



CITY COUNCIL AGENDA REPORT

MEETING DATE: 12/6/2022

DEPARTMENT: Public Works

SUBJECT:

AWARD OF CONTRACT FOR STREET MAINTENANCE AND ENGINEERING SUPPORT SERVICES

RECOMMENDED ACTION(S):

1. Award an Agreement for Maintenance Services in the amount of \$4,850,529.46 to Charles Abbott & Associates, Inc., of Mission Viejo, California, for Street Maintenance and Engineering Support Services.
 2. Authorize the Mayor to sign, and the City Clerk to attest, the award of contract to Charles Abbott & Associates, Inc., of Mission Viejo, California, substantially in the form attached.
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EXECUTIVE SUMMARY:

The current contract with Charles Abbott & Associates, Inc. ("CAA") provides for the maintenance and emergency public works-related services for the City's public infrastructure. Staff issued a Request for Proposals ("RFP") in June 2022 for Street Maintenance and Engineering Support Services. After evaluation of proposals, staff recommends the City Council award the proposed Agreement for Maintenance and Engineering Support Services ("Agreement") to CAA for a term of three years with two optional one-year extensions (Attachment 1) at the discretion of the City Council. The proposed Agreement includes a \$4,850,529.46 compensation amount. If approved, the proposed Agreement with CAA would begin December 31, 2022. The 2021-2023 Operating Budget includes sufficient funds to cover the costs of the recommended action.

BACKGROUND:

Prior to 2016, the City contracted with the County of Orange to provide street maintenance services. These street maintenance services included repairs and general upkeep of public streets, sidewalks, and other infrastructure assets to ensure the safe travel of residents and visitors. The street maintenance service includes the provision of dedicated labor crews Monday through Friday as well as standby labor and materials for responding to emergency conditions. On October

1, 2016, CAA was awarded their current contract after the RFP process deemed them most qualified. After the initial five-year term, CAA was issued a one-year term extension. The initial proposed pricing has not been adjusted since the origination of the contract in 2016. The City Council awarded a term extension on September 21, 2022, to give staff more time to conduct a thorough procurement process in anticipation of the term expiration for the current CAA contract on December 30, 2022.

The scope of work for this Agreement includes a Road Maintenance Supervisor and Field Crew to provide services on a task order basis. Up to 77 tasks are included in the scope of work. Tasks include tree pruning, asphalt concrete removal and replacement, road closures, sign installations, pavement repair, sidewalk removal and replacement, storm drain inspection, and pavement striping. Emergency Services include storm patrol response, traffic control for the Orange County Sheriff's Department, road closures, and emergency repairs. Depending upon the task, the Field Crew may be a two-person, three-person, or four-person labor crew. Services fall under the following categories:

- Street Maintenance Services
- Emergency Services
- Records / Reporting
- Labor, Equipment and Materials
- Quality Assurance
- Storage Facility / Yard
- Safety

Work within the public right of way has become highly regulated and work not completed to appropriate standards can invite litigation. As a result, trained labor personnel that are aware of applicable codes and standards are critical for completing repair work sufficiently. All work must be performed in accordance with the latest edition of the Standard Specifications for Public Works Construction ("Greenbook"), the Standard Plans for Public Works Construction, the State of California Department of Transportation ("CalTrans") Standard Specifications and Standard Plans, or other standards and specifications as determined by the City Engineer. All work, where required, must include the use of the Underground Service Alert system, the setup and removal of Traffic Control per the current California Manual of Uniform Traffic Control Devices ("CA MUTCD"), and include best management practices for storm water quality control in accordance with both National Pollution Discharge Elimination System ("NPDES") permits active in the City and as issued by various water control boards. The street maintenance contractor must also ensure all work meets the quality requirements of the City as determined by the City Engineer upon professional inspection.

A key position in the proposed Agreement is the Road Maintenance Supervisor. Under direction of staff, the Road Maintenance Supervisor performs a complete city tour each week to inspect public facilities for deficiencies requiring maintenance and repair; makes recommendations for action; and oversees

and/or performs remedial activities. A weekly report of discovered deficiencies is submitted to the City. Every Friday by noon, a weekly list of proposed activities by the field crews and supervisor is submitted for the following week describing the days for which each activity is scheduled. Crew size, anticipated man-hours, and equipment is indicated for each activity. The Road Maintenance Supervisor also prepares a daily detailed report of work performed by each crew, including list of activities in order of performance, location, detailed description, scope and limits of work, and time allocated for each activity.

