



STAFF REPORT

February 28, 2024

File Number 0600-10; A-3494; 0600-10; A-3495

SUBJECT

LAKE WOHLFORD DAM REPLACEMENT PROJECT: CONSULTING AGREEMENTS AND CONTRACTOR RETENTION RATE

DEPARTMENT

Utilities Department, Construction and Engineering Division

RECOMMENDATION

Request the City Council take the following actions:

- 1) Adopt Resolution No. 2024-15, authorizing the Mayor to execute a Consulting Agreement in the amount of \$12,896,890 with GEI Consultants, Inc., for construction management services for the Lake Wohlford Dam Replacement Project ("Project"); and
- 2) Adopt Resolution No. 2024-16, authorizing the Mayor to execute a Consulting Agreement in the amount of \$256,824 with Golden State Labor Compliance, LLC, for labor compliance monitoring services for the Project; and
- 3) Adopt Resolution No. 2024-17, approving the finding that the construction of the Project will be substantially complex and requires the contractor retention rate on the project to be set at 10%.

Staff Recommendation: Approval (Utilities Department: Angela Morrow, Interim Director of Utilities)

Presenter: Angela Morrow, Interim Director of Utilities

Essential Service: Yes, Clean Water.

Council Priority: Improve Public Safety; Increase Retention and Attraction of People and Businesses to Escondido

FISCAL ANALYSIS

The Project is funded by a California Proposition 1E Grant, pending U.S. Environmental Protection Agency Water Infrastructure Finance and Innovation Act ("WIFIA") loan, and the Water Enterprise Fund. Although it is requested that City Council approve the full amount of the consulting agreements at this time, the funds will be encumbered in two phases due to the timing of the closure of the WIFIA loan. Funds for the labor compliance monitoring agreement and the pre-construction phase of the construction management consulting agreement will be encumbered in the Capital Improvement Project No. 704912, and funds for



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the construction phase of the construction management agreement will be encumbered once the WIFIA loan closes.

PREVIOUS ACTION

On October 17, 2012, City Council adopted Resolution No. 2012-167 authorizing the Mayor and City Clerk to execute a Consulting Agreement in the amount of \$2,458,516 with RBF Consulting, Inc., for construction management services for the Lake Wohlford Dam Replacement Project.

On May 13, 2020, City Council adopted Resolution No. 2020-59 approving a Labor Compliance Program and authorizing the Director of Utilities to execute and submit the Labor Compliance Program application for approval by the California Department of Industrial Relations.

BACKGROUND

Lake Wohlford Dam (“Dam”) was constructed with earth and rock in 1895 as part of Escondido’s local water system. In 1925, the Dam was raised to its current height using a slurry hydraulic fill process. In 2007 during a routine seismic evaluation of the Dam, the California Division of Safety of Dams (“DSOD”) determined that the newer, hydraulic fill section of the Dam has the potential to liquefy and fail in the event of a large earthquake with magnitude greater than 7.5 on the Elsinore Fault. In response to these potential seismic concerns, the City immediately lowered the water level of Lake Wohlford so that the maximum level of the lake does not exceed the level of the original, seismically-sound rock structure. The lake has been operated at this level until the present day and continues to provide recreational opportunities and local water storage.

A design for a new, replacement Dam to be constructed just downstream of the existing Dam was completed. Design development included a lengthy review process involving the DSOD, the Federal Energy Regulatory Commission (“FERC”), and a panel of dam experts convened to oversee the Dam design process. The Project elements include: (a) a new roller compacted concrete dam to be constructed downstream of the existing dam; (b) new integrated spillway; (c) new outlet tower construction; and (d) partial demolition of the existing Dam.

The process to obtain construction bids for the Project will be done in two phases. First, a Request for Qualifications (“RFQ”) will be competitively advertised in the same way in which construction projects are advertised. The Statement of Qualifications will be evaluated based on mandatory pass/fail requirements and weighted criteria. Second, the contractors that are prequalified in the RFQ process will be invited to submit construction bids for the project.



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Construction Management Services

In 2012, RBF Consulting, Inc., was retained to provide construction management services for the Lake Wohlford Dam Replacement Project, including constructability review during the design phase. Early in the design phase it was determined that Oakvale Road needed to be realigned in advance of the Project in order to make room for the proposed dam. During this time, RBF Consulting, Inc., was acquired by Michael Baker International (“MBI”). MBI provided constructability reviews throughout the design phase, and has been providing construction management and inspection services for the Oakvale Road Realignment under the original Consulting Agreement.

Over the last few years, the MBI staff with experience inspecting and managing the construction of dams have left the company. In addition to the loss of qualified staff, the original Consulting Agreement will be fully expended with the completion of the Oakvale Road Realignment Project. As a result, it was determined that a new Request for Proposals should be issued for construction management services for the Lake Wohlford Dam Replacement Project.

