 2015.

SOLE SOURCE REQUEST AND DETERMINATION FORM

This form must be forwarded to the Purchasing Officer for the City of Santa Fe Purchasing Office for processing.

Date: January 22, 2015

Prepared By: Robert Jorgensen

Title: Engineer

Vendor Name: Weaver Construction Management

Address: 7911 Shaffer Parkway

City: Littleton

State: Colorado

Zip Code: 80127

Description of Good/Service to be Procured: Construction management services for McClure & Nichols Reservoirs Infrastructure Improvements CIP #3038 from

Estimated Cost: \$135,140.25**

Term of Contract: May 29, 2015 to December 27, 2015

1. Explain why this is the only available source that can be meet the needs of your department.

Weaver Construction Management Inc. (WCM) is under contract to perform construction management services for the McClure & Nichols Reservoirs Infrastructure Improvements CIP #3038. The WCM construction management contract will terminate on June 5, 2015 prior to the anticipated McClure reservoir construction completion date of November 27, 2015.

A sole source contract with WCM for the period of May 29, 2015 through December 27, 2015 is in the best interest of the City. WCM has not been responsible for increased engineering scope which delayed construction start or the increased construction time for McClure reservoir work.

A sole source contract will provide construction management continuity which will benefit the City. WCM has a great deal of experience with the Nichols reservoir work which is directly applicable to McClure. A new vendor would not have this experience and would have to perform a significant amount of work getting up to speed and mobilize a field office.

2. Explain why this vendor is the only available source from which to obtain this product of service.

The company has affirmed (memo from vendor is attached) that there is no other source for this item. Our search for possible vendors proved unsuccessful; or

Other reason, please explain in full. Attach additional sheets, if necessary.

A sole source contract will provide construction management continuity which will benefit the City. WCM has a great deal of experience with the Nichols reservoir work which is directly applicable to McClure. A new vendor would not have this experience and would have to perform a significant amount of work getting up to speed and mobilize a field office.

3. Explain why the price is considered fair and reasonable.

The pricing is consistent with the Weaver Construction Management contract procured under RFP '11/16/P for which three proposals were received.

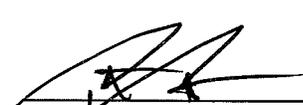
4. Describe the efforts made to obtain the best possible price from this sole source vendor for the taxpayers. What (if any) is the total cost savings from the original quote? (Attach additional sheets, if necessary.)

The pricing is consistent with the Weaver Construction Management contract procured under RFP '11/16/P for which three proposals were received.

** The sole source contract amount is not to exceed \$135,140.25. The current WCM contract will have a deductive change order in the amount of \$49,942.60 leaving a balance of \$85,197.66 that will require additional funding.

Approvals:

Based on the above facts, the Purchasing Office has made the determination that the justification for the Sole Source procurement is in accordance with Section 13-1-126, NMSA 1978 and will be posted for a 30-day period prior to award.


Robert Rodarte
Purchasing Officer

1/20/15
Date

Pursuant to Section 13-1-126, NMSA 1978, the 30-day posting period of the Notice of Intent to Award this Sole Source request was met and no obligation to the award to the above referenced contractor were received. This Sole Source determination will be valid for a period of one (1) year from the date of the award.



Robert Rodarte
Purchasing Director
City of Santa Fe

1/20/15
Date

Required Attachments:

- *Letter from Contractor, if applicable
- *Agenda Item to be presented to City Council if over \$50,000 for Professional Services and \$50,000 for Goods and Non-Professional Services

November 17, 2014

Robert Jorgensen, PE
 Engineer, Water Division
 City of Santa Fe
 801 W. San Mateo Rd.
 Santa Fe, NM 87505

RE: City of Santa Fe – Reservoir Infrastructure Improvements

Dear Mr. Jorgensen,

Pursuant to our conversations last week concerning our contract, we are submitting a Change Order request to cover our time and expense to extend our contract to December 27, 2015, one (1) month past RMCI, Inc.'s current contract completion date. This additional month is to cover contract close outs.

A change order has been issued to RMCI, Inc. to extend their contract to November 27, 2015 due to time required for dewatering McClure Reservoir and no work during the winter months. Weaver Construction Management's current contract expires June 30, 2015, thus requiring a 6 month time extension. The contract value of this change request is variable and dependent on when RMCI, Inc. resumes work, and an unwritten agreement with Weaver Construction Managements current contract value and time.

RMCI, Inc. Assumed Start Date	12/1/2014	1/1/2015	2/1/2015	3/1/2015
25 Weeks @ \$5,250.00/ Week	\$ 131,250.00	\$ 131,250.00	\$ 131,250.00	\$ 131,250.00
Less the Month of July *	\$ (21,000.00)	\$ (21,000.00)	\$ (21,000.00)	\$ (21,000.00)
1/2 December 2014 **		\$ (10,500.00)	\$ (10,500.00)	\$ (10,500.00)
Jan-15			\$ (21,000.00)	\$ (21,000.00)
Feb-15				\$ (21,000.00)
Subtotal	\$ 110,250.00	\$ 99,750.00	\$ 78,750.00	\$ 57,750.00
NMGRT @ 8.1875%	\$ 9,027.00	\$ 8,167.00	\$ 6,448.00	\$ 4,728.00
Net Change Order Amount	\$ 119,277.00	\$ 107,917.00	\$ 85,198.00	\$ 62,478.00

* The original contract change order extending the contract and amount was through July 31, 2014. The City of Santa Fe's Procurement Code could not extend our contract over Four (4) years, thus a revised Change Order was issued changing the date to June 30, 2014. Understanding we would have a One Month close out period, A verbal agreement between the City of Santa Fe and Weaver Construction Management was to leave the original dollar amount requested the same and that Weaver Construction Management would close out the contracts during July 2014 without a contract.

** Currently, RMCI, Inc. is planning on completing Nichols Punch list and remaining contract work that will take them through December 11, 2014.

Based on the above, Weaver Construction Management is requesting a Change order to extend our contract Six (6) Months to December 27, 2015, and increase our contract value in the amount not to exceed of One Hundred Ten Thousand Two Hundred Fifty Dollars (\$110,250.00) plus New Mexico Gross Receipts Tax. This amount not to exceed is based on RMCI, Inc.'s current contract completion of November 27, 2015.

If you have any questions, please feel free to contact me at your convenience.

Sincerely,

WEAVER CONSTRUCTION MANAGEMENT, INC.

A handwritten signature in dark ink, appearing to read "Daniel K. East", is written over a faint, circular stamp or watermark.

Daniel K. East
Project Manager

CC: Wayne O'Brien – Garney Companies
Sean Voss – WCM/Garney (via Email)