

# REQUEST FOR COUNCIL ACTION



CITY COUNCIL MEETING DATE:

DECEMBER 1, 2020

TITLE:

**APPROVE SECOND AMENDMENTS TO THE AGREEMENTS WITH MIKE PRlich AND SONS, INC., PAULUS ENGINEERING, INC., AND TE ROBERTS, INC. FOR EMERGENCY ON-CALL SEWER AND WATER SYSTEM REPAIR SERVICES TO INCREASE THE SHARED ANNUAL AGREEMENT AMOUNT BY \$450,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$4,800,000 FOR THE REMAINING TERM OF THE AGREEMENT (NON-GENERAL FUND)**

/s/ Kristine Ridge

CITY MANAGER

CLERK OF COUNCIL USE ONLY:

APPROVED

- ☐ As Recommended
- ☐ As Amended
- ☐ Ordinance on 1<sup>st</sup> Reading
- ☐ Ordinance on 2<sup>nd</sup> Reading
- ☐ Implementing Resolution
- ☐ Set Public Hearing For \_\_\_\_\_

CONTINUED TO \_\_\_\_\_

FILE NUMBER \_\_\_\_\_

## **RECOMMENDED ACTION**

Authorize the City Manager to execute second amendments to the agreements with Mike Prlich and Sons, Inc., Paulus Engineering, Inc., and TE Roberts, Inc. to increase the annual shared agreement amount by \$450,000, with an updated annual amount of \$1,200,000, for a total aggregate agreement amount not to exceed \$4,800,000, for the remaining term of the agreement which began August 20, 2019 and expires August 19, 2022, with a provision for one two-year extension exercisable by the City Manager and City Attorney, to provide on-call emergency sewer and water system repair services, subject to non-substantive changes approved by the City Manager and City Attorney.

## **DISCUSSION**

On August 20, 2019, the City Council approved agreements in an aggregate annual amount of \$500,000, with Mike Prlich and Sons, Inc., Paulus Engineering, Inc., and TE Roberts, Inc. for a three-year period ending on August 19, 2022, with a two-year renewal option, to assist the Public Works Agency – Water Resources Division with on-call emergency sewer and water infrastructure repairs. These services include repairing pipelines, tanks, pumps at various utility facilities, and performing site restoration, as directed by staff, to prevent system outages, maintain services during an emergency, and restore services to normal operating conditions.

During the last year, the Water Resources Division has utilized these contractors for water main pipe repair work, fire hydrant relocation, the installation of new sewer laterals, and other services needed to supplement the work performed by City staff. To meet the increased demand for these

services, the City Council approved the first amendment to agreements with the contractors on May 5, 2020, increasing the shared annual amount by \$250,000 to an aggregate annual amount of \$750,000. The Division anticipates an increase in staff work demands due to the upcoming collaboration with the Orange County Water District on water treatment systems for per-and polyfluoroalkyl substances (PFAS) and recommends increasing the shared annual agreement capacity by an additional \$450,000 for an updated aggregate annual amount of \$1,200,000, which provides a new grand total aggregate amount of \$4,800,000 for the remaining term of the agreements (Exhibits 1-3).

### **FISCAL IMPACT**

Funding for the requested shared annual increase of \$450,000, which totals \$1,800,000 for the maximum term of the agreement, is budgeted in the Water Systems Maintenance Account (No. 06017641-62300), and Sanitary Sewer Service Account (No. 05617640-62300) for Fiscal Year 2020-21 and will be included in proposed budgets for future years as follows:

