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Revised April 13, 2017

John Iasin, PE
Interim Public Works Director
City of Santa Paula
P O Box 569
Santa Paula CA 93061

SUBJECT: Proposal – Program Management/Staff Augmentation for the Water Recycling Facility

Dear John,

Michael K. Nunley & Associates, Inc. (MKN) is pleased to submit this proposal to assist the City of Santa Paula (City). The City has requested that MKN provide a proposal to perform the following tasks related to ongoing operations of the City Water Recycling Facility (WRF):

- Engineering support during transition activities as City moves from current operator to new contract operator
- As-needed support, including review of plans, recommendations, and capital expenditures proposed by the contract operations firm
- Review of budgets and expenditures for wastewater operations
- Development and management of major capital improvements, including repair and replacement of plant equipment and systems
- Site visits and meetings as directed by City staff

If authorized, MKN will perform the following services:

SCOPE OF WORK

Task Group 100 – Engineering Support During Transition Activities

Task 101 - Transition Coordination

The City is planning to execute an agreement for contract operations with American Water Operations & Maintenance (AWO&M). MKN will attend transition planning meetings and conference calls with City and AWO&M staff; identify and review manuals, plans, warranties, and other documents required from the current operations firm prior to transition; and provide engineering support during initial condition assessment and reporting.

MKN has budgeted 38 hours to provide support under this Task.

Task 102 - Asset Inventory Inspection

MKN and our subconsultant, Coombs Services Group, will perform the following services:

- Provide a site inspection of the WRF equipment to prepare an asset inventory sheet for all spare parts, spare equipment and consumables owned by the City of Santa Paula

- Provide an asset inventory report identifying each item

Task Group 200 – Review of Recommendations and Proposals from Contract Operator

The future contract operator will be required to participate in 3rd party verification of major capital expenditures, repairs, replacement of equipment. A cost opinion will also be required for certain “non-emergency” work items prior to implementation by the operator.

MKN will coordinate 3rd party inspections, when appropriate, by qualified service providers who will contract directly with the City. MKN’s services will include contract negotiation, meetings, status reviews, and report review and comment.

When directed by the City, MKN will perform a review of cost opinions, 3rd party verification reports, and other supporting documentation and request additional information if warranted. MKN will provide a recommendation to City staff to accept, modify, or reject the proposed work item in writing.

MKN has budgeted 48 hours per year to provide support under this task group.

Task Group 300 – Review of Budgets, Expenditures, and Payment Requests

MKN will review the annual City budget and payment requests from AWO&M as requested by the City. A budget of 48 hours per year is recommended for this task.

Task Group 400 – Meetings, Site Visits, and Conference Calls

As directed by City staff, MKN will plan and attend meetings, site visits, and conference calls with City and/or AWO&M. A budget of 100 hours per year is recommended, with a mileage and travel cost allowance of \$3000 for 20 trips per year.

Task Group 500 – Project Management and Reporting

Task 501 - Progress Reporting

MKN will prepare monthly status reports outlining, at a minimum, accomplishments since prior report, current status of performance such as cost and schedule performances, progress toward resolution of previously identified problems, problems or potential problems since prior report, planned corrective actions, and milestones expected to be reached during next reporting period. Each progress report shall also include photographs taken of major capital projects or major equipment expenditures during the reporting period.

It is assumed that 4 hours per month will be required for preparing the progress report.

Task 502 - File Management System

MKN will develop and manage an electronic file-sharing and document management system. The systems that will be explored are readily-available, industry standard systems that are routinely used for document management and file sharing. By selecting the software, the City can identify the features that are appropriate for the program and can control the budget for the licenses or fees.

It is assumed the City will pay any software or license costs for each copy of the system recommended by MKN.

An initial estimate of 20 hours to establish the system and monthly estimate of 4 hours per month is assumed for this task.

Task Group 600 – Engineering and Procurement

As needed, MKN will prepare Requests for Proposals for engineering, analytical, planning, permitting, or inspection services related to the WRF.

MKN can also prepare construction documents, plans, specifications, schematics, and other documents necessary for procuring engineering, construction, inspection, repair, or rehabilitation services for a WRF project.

An allowance of 300 hours per year is recommended. Written authorization will be required to utilize the budget for this task group.

Task Group 700 – Construction or Installation Phase Support for Capital Improvements

MKN will perform the following tasks. A budget of 200 hours is assumed for the services identified within this Task Group.

