



MEMO

To: NCRA Board of Directors
From: Executive Director Mitch Stogner
Date: June 9, 2010
Subject: **Agenda Item E.4 – HNTB Contract Amendment**

In 2001 NCRA went through a thorough procurement process to select an on-call engineer. After reviewing proposals and holding interviews, the Willdan/HNTB Team was selected. The original contract dated January 7, 2002 provided a not to exceed fee of \$15,560,000 for planning, environmental and engineering services. The contract term was four years, unless extended by contract amendment.

Work associated with the contract is approved on a task order basis. NCRA's Executive Director or Project Manager may direct the on-call engineer on a task-by-task basis, using the billing rates provided by the consultant up to a not to exceed amount by task order. This has been a successful approach to defining a limited scope and keeping track of the budget.

The original contract has had the following amendments:

- Assignment of Prime Contract from Willdan to HNTB – 11/19/2003: Willdan, HNTB and NCRA determined that it was in the best interest of all parties that Willdan transfer and assign its future rights and obligations under the Agreement to HNTB.
- Amendment No. 1 – 01/02/2006: Four-year contract extension to December 31, 2009, along with amended Attachment A - Rate Sheets. The project manager was changed from Jerry Cheek to Timothy Cobb.
- Amendment No. 2 – 03/28/2007: Added the following Special Compensation Term, *“Any funds that are paid to HNTB by NCRA for engineering or project management services, under the TCRP program or other state or federal program administered by CalTrans, but later disallowed by CalTrans, as provided for under the terms and conditions of the Agreement, must be repaid to NCRA. Provided, however, in the event such disallowance is due to the fault of NCRA or another of its contractors, consultants, or subconsultants, such repayment by HNTB shall be waived by NCRA.”*
- Amendment No. 3 – 12/15/2009: One and one-quarter year contract extension to March 31, 2010.
- Amendment No. 4 – 03/22/2010: Three month contract extension to June 30, 2010.

NCRA staff has considered the following alternatives in light of the termination of HNTB's on-call engineering contract:

1. Prepare a request for proposal and initiate a new search for an on-call engineer.
 - a. Pros:
 - i. Provides a competitive procedure to award a new contract.
 - ii. May result in cost savings.
 - b. Cons:
 - i. NCRA has no immediate plans that require design of new or rehabilitated facilities, and NCRA has no identified sources of grant funds to pay for the design of new or rehabilitated facilities. Therefore, at this time, NCRA could have difficulty attracting engineering firms to submit proposals.
 - ii. The last several RFP's distributed by NCRA resulted in receipt of a single proposal (Program Manager, Accounting Services, and Property Management Services). Substantial effort and cost is required to prepare an RFP. In addition, it is expensive for consultants to prepare a proposal. Because there is limited work for an on-call engineer to perform, NCRA may not receive any proposals or too few to make the effort worthwhile.
 - iii. Costs may increase.
 - iv. Continuity of existing work being performed may be interrupted, i.e., finalizing the EIR and consent decree work, existing intelligence on the Black Point bridge automation, final acceptance of track and signal work and any issues in the first year of operations.
2. Extend HNTB's existing on-call engineering agreement.
 - a. Pros
 - i. Maintains continuity in environmental and engineering services.
 - ii. HNTB has agreed to reduce their fee and annual escalation rate.
 - b. Cons
 - i. The term of the HNTB contract will total 11 years. However, the not to exceed contract amount has not been reached; \$6 million remains in the contract.
3. Allow the contract to expire and go without an on-call engineer.
 - a. Pros
 - i. Could result in cost savings.
 - b. Cons
 - i. Would not be able to complete ongoing work: final EIR, permitting and environmental consent decree task orders.
 - ii. Could result in cost additions as one-time RFP's and associated contracts for special purposes or emergencies are prepared and executed.

After analysis, staff concluded that it would be best to amend HNTB's contract. The primary elements of the proposed amendment are as follows:

- The contract is extended for three years to June 30, 2013.

- The fee terms are shown on the Attachment A – Rate Sheet and reflect current employee salaries grossed up using an overhead rate and a fee less than the existing contract. The average fee is reduced from 12%-14% to 11%, HNTB's overhead rate is reduced from 152.28% to 148.24%, and the annual escalation rate is reduced from 5% to 3.5%.
- Notice information has been updated.
- All other provisions of the agreement remain unchanged.

Staff Recommendation: Approve the contract amendment with HNTB for on-call engineering services as defined.