<b>Fiscal Year</b>	<b>Accounting Unit – Account #</b>	<b>Fund Description</b>	<b>Accounting Unit, Account Description</b>	<b>Amount</b>
<b>Contract Term (2-Year Term)</b>				
FY 20-21	06017641-62300	Water	Water Systems Maintenance, Contract Services-Professional	\$225,000
	05617640-62300	Sewer	Sanitary Sewer Service, Contract Services-Professional	\$225,000
FY 21-22	06017641-62300	Water	Water Systems Maintenance, Contract Services-Professional	\$225,000
	05617640-62300	Sewer	Sanitary Sewer Service, Contract Services-Professional	\$225,000
<b>Renewal Option (2-Year Term)</b>				
FY 22-23	06017641-62300	Water	Water Systems Maintenance, Contract Services-Professional	\$225,000
	05617640-62300	Sewer	Sanitary Sewer Service, Contract Services-Professional	\$225,000
FY 23-24	06017641-62300	Water	Water Systems Maintenance, Contract Services-Professional	\$225,000
	05617640-62300	Sewer	Sanitary Sewer Service, Contract Services-Professional	\$225,000
<b>Total Amount:</b>				<b>\$1,800,000</b>

Fiscal Impact Verified By: Kathryn Downs, CPA, Executive Director – Finance and Management Services Agency

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Exhibits: 1. Amendment to Agreement with Mike Prlich & Sons, Inc.  
2. Amendment to Agreement with Paulus Engineering, Inc.  
3. Amendment to Agreement with TE Roberts, Inc.

**SECOND AMENDMENT TO AGREEMENT TO PROVIDE ON-CALL  
EMERGENCY WATER AND SEWER SYSTEM REPAIR SERVICES**

THIS SECOND AMENDMENT to the above-referenced agreement is entered into on December 1, 2020, by and between Mike Prlich and Sons, Inc. ("Contractor"), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California ("City").

**RECITALS**

- A. The parties entered into Agreement No. A-2019-142-01, dated August 20, 2019, by which Contractor agreed to provide on-call emergency water and sewer system repair services for the City's Public Works Agency ("Agreement"). The term of the Agreement is for three years, and the Agreement remains in effect through August 19, 2022, with provision for extension.
- B. On May 5, 2020, the parties entered into First Amendment to Agreement No. A-2020-091-01 to increase the shared aggregate amount to be expended under the Agreement and the two related agreements for the same services.
- C. The parties now wish to amend the Agreement to further increase the shared aggregate amount to be expended under the Agreement and two related agreements.

**The Parties therefore agree:**

- 1. **Section 2.a, Compensation**, is amended to read in its entirety:

"City neither warrants nor guarantees any minimum or maximum compensation to Contractor under this Agreement. Contractor shall be paid only for actual services performed under this Agreement at the rates and charges identified in Exhibit B. Contractor is one of three contractors selected to provide services on an as-needed basis under RFP No. 19-032. The annual compensation for services provided by all contractors selected under RFP No. 19-032 shall not exceed the shared aggregate amount of \$1,200,000 during the term of this agreement, including any extension periods."

- 2. Except as modified by this Second Amendment, and all prior amendments, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to the Agreement on the date and year first written above.

**ATTEST**

**CITY OF SANTA ANA**

\_\_\_\_\_  
Daisy Gomez  
Clerk of the Council

\_\_\_\_\_  
Kristine Ridge  
City Manager

**APPROVED AS TO FORM**

Sonia R. Carvalho  
City Attorney

By: John M. Funk  
John M. Funk  
Senior Assistant City Attorney

**MIKE PRlich AND SONS, INC.**

Michael A. Prlich  
Name: **MICHAEL A. PRlich**  
Title: **PRESIDENT**

**RECOMMENDED FOR APPROVAL**

Nabil Saba  
Nabil Saba  
Executive Director  
Public Works Agency

**SECOND AMENDMENT TO AGREEMENT TO PROVIDE ON-CALL  
EMERGENCY WATER AND SEWER SYSTEM REPAIR SERVICES**

THIS SECOND AMENDMENT to the above-referenced agreement is entered into on December 1, 2020, by and between Paulus Engineering, Inc. ("Contractor"), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California ("City").