Task 701 - Bid Phase Support

Where bidding of capital improvements or equipment is required, MKN will provide bid phase support to assist CITY with preparation for bid, questions during bid advertisement, and bid review. MKN will perform the following:

- Provide electronic plans and specifications for electronic and hard bid distribution (by ASAP or similar). It is assumed CITY will contract with a local copy service for distribution of plans & specifications and to manage the bidders' list. MKN will coordinate copy service's activities and receive weekly updates on the list of plan holders to provide to CITY.
- Provide CITY with construction documents (electronic copies)
- Organize and attend pre-bid job walk
- Respond to inquiries from bidders
- Receive bidders' questions and coordinate responses with CITY, as required
- Prepare addenda, if required
- Assist the CITY in bid review
- Provide recommendations on successful bidder award
- Assist CITY in resolving bid protests (if necessary – budget to be determined at that time)
- Attend City Council meeting to present recommendations on bid award

The following engineering services during construction will be provided. Assumptions are included as the basis for the budget.

Task 702 - Preconstruction Meeting

MKN will plan and attend a meeting with the CITY and the Contractor to review the project status, discuss schedule and project requirements, and establish lines of communication.

Task 703 - Submittal review

MKN will receive, log, and review technical submittals and provide responses in a timely manner.

Task 704 - Respond to RFIs

MKN will log, manage, and respond to Requests for Information (RFIs) from the Contractor.

Task 705 - Respond to Requests for Change

As directed by CITY, MKN will review proposed change orders related to design issues submitted by the Contractor or requested by the CITY. Change order submittals will include supporting records. MKN's review will include the potential impacts on the Project schedule and budget and will include recommendations to address the proposed changes. Our budget assumes two (2) change order requests (total).

Task 706 - Engineer's observation of work in progress

MKN will perform technical field observation to review work progress for general conformance with the plans and specifications and assess design issues or conflicts as they arise. MKN will provide a written summary of the field visit and construction progress and will contact CITY immediately if nonconformance issues are identified.

Overall level of effort for observation of Contractor's work in progress can vary greatly. If additional field observation beyond our assumed budget is necessary, MKN will alert the City promptly with a recommendation on how to proceed.

Task 707 - Final walkthrough and punch list

MKN will attend a final walkthrough with CITY and contractor to develop a punch list for final completion of the project.

Task 708 - Record drawings

MKN will prepare a final set of record drawings based on the Contractor's as-built drawings.

Services Not Included

This scope of work excludes all services not explicitly mentioned above, including electrical engineering; controls/instrumentation engineering and systems integration; CEQA support; support for property negotiations; design phase survey or topographic mapping; construction survey and staking; materials testing; special inspections; labor compliance monitoring; environmental monitoring; and permit compliance. MKN can provide these services upon request.

Assumptions

- MKN shall be entitled to rely reasonably upon the accuracy of data and information provided by or through Client and will use good professional judgment in reviewing and evaluating such information. If MKN identifies any error or inaccuracy in data or information provided by or through Client, or determines that additional data or information is needed to perform the services, MKN shall promptly notify the client.
- MKN will provide data requests to Client as needs arise.

BUDGET FOR PROGRAM OFFICE

In order to provide a local office per the City’s direction in the Request for Proposals, MKN proposes the following options:

Option 1 (Co-location) – MKN staff could work within an available cubicle, office, or workstation at the City Public Works office.

Option 2 (Santa Paula Field Office) – MKN could lease an office space that is adequate for a workstation and a meeting area.

Option 3 (Sublease in Ventura) – MKN has identified an opportunity to sublease space from another consulting firm in Ventura County

ESTIMATED FEE

A level of effort is difficult to predict at this time, since the work required could vary depending on circumstances outside of our control.

The following budget summarizes our fee for all tasks identified above.

It is proposed that the amount shown for each year (Year 1 assumed to be April 1, 2017, through March 31, 2018) not including an allowance for office space. If Options 2 or 3 are approved the total additional budget would range from \$9,000 to \$12,000. It is assumed that future year budgets (Years 2 through 4) would be escalated by 3% per year. A revised fee schedule will be submitted each calendar year.

The following table summarizes the budget per year. As shown below, costs for Task Group 100 would be incurred during Year 1 but not subsequent years.

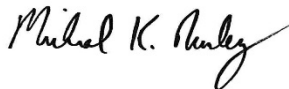
Task Group	Year 1	Year 2	Year 3	Year 4
100 – Engineering Support During Transition Activities	\$11,219	--	--	--
200 - Review of Recommendations and Proposed Capital Expenditures	\$7,540	\$7,766	\$7,999	\$8,239
300 – Review Budgets, Expenditures, and Payment Requests	\$7,540	\$7,766	\$7,999	\$8,239

Task Group	Year 1	Year 2	Year 3	Year 4
400 – Meetings, Site Visits, and Conference Calls	\$19,000	\$19,570	\$20,157	\$20,762
500 – Project Management and Reporting	\$10,774	\$11,097	\$11,430	\$11,773
600 – Engineering & Procurement	\$38,172	\$39,317	\$40,496	\$41,711
700 – Construction or Installation Support	\$30,076	\$30,978	\$31,908	\$32,865
Total	\$124,319	\$116,484	\$119,989	\$123,588