SUPPLEMENTAL AGREEMENT NUMBER 5

THIS SUPPLEMENTAL AGREEMENT, NUMBER 5, made and entered this 1st day of July, 2010, by and between North Coast Railroad Authority ("NCRA") and HNTB Corporation ("HNTB") amends the AMENDMENT AND ASSIGNMENT dated November 19, 2003 (the Agreement), between Willdan, NCRA and HNTB. The contract shall terminate on June 30, 2013 (three years from this SUPPLEMENTAL AGREEMENT, NUMBER 5), unless extended by contract amendment.

The following changes the Agreement shall be made:

Notices from this date forward from NCRA to HNTB shall be sent to:

1330 Broadway, Suite 1630
Oakland, CA 94612
Attn: William Hughes, Senior Vice President

From this date forward the revised Attachment A showing rates and percentages including the "Schedule of Direct Cost Items", shall be used in the Cost Proposals for all Task Orders. Attachment A may be modified from time to time to include additional personnel assigned to the project. The overhead rates used as a basis for hourly billing rates as specified in Attachment A shall remain in effect for the duration of the contract.

Except to the extent modified herein, all terms and conditions of the Agreement and Supplemental Agreement Numbers 1-4 shall continue in full force and effect.

North Coast Railroad Authority
(NCRA)

HNTB Corporation
(HNTB)

Signature: _____

Signature: _____

Name: Mitch Stogner

Name: William Hughes

Title: Executive Director

Title: Senior Vice President

Date: _____

Date: _____

Name of Company Contract :	HNTB North Coast Railroad Authority	Fringe Benefit % 46.98%	Overhead & General Admin % 101.26%	FEE%	11.00%	Combined % 148.24%	Hourly Billing Rates			Annual % increase
							OT (1.5x)	OT (2x)	Effective date of hourly rate From To	
Name/Classification (1)	Straight	OT (1.5x)	OT (2x)	From	To	Actual/ average hourly rate (2)				
Alex Jenkins	\$153.31	N/A	N/A	7/1/2010	6/30/2011	\$55.64	0.00%			
	\$158.69			7/1/2011	6/30/2012	\$57.59	3.50%			
	\$164.25			7/1/2012	6/30/2013	\$59.61	3.50%			
Joseph Deery	\$282.68	N/A	N/A	7/1/2010	6/30/2011	\$102.59	0.00%			
	\$292.58			7/1/2011	6/30/2012	\$106.18	3.50%			
	\$302.83			7/1/2012	6/30/2013	\$109.90	3.50%			
Anthony Marraro	\$304.81	N/A	N/A	7/1/2010	6/30/2011	\$110.62	0.00%			
	\$315.47			7/1/2011	6/30/2012	\$114.49	3.50%			
	\$326.52			7/1/2012	6/30/2013	\$118.50	3.50%			
Patricia Berryhill	\$241.38	N/A	N/A	7/1/2010	6/30/2011	\$87.60	0.00%			
	\$249.84			7/1/2011	6/30/2012	\$90.67	3.50%			
	\$258.57			7/1/2012	6/30/2013	\$93.84	3.50%			
Nivedita Pendse	\$152.40	N/A	N/A	7/1/2010	6/30/2011	\$55.31	0.00%			
	\$157.75			7/1/2011	6/30/2012	\$57.25	3.50%			
	\$163.26			7/1/2012	6/30/2013	\$59.25	3.50%			
Don Sepulveda	\$241.38	N/A	N/A	7/1/2010	6/30/2011	\$87.60	0.00%			
	\$249.84			7/1/2011	6/30/2012	\$90.67	3.50%			
	\$258.57			7/1/2012	6/30/2013	\$93.84	3.50%			
Tyler Newgren	\$91.95	N/A	N/A	7/1/2010	6/30/2011	\$33.37	0.00%			
	\$95.17			7/1/2011	6/30/2012	\$34.54	3.50%			
	\$98.51			7/1/2012	6/30/2013	\$35.75	3.50%			
AI Cabrera	\$126.61	N/A	N/A	7/1/2010	6/30/2011	\$45.95	0.00%			
	\$131.05			7/1/2011	6/30/2012	\$47.56	3.50%			
	\$135.62			7/1/2012	6/30/2013	\$49.22	3.50%			
Alfredo Tolentino	\$124.79	N/A	N/A	7/1/2010	6/30/2011	\$45.29	0.00%			
	\$129.18			7/1/2011	6/30/2012	\$46.88	3.50%			
	\$133.70			7/1/2012	6/30/2013	\$48.52	3.50%			