DISCUSSION:

On June 30, 2022, the City Manager approved the RFP for Street Maintenance and Engineering Support Services and authorized staff to solicit proposals on PlanetBids. The City subsequently received proposals from the two firms shown below:

- Charles Abbott & Associates, Inc.
- MCE Corporation (“MCE”)

The County of Orange was contacted directly regarding this procurement opportunity and declined to participate. Contract municipal street maintenance is a niche service, and CAA and MCE are the only known contractors to provide daily street maintenance services to cities in Southern California. Consistent with the City’s Purchasing Guidelines, staff assembled a selection committee approved by the City Manager to review proposals and participate in the interview phase of the selection process. The selection committee was comprised of the following:

- Director of Public Works
- Public Works Maintenance Manager
- Street Maintenance Administrator
- Recreation Manager

Technical Review and Interview Process

The review process is comprised of three phases: the Technical Review of written proposals, the Qualifications Interview phase, and the cost proposal evaluation. The Purchasing Guidelines require the Selection Committee to review all proposals submitted in response to the RFP. As summarized in Table 1, staff reviewed each proposal and both firms met the technical criteria, with CAA being the top-rated firm. Both firms were invited to the interview process.

Table 1: Summary of Technical Review and Qualifications Interview

Firm	Technical Review					Sub-Total	Qualifications Interview					Sub-Total	Pricing Points x 4	Total
	Rater						Rater							
	1	2	3	4			1	2	3	4				
CAA	93	84	81	79		337	155	129	130	123		537	156	693
MCE-Corp	61	75	67	65		268	88	103	108	100		399	160	559

In the assessment of qualifications, CAA received higher scores due to:

Qualifications and Experience of Team

During the qualifications interview, CAA demonstrated their comprehensive knowledge of street maintenance services and scored higher than MCE Corporation (“MCE”). CAA proposed a much more experienced and trained team, with more core capabilities and more locally accessible personnel. Communication and accessibility are critical components of the street maintenance service, as infrastructure failures and emergency situations often require immediate connectivity between staff and the service provider.

CAA has provided excellent street maintenance service since 2016 from their Mission Viejo headquarters. Selecting CAA would ensure continuity of service with a vendor that is highly familiar with the City and our operating procedures as well as the scope of work required. The proposed Road Maintenance Supervisor has three years of experience in Lake Forest, Laguna Hills, and Rancho Santa Margarita. The proposed Road Maintenance Supervisor has experience directing labor crews, inspecting work, and executing field repairs. These actions are directly supported by CAA’s Project Manager, who has more than 26 years of street maintenance experience in South Orange County. Under CAA’s proposal, the Road Maintenance Supervisor assigned to Lake Forest would manage cost proposals, work orders, field repairs, and handle issues directly. The Road Maintenance Supervisor would also conduct inspections for the City Sidewalk Management Program.

CAA’s proposed field crew employees are those that are currently providing the street maintenance service to the City. Each crew member has worked in Lake Forest the last six years. The lead worker has over 20 years of street maintenance experience and is teamed with the other crew member who has over 28 years of experience.

In comparison, MCE is headquartered in Northern California in the City of Concord. MCE proposed a Road Maintenance Supervisor without any supervisory experience and four years of field experience. MCE personnel in Northern California determine cost proposals and manage work orders for the

local MCE field staff to rely on. Staff noted that it may be difficult for MCE to meet the requirements to provide a weekly list of proposed activities by work crews and related costs or to meet in the field to review issues in a timely manner if the associated staff are situated in Northern California.

MCE did not identify specific field crew members or the minimum qualifications of the proposed field crew for the proposal. MCE indicated the need to hire employees and possibly transfer one from an existing contract to staff the street maintenance service contract, which did not allow staff to assess the qualifications of the potential MCE field crew. During the interview process, MCE acknowledged the difficulty in recruiting employees to work on other municipal public works contracts in Southern California.

References

CAA provided six Orange County city and five Riverside County city references with similar scopes of work. Staff formally checked three references, which reported very good work (Attachment 2). MCE provided one Orange County, one Riverside County, and three references with Northern California cities. MCE was recently released from a contract with the City of Temecula. MCE stated they underestimated Temecula's expectation levels and desired level of service. Temecula added that communication was difficult with MCE since management was being handled from northern California.

Cost Proposals

Compensation scoring is based on an annual sum for each of the 77 work tasks identified in the cost proposal and scope of work. At the conclusion of the interview process, both firms had the opportunity to submit a last, best, and final cost proposal. Staff then evaluated each proposal in detail and clarified the final price proposals (see Table 2 below).

Table 2: Cost Proposal - Street Maintenance and Engineering Support Services

Proposal	CAA 3-Year Cost Proposal	CAA Field Hours	MCE 3-Year Cost Proposal	MCE Field Hours
Initial	\$ 5,785,445.59	2,340	\$ 3,934,412.38*	2,340
			*Initial not corrected	
Revised	\$ 5,838,490.87*	2,340	\$ 4,284,939.88**	2,340
	*Staff revised line-item #12.		**Includes clarifications and corrections. Staff revised line-item #12.	

Proposal	<u>CAA</u> 3-Year Cost Proposal	<u>CAA</u> Field Hours	<u>MCE</u> 3-Year Cost Proposal	<u>MCE</u> Field Hours
Final	\$4,850,529.46** ** Confirmed no additional hours needed	2,340	\$ 4,683,320.38*** ***Includes additional Supervisor and field crew hours.	3,936***

Staff used the final cost proposal amounts as shown above for comparison purposes. The final cost proposals indicate that CAA has the higher cost by \$55,736.36 annually, or \$167,209 (3.6%) over a three-year term.