Proposals were solicited by posting the Request for Proposals (“RFP”) on the City’s website. City Staff also reached out to several consultants to make them aware of the RFP. GEI Consultants, Inc. was the only firm to submit a proposal. However, they are uniquely qualified by having a proposed team with extensive roller compacted concrete (“RCC”) dam construction experience. Several members of the GEI team were directly involved in the construction of two RCC dam projects in San Diego County; the Olivenhain Dam and the San Vicente Dam raise construction projects.

Staff thoroughly reviewed the proposal, completed negotiations with the consultant, worked with the City Attorney’s Office, and determined the proposal to be the best value and in alignment with today’s construction market considering the size and complexity of the Project. The Utilities Department recommends retaining GEI Consultants, Inc., a third-party construction manager, to manage the construction of the Project under the supervision of City staff.

The contract for construction management services includes:

- pre-construction services including assistance with the RFQ and construction bid phases;
- full time construction inspections;
- construction project coordination with the City, the community, and other consultants;
- conducting construction progress meetings;
- managing construction documentation and record keeping;
- reviewing contractor’s monthly progress payment requests and confirming that percentages and quantities of work completed align with the amounts requested for payment;
- facilitation of partnering sessions;
- geotechnical support and special inspection services, such as welding and concrete material testing; and
- claim support.



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Labor Compliance Program

This Project is partially funded with California Proposition 1E grant funds, which requires the use of a State approved Labor Compliance Program (“LCP”). The City of Escondido Utilities Department’s LCP was approved by the California Department of Industrial Relations (“DIR”) on June 9, 2020. The LCP has been administered on two recent projects to which it is applicable, the Membrane Filtration Reverse Osmosis Facility Project and the Oakvale Road Realignment Project.

Golden State Labor Compliance, LLC, is the third-party administrator of the Utilities Department’s LCP. City Utilities staff recommends retaining Golden State Labor Compliance, LLC, to provide labor compliance monitoring services for the Project under the supervision of City staff, which includes monitoring of all labor compliance requirements for all of the Project’s funding sources.

Contractor Retention

Public construction projects typically withhold a five percent retention from progress payments to contractors. The retention is released to the contractor after construction is complete and all subcontractors have been paid by the contractor. If the contractor defaults on payments to its subcontractors, the City could use the retention to pay the subcontractors. Public Contract Code 7201 (b) allows for an increase in the amount of retention to be withheld from progress payments to Project contractors and subcontractors when a project is found to be substantially complex. The Utilities Department recommends that the contractor retention for this Project be set at 10% instead of the five percent that is typical for most public construction projects due to the complexities described below. The 10% retention would provide funds for the City to pay subcontractors in case the prime contractor defaults on payments to its subcontractors.

This Project has several complexities, including:

- Limited accessibility – The Project will be accessed from Oakvale Road off of Lake Wohlford Road. Oakvale Road is not a through street, therefore it must remain open to allow the neighboring community and emergency personnel ingress and egress from the area. Lake Wohlford Road is a heavily travelled roadway and the businesses located along Lake Wohlford Road rely on easy access for their customers, therefore, it is essential to maintain an open roadway during construction of the Dam.
- Limited Work Area – The Project area consists of hilly, rocky, and environmentally and culturally sensitive habitat, including mature oak trees. There is limited clear flat surface area for staging of materials such as spoil and rock stockpiles, construction equipment, batch plant equipment and materials, and onsite construction office space. The proposed work area at the base of the existing dam is extremely limited due to a dense population of oak trees.



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- Construction Impacts – The operation of an onsite concrete batch plant and heavy earthwork equipment will generate noise during construction, however the area’s steep topography and large tree canopies will help attenuate some of the noise and dust concerns. During the placement of the roller compacted concrete of the dam and spillway structures, the work will extend beyond normal business hours because the concrete must be installed continuously without stopping, 24 hours a day, seven days a week. It is anticipated that rock blasting may be a part of the Project. Rock blasting was performed during the realignment of Oakvale Road, so local residents are familiar with this operation, including occasional delays up to 20 minutes before traffic can safely pass through the blasting zone of the construction area.
- Potential Unforeseen and Differing Site Conditions – An exploratory geotechnical field investigation and report was performed, which will help identify some of the risks associated with the proposed construction. To further help mitigate the City’s risks exposure, a third-party construction management and specialty inspection team will be retained for the duration of the Project. The Utilities Department has been very successful completing multiple water and wastewater Capital Improvement Projects with few to no construction claims. The collaboration between consultants, contractors and City staff has allowed for such success.

RESOLUTIONS

- A. Resolution No. 2024-15
- B. Resolution No. 2024-15 – Exhibit “A”: Construction Management Services
- C. Resolution No. 2024-16
- D. Resolution No. 2024-16 – Exhibit “A”: Labor Compliance Monitoring Services
- E. Resolution No. 2024-17