

RESOLUTION NO. 5280

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD
APPROVING A TASK ORDER WITH HARRIS & ASSOCIATES IN THE AMOUNT OF
\$18,500 FOR PROFESSIONAL CONSULTING SERVICES FOR SETUP OF THE
ASSESSMENT DISTRICT MAINTENANCE AND BENEFITS PROJECTS PROGRAM
FOR THE CITY'S THREE EXISTING MAINTENANCE ASSESSMENT DISTRICTS
(MAD'S) AND TWO BENEFIT ASSESSMENT DISTRICTS (BAD'S)**

WHEREAS, The Soledad City Council has previously formed the: Diamond Ridge Maintenance Assessment District and Benefit Assessment District; Orchard Villas/Miravale II Maintenance Assessment District and Benefit Assessment District; and Rancho San Vicente Maintenance Assessment District; and

WHEREAS, the City has identified a need to develop a multi-year budget for the Districts which will identify the future funding needs for cyclical maintenance activities that are not performed on a yearly basis, and for the future repair/replacement of improvements as they reach the end of their useful life; and

WHEREAS, the Council retained Harris & Associates to provide on-call engineering services; and

WHEREAS, Harris & Associates has submitted a Task Order for development of an inventory of capital improvements for each of the City's Maintenance and Benefit Districts ("Districts") that will need to be replaced in the future, along with an assessment of the current condition of each of those improvements; and

WHEREAS, Task Order 59 was broken up into two Phases, Phase I in the amount of \$4,920 was previously approved by City staff, Phase II in the amount of \$13,570 requires Council's approval; and

WHEREAS, all costs incurred by the City during the performance of these services or in preparation of any related documents or reports may be reimbursed by the revenue received for these Assessment Districts from Property Tax Assessments specific to each District.

NOW THEREFORE, BE IT HEREBY RESOLVED, by the City Council of the City of Soledad that Task Order #59 from Harris & Associates in the amount of \$18,500, a copy of which is attached hereto as **Exhibit A** and by reference incorporated herein, is hereby approved and the City Manager is hereby authorized and directed to execute the same on behalf of the City of Soledad


PASSED AND ADOPTED by the City Council of the City of Soledad at a regular meeting duly held on the 5th of April, 2017, by the following vote:

AYES, and in favor thereof, Councilmembers: Christopher Bourke, Mayor Pro Tem Alejandro Chavez, Anna Velazquez, Carla Stewart and Mayor Fred Ledesma

NOES, Councilmembers: None

ABSTAIN, Councilmembers: None

ABSENT, Councilmembers: None

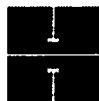


FRED J. LEDESMA, Mayor

ATTEST



MICHAEL McHATTEN, City Clerk



March 15, 2017

Don Wilcox,
Public Works Director
City of Soledad
P.O. Box 156
Soledad, CA 93960

Subject: Proposal for Assessment District Consulting Services to Develop a Multi-Year Budget and Capital Reserve Replacement Study (Engineering Contract - Task #59)

Dear Don,

The City of Soledad has several Assessment Districts ("Districts") which provide a dedicated source of funds to cover the costs associated with the operation and maintenance of improvements providing a special benefit to parcels within each District. The City has identified a need to develop a multi-year budget for the Districts which will identify the future funding needs for cyclical maintenance activities that are not performed on a yearly basis, and for the future repair/replacement of improvements as they reach the end of their useful life.

Harris & Associates is pleased to submit the following proposal to assess the Districts, and to develop a cyclical maintenance and capital replacement schedule for the improvements maintained by the Districts. The specific tasks to be completed are shown in our scope of work below. Please note that we split the project into two phases to expedite the work to meet the City schedule to develop budgets for fiscal year 2017/2018.

SCOPE OF WORK

The Scope of Work provided below itemizes, by task, the services to be provided for the development of Capital Reserve Replacement policy for facilities included in the Districts.

Phase 1 – Facilities Inventory

Task 1 – Project Kick-Off Meeting

We will meet with staff to confirm the scope of work, schedule, availability of project documents, actual improvements, their quantity, and any special needs or considerations within the Districts; review project goals and discuss format of deliverables, and clarify responsibilities of each party. This will help establish expectations and create a uniform task assignment process, as well as ensuring that all parties are in agreement, reducing any additional workload for City staff.

Task 2 – Develop Inventory of Improvements

Harris & Associates will gather materials and documents to identify the capital facilities maintained within each District, using as a starting point the improvements listed in the most current Engineer's Reports. The inventory of the capital improvements maintained by the Districts will include the estimated date of construction, estimated quantities for each facility/improvement, estimated remaining useful life and other information needed to project cyclical maintenance cost and future replacement costs. We will include notations for the general condition of said improvements (poor, fair or good).

Any improvement listed as being in poor condition should be a high priority for replacement, especially if there is a question of safety. We will also utilize the knowledge of the current landscape contractor to develop assessments of the landscaping systems, specifically the irrigation systems and any landscaping that may need replaced.

Once the inventory of the existing improvements has been developed, it will be sent to the City for comment and approval before we proceed to Task 3. We will also ask City staff to identify any other future improvements planned within each District.