**RECITALS**

- A. The parties entered into Agreement No. A-2019-142-02, dated August 20, 2019, by which Contractor agreed to provide on-call emergency water and sewer system repair services for the City's Public Works Agency ("Agreement"). The term of the Agreement is for three years, and the Agreement remains in effect through August 19, 2022, with provision for extension.
- B. On May 5, 2020, the parties entered into First Amendment to Agreement No. A-2020-091-02 to increase the shared aggregate amount to be expended under the Agreement and the two related agreements for the same services.
- C. The parties now wish to amend the Agreement to further increase the shared aggregate amount to be expended under the Agreement and two related agreements.

**The Parties therefore agree:**

- 1. **Section 2.a, Compensation**, is amended to read in its entirety:

"City neither warrants nor guarantees any minimum or maximum compensation to Contractor under this Agreement. Contractor shall be paid only for actual services performed under this Agreement at the rates and charges identified in Exhibit B. Contractor is one of three contractors selected to provide services on an as-needed basis under RFP No. 19-032. The annual compensation for services provided by all contractors selected under RFP No. 19-032 shall not exceed the shared aggregate amount of \$1,200,000 during the term of this agreement, including any extension periods."

- 2. Except as modified by this Second Amendment, and all prior amendments, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to the Agreement on the date and year first written above.

**ATTEST**

**CITY OF SANTA ANA**


\_\_\_\_\_  
Daisy Gomez  
Clerk of the Council

\_\_\_\_\_  
Kristine Ridge  
City Manager

**APPROVED AS TO FORM**  
Sonia R. Carvalho  
City Attorney

By: John M. Funk  
John M. Funk  
Senior Assistant City Attorney

**PAULUS ENGINEERING, INC.**

  
Name: \_\_\_\_\_  
Title: PRESIDENT

**RECOMMENDED FOR APPROVAL**

\_\_\_\_\_  
Nabil Saba  
Executive Director  
Public Works Agency

**SECOND AMENDMENT TO AGREEMENT TO PROVIDE ON-CALL  
EMERGENCY WATER AND SEWER SYSTEM REPAIR SERVICES**

THIS SECOND AMENDMENT to the above-referenced agreement is entered into on December 1, 2020, by and between T.E. Roberts, Inc. (“Contractor”), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (“City”).

**RECITALS**

- A. The parties entered into Agreement No. A-2019-142-03, dated August 20, 2019, by which Contractor agreed to provide on-call emergency water and sewer system repair services for the City’s Public Works Agency (“Agreement”). The term of the Agreement is for three years, and the Agreement remains in effect through August 19, 2022, with provision for extension.
- B. On May 5, 2020, the parties entered into First Amendment to Agreement No. A-2020-091-03 to increase the shared aggregate amount to be expended under the Agreement and the two related agreements for the same services.
- C. The parties now wish to amend the Agreement to further increase the shared aggregate amount to be expended under the Agreement and two related agreements

**The Parties therefore agree:**

- 1. **Section 2.a, Compensation**, is amended to read in its entirety:

“City neither warrants nor guarantees any minimum or maximum compensation to Contractor under this Agreement. Contractor shall be paid only for actual services performed under this Agreement at the rates and charges identified in Exhibit B. Contractor is one of three contractors selected to provide services on an as-needed basis under RFP No. 19-032. The annual compensation for services provided by all contractors selected under RFP No. 19-032 shall not exceed the shared aggregate amount of \$1,200,000 during the term of this agreement, including any extension periods.”

- 2. Except as modified by this Second Amendment, and all prior amendments, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to the Agreement on the date and year first written above.

**ATTEST**

**CITY OF SANTA ANA**

\_\_\_\_\_  
Daisy Gomez  
Clerk of the Council


\_\_\_\_\_  
Kristine Ridge  
City Manager

**APPROVED AS TO FORM**

Sonia R. Carvalho  
City Attorney

By: John M. Funk  
John M. Funk  
Senior Assistant City Attorney

**T.E. ROBERTS, INC.**

  
Name: TIMOTHY ROBERTS  
Title: PRESIDENT

**RECOMMENDED FOR APPROVAL**

Nabil Saba  
Executive Director  
Public Works Agency