- **CAA Cost Proposal**

CAA's initial price proposal confirmed the allocated labor hours and reflected a three-year contract price of \$5,785,445.59. Staff corrected the spray post-emergent herbicide ("C&G") City supplied quantity for line-item 12 which resulted in a revised cost proposal of \$5,838,490.87. Staff then reviewed the proposal in detail and initiated cost negotiations with CAA, the most qualified firm, which resulted in a revised price proposal of \$4,850,529.46 for the three-year Agreement. Staff deemed the rate structure submitted by CAA to be reasonable based upon current market conditions and historical costs the City has paid for street-related maintenance services through various contracts and capital improvement projects.

- **MCE Cost Proposal**

MCE's initial price proposal included several calculation errors, issues of concern, and did not confirm the allocated labor hours. It reflected an initial price of \$3,906,509.44. Subsequently, staff found 53 calculation errors, most of which were less than \$1, but several ranged between \$180-\$2,341. Staff also found errors of \$92,548.34 and \$120,507.49. The absolute sum of the errors totaled over \$218,300 (some errors canceled others out). A request was issued to MCE to correct and confirm its cost calculations. The spray post-emergent herbicide C&G quantity for line-item 12 was also corrected. MCE submitted a revised proposal which increased the total compensation by \$126,293.97 per year (or \$378,430.44 for the three-year term) for a revised cost of \$4,284,939.88.

MCE's written proposal indicated it could not perform the work within the allocated labor hours for the Road Maintenance Supervisor (970 hours) and two-person field crew (1370 hours) line-items. MCE's proposal indicated that it would require approximately 998 additional hours for the Road Maintenance Supervisor

and an additional 598 hours for the two-person field crew to meet the scope of work. Upon revising their allocation of hours, MCE's cost proposal increased by \$132,793.50 per year, or \$398,380.50 over the three-year term. Staff added the additional proposed hours to the revised price proposal to determine MCE's final cost proposal of \$4,683,320.38 for comparison purposes. Staff still has concerns regarding MCE's final cost proposal.

Furthermore, MCE's cost proposal includes unit costs for line-items that are significantly higher than the costs proposed by CAA. Since the quantities for those items are low, the potential cost differences are not reflected in the final price proposal. The cost proposal comparison below (Table 3) includes potential projected unit quantities based on work performed in prior years. Going forward, unit quantities for certain line-items may change in response to emergencies, unexpected work demands, and other factors. As a result, the total cost experienced over a three-year term may be higher (in some cases) with MCE than CAA. Staff identified three line-items of concern and adjusted the quantities to test the potential cost impacts. Table 3 below demonstrates how certain line-item service costs can alter the three-year cost of either proposal.

Table 3: Sample Line-Item Cost Comparison

Line-Item	Quantity	MCE Cost	CAA Cost
Excavator Rental	21 days	\$103,320	\$43,281
Driveway Approach Replacement	100 Sq. Ft.	\$259,711	\$6,353
Sidewalk Grinding (per Linear Foot)	3,500 Ln Ft.	\$107,975	\$42,280

Budget & Cost Expectations:

Staff projected Fiscal Year 2022-23 street maintenance service costs would be subject to a significant increase due to the rising costs of materials, labor, fuel, and overall inflation. After careful analysis of the CAA proposal, staff determined the cost proposal received as part of this procurement is consistent with staff projections and expectations. If approved, the annual cost of the proposed Agreement would be approximately \$1,616,843.15.

Recommendation

The City's Purchasing Guidelines prescribe a qualification-based selection process based on a contractor's experience, understanding of the scope of services, proposed personnel, completion of similar projects in a timely manner, and their ability to provide optimal services at an acceptable cost. Based on the technical review, interview performance, cost comparison, and reference checks, staff recommends approval of the Agreement with CAA.

The term of the proposed Agreement is for three years with two optional one-year extensions. Awarding the Agreement would ensure the continued provision of street maintenance and engineering support services for the City. The compensation amount in the Agreement is based upon the cost proposal analysis of \$4,850,529.46. Consistent with the City's Purchasing Guidelines, the Finance Department prepared the proposed Agreement and the City Attorney's Office reviewed and approved the proposed Agreement as to form. The City's standard form agreement allows the City Manager to approve extra work up to 10% of the compensation amount.

FISCAL IMPACT:

The proposed Agreement with CAA includes \$4,850,529.46 in total compensation. The Agreement includes a three-year term ending December 31, 2025, with two optional one-year extensions. The 2021-2023 Operating Budget includes sufficient funds to cover the costs of the recommended action.

ATTACHMENTS:

1. Agreement for Maintenance Services with Charles Abbott & Associates, Inc. for Street Maintenance and Engineering Support Services
2. References for Charles Abbott & Associates, Inc.

Initiated By: Justin Kirk, Street Maintenance Administrator

Submitted By: Thomas E. Wheeler, P.E., Director of Public Works/City Engineer

Approved By: Debra Rose, City Manager