Phase 2 – Develop Budget Needs (Requires Council Approval)

Task 3 – Conduct Fiscal Needs Assessment

Using the inventory developed in the previous task, we will use the composite cost method to estimate future cyclical maintenance and replacement costs. Replacement costs will be determined on a unit cost basis and unit costs will be applied to each asset category in terms of total square footage, linear footage or other appropriate unit measurement. Straight line depreciation will be applied using the useful life to forecast annual capital reserve fund requirements for each capital improvement item.

Task 4 - Draft Budget Needs Report

A draft Budget Needs and Analysis Report will be prepared which will include the following information:

- General Description of the Improvements;
- Estimates of the Costs of the Improvements;
- Useful Life Expectancy of the Improvements;
- Future Cyclical Maintenance and Replacement Costs of the Improvements;
- Current and Future Fund Balance Requirements;
- Future Needs and Recommended Assessment Increase (if any);

An appendix in the Budget Needs and Analysis Report will contain all necessary historical costs, useful life expectancy and depreciation method information for each District. We will furnish a draft of the Budget Needs and Analysis Report for review and comment by City staff.

Task 5 – Final Report

We will incorporate the comments received into the final report and furnish copies as requested (electronic and/or hard copy) of the Final Report. It is anticipated that this information will be incorporated into the Annual Engineer's Report in future years and used in the development of the annual budgets for each District.

PROJECT TEAM

Project Manager – Rick Clark, will be the Senior Project Manager and will be responsible for coordinating all aspects of the project. Mr. Clark has over 20 years of assessment district administration experience consulting to cities, counties and special districts throughout the State of California. He has assisted agencies with the analysis of special benefit from various types of improvements, in accordance with the requirements of Article XIID of the California State Constitution (Proposition 218). He has also performed annual administration services for Mello-Roos Community Facilities Districts, and various other fee and special tax districts.

Engineering Technician – Leo Barajas, QSP, will act as the main person to perform on-site inspections of the improvements, verifying the counts and detailing the condition of the improvements. Mr. Barajas 13 years of experience in municipal infrastructure. He has worked on local capital improvement projects, city utilities, drainage, site development improvements and new upgrade projects throughout Monterey County. He is currently providing field inspections for citywide street improvements in the City of Gonzales. Leo is fluent in Spanish and will assist our team with outreach to the local community and contractors.

Project Director – K. Dennis Klingelhofer, PE, will oversee the work of the project team and will be responsible for quality control. Mr. Klingelhofer is a registered Professional Engineer in the State of California and has over 30 years of assessment and financial engineering experience consulting to cities, counties and special districts throughout the State. He has assisted agencies in the identification of maintenance needs, and developed maintenance management programs. He is an expert in the analysis of special benefit from various types of improvements, in accordance with the requirements of Article XIID of the California State Constitution (Proposition 218). He has also performed annual administration services for 1913/1915 Act Bond Districts, Mello-Roos Community Facilities Districts, Maintenance and Operations Districts (such as the Landscaping and Lighting Act of 1972) and various fee and special tax districts. Throughout his 30 years of experience, Mr. Klingelhofer has developed a reputation for providing complete and thorough reports, meeting project deadlines and legally required timeframes.

FEES

Based on our experience with similar services, Harris & Associates will provide the services outlined under Scope of Work on a Time and Materials basis for an estimated fee of **\$4,930** for Phase 1 – Facility Inventory and **\$13,570** for Phase 2 - Develop Budgetary Needs. Phase 1 of this task order has already been authorized by staff. This task order address Phase 2 only. Phase 2 requires City Council approval and will be presented to council on April 5, 2017.

Invoices will be submitted monthly for services provided in the previous month and shall be paid within thirty (30) days of receipt in accordance with our current professional services agreement. Additional services will be provided as authorized for a mutually acceptable fee and in accordance with the Schedule of Hourly Rates current at the time services are provided.

A breakdown of the estimated hours by task is shown on the following page based upon the Scope of Work shown above. It is estimated that all work would be completed within eight (8) weeks from receipt of a notice to proceed from the City.

Task	Description	Project Director \$240	Project Manager \$165	Engineering Technician \$130	Hours by Task	Fee
Phase 1 - Facility Inventory						
1	Project Kickoff Meeting	1	2		3	\$570
2	Develop Inventory of Improvements		2	31	33	\$4,360
Total Phase 1 (Authorized by City Staff) =						\$4,930
Phase 2 - Develop Budget Needs						
3	Conduct Fiscal Needs Analysis	4	16	20	40	\$6,200
4	Draft Budget Needs Report	4	24	4	32	\$5,440
5	Final Report	2	8	1	11	\$1,930
Total Phase 2 (To be presented to City Council on April 5, 2017) =						\$13,570
TOTAL FEE =						\$18,500

SCHEDULE

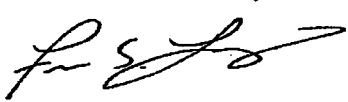
A timeline for the completion of the project will be prepared and submitted for review and comment after a contract has been agreed upon by both parties.

Our team is excited about the opportunity to continue our working relationship with the City of Soledad. Please let us know if you have any questions or need any additional information.


Regards,
HARRIS & ASSOCIATES, Inc.


K. Dennis Klingelhofer, PE
Vice President, Engineering Services

HARRIS & ASSOCIATES, Inc.


Frank S. Lopez, PE, QSD, CFM
Director, Engineering Services

Accepted:


By: City of Soledad

4/10/17
Date

CC Approved 4/5/17 RUSO. 5280