If a local field office (Options 2 or 3) is required by the City, this total budget would be increased by \$9,000 to \$12,000

We hope this proposal meets your expectations and look forward to working with you and the City

Sincerely,



Michael K. Nunley, PE
Principal Engineer

Cc: Caesar Hernandez

Attachment:

Proposal from Coombs Services Group

2017 Fee Schedule

Proposal - City of Santa Paula

Program Management/Staff Augmentation for the Water Recycling Facility

	Principal Engineer	Project Engineer	Assistant Engineer	Drafting	Administrative Assistant	Total Hours (MKN)	Labor (MKN)	ODCs	Coomb's Services Group	Total Subconsultant Cost	Total Cost - Yr 1
Scope of Work											
Task Group 100- ENGINEERING SUPPORT DURING TRANSITION ACTIVITIES											
Task 101 - Transition Coordination	24		12		2	38	\$ 5,810	\$ 174			\$ 5,984
Task 102 - Asset Inventory Inspection	4				2	6	\$ 810	\$ 24	\$ 4,400		\$ 5,234
Subtotal	28	0	12	0	4	44	\$ 6,620	\$ 199	\$ 4,400	\$ -	\$ 11,219
TASK GROUP 200 - REVIEW OF RECOMMENDATIONS AND PROPOSALS FROM CONTRACT OPERATOR											
Review of Recommendations & Proposed Capital Expenditures	12	36				48	\$ 7,320	\$ 220			\$ 7,540
Subtotal	12	36	0	0	0	48	\$ 7,320	\$ 220	\$ -	\$ -	\$ 7,540
TASK GROUP 300 - REVIEW BUDGETS, EXPENDITURES, AND PAYMENT REQUESTS											
Review Budgets, Expenditures, and Payment Requests	12	36				48	\$ 7,320	\$ 220			\$ 7,540
Subtotal	12	36	0	0	0	48	\$ 7,320	\$ 220	\$ -	\$ -	\$ 7,540
TASK GROUP 400 - MEETINGS, SITE VISITS, AND CONFERENCE CALLS											
Meetings, Site Visits, and Conference Calls	50	50				100	\$ 16,000	\$ 3,000			\$ 19,000
Subtotal	50	50	0	0	0	100	\$ 16,000	\$ 3,000	\$ -	\$ -	\$ 19,000
TASK GROUP 500 - PROJECT MANAGEMENT AND REPORTING											
Task 501 - Progress Reporting	12	36				48	\$ 7,320	\$ 220			\$ 7,540
Task 502 - File Management System	20	48				68	\$ 10,460	\$ 314			\$ 10,774
Subtotal	32	84	0	0	0	116	\$ 10,460	\$ 314	\$ -	\$ -	\$ 10,774
TASK GROUP 600 - ENGINEERING & PROCUREMENT											
Engineering & Procurement	40	80	80	80	20	300	\$ 37,060	\$ 1,112			\$ 38,172
Subtotal	40	80	80	80	20	300	\$ 37,060	\$ 1,112	\$ -	\$ -	\$ 38,172
TASK GROUP 700 - CONSTRUCTION OR INSTALLATION PHASE SUPPORT FOR CAPITAL IMPROVEMENTS											
Construction or Installation Phase Support for Capital Improvements	60	60	80			200	\$ 29,200	\$ 876			\$ 30,076
Subtotal	60	60	80	0	0	200	\$ 29,200	\$ 876	\$ -	\$ -	\$ 30,076
Program Management Services Total	234	346	172	80	24	856	\$ 113,980	\$ 5,939	\$ 4,400	\$ -	\$ 124,319

Cost for field office not included

Billing Rates	\$/hr
Principal Engineer	175
Project Engineer	145
Assistant Engineer	125
Drafting	92
Administrative Assistant	55

Mileage to be reimbursed at IRS rate





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FEE SCHEDULE FOR PROFESSIONAL SERVICES

ENGINEERS AND TECHNICAL SUPPORT STAFF

Principal Engineer	\$175/HR
Senior Project Engineer	\$165/HR
Project Engineer	\$145/HR
Water Resources Planner	\$135/HR
Assistant Engineer	\$125/HR
GIS Specialist	\$125/HR
GIS Technician	\$105/HR
Senior Design Technician	\$92/HR
Administrative Assistant	\$55/HR

Routine office expenses such as computer usage, telephone charges, office equipment and supplies, incidental postage, copying, faxes, etc., are included in the hourly rates.

DIRECT PROJECT EXPENSES

Outside Reproduction	Cost + 10%
Subcontracted or Subconsultant Services	Cost + 10%
Travel & Subsistence (other than mileage)	Cost
Auto Mileage	Current IRS Rate - \$.54/mi.