



Dear Mayor and Councilmembers:

On behalf of City Manager Ed Shikada, please find below the staff responses to questions from Councilmember Tanaka regarding the [Monday, March 6 Council Meeting](#) consent agenda item.

Item 5, Approval of Contract Number C23186274 With Monterey Mechanical Co. in an Amount Not-to-Exceed \$1,500,000 to Provide On-Call Emergency and Critical Construction Services at the Regional Water Quality Control Plant - Wastewater Treatment Fund Capital Improvement Program Project WQ-19002; CEQA status—exempt under CEQA Guidelines sections 15301(b)

1. Which contracts did the Engineer reference to make the estimation of an amount not-to-exceed \$1,500,000 over 5 years when the current contract has only expended \$364,649 to date over 3.5 years?

Staff response: The existing contract and prior two emergency contracts were evaluated to anticipate the type of work that may be needed over the five years of this contract with aging infrastructure and the need to respond to emergency situations. Staff determined the increased amount of the current proposed contract with consideration that the inadequate funding amounts of the three previous contracts required returning to Council to increase the authorization. The cost estimate for the contract was also made considering recent inflationary pressures on materials and services arising since the start of the last contract. Emergency situations arise intermittently and are not well estimated based on a standard burn rate. In any case, the last three emergency on-call contracts were evaluated in determining an amount:

- October 1, 2013 to December 31, 2016: expended \$392,457
- October 18, 2016 to October 17, 2019: expended \$549,270
- October 17, 2019 to March 15, 2023: expended \$364,649; and an additional estimated not to exceed additional \$350,000 for work that will be completed through March 15, 2023 on Outfall Pipe leak repairs

Please also note that since the purpose of this contract is to enable immediate construction for emergencies and eliminate the need for a procurement process at that time, the recommendation intentionally provides additional spending capacity. When urgent needs occur, staff considers the cost-effectiveness of using this contract versus conducting a separate procurement.

2. What is the monetary rate for the proposed contract compared to that of the previous contract? Is this rate hourly or a fixed fee?

Staff response: The monetary rate paid to various contractor workers was not fixed in this contract or in the previous contracts because of the various trades that may be involved over the course of the work (e.g., pipefitters, carpenter, welder, confined space worker, diver, electrician, foreman, hazmat worker, heavy equipment worker, laborer, plumber, sheet metal workers, and so forth). The proposed contract is based on task orders and the contractor's bid pricing for typical work required. Actual task orders will be either unit price, lump sum, or time and materials but most work is assigned as time and materials because of the emergency nature of the work and negotiated with the contractor based on specific needs at the time.