State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

Memorandum

Serious drought.
Help Save Water!

To: RIHUI ZHANG, Chief
Division of Local Assistance

Date: August 21, 2015

File: P2535-0042

From: LAURINE BOHAMERA, Chief
External Audits - Contracts
Audits and Investigations

Subject: **PROPOSITION 1B AUDIT REPORT – CITY OF NEWPORT BEACH**

Caltrans Audits and Investigations (A&I) audited costs claimed and reimbursed to the City of Newport Beach (City) totaling $693,000. The project audited was funded with Proposition 1B State-Local Partnership Program Account funds. The project audited was "The Balboa Boulevard and Channel Road Pavement Reconstruction" project, SLPPL-5151(027). The audit period was February 1, 2013 through December 19, 2013.

Based on our audit, we determined that reimbursed project costs totaling $673,101.16 were in compliance with the executed project agreement, state and federal regulations, contract provisions, and Caltrans/California Transportation Commission (CTC) program guidelines, and the project deliverables and outcomes were consistent with the project scope, schedule and benefits described in the executed project agreement or approved amendments, with the exception of $19,898.84 that was not supported.

This report is intended for the information of Caltrans management, the Federal Highway Administration, the CTC, and the City. This report is a matter of public record, however, and its distribution is not limited. In addition, this report will be placed on Caltrans website.

Please provide A&I a corrective action plan related to the audit recommendation within 90 days of this memorandum. If you have any questions, please contact Luisa Ruvalcaba, Audit Manager, at (916) 323-7888.

Enclosure

cc: Trevor Power, Senior Accountant, City of Newport Beach
Stephen Maller, Deputy Director, California Transportation Commission
Teresa Favila, Assistant Deputy Director, California Transportation Commission
Bruce De Terra, Acting Chief, Division of Programming, Caltrans
Doris Alkebulan, Senior Transportation Engineer, Division of Programming, Caltrans
Jim Kaufman, District Local Assistance Engineer, District 12, Caltrans
Sharon Ropp, Proposition 1B Program Coordinator, Division of Local Assistance, Caltrans
Luisa Ruvalcaba, Audit Manager, Audits and Investigations, Caltrans
Sukhraj Kaur, Auditor, Audits and Investigations, Caltrans

Proposition 1B Audit Report

City of Newport Beach

P2535-0042

August 2015

Prepared By:

Audits and Investigations

California Department of Transportation

"Provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability"

Background, Scope, Methodology and Conclusion

BACKGROUND

As approved by the voters in the November 2006 general elections, Proposition 1B (Prop 1B) enacted the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to authorize $19.925 billion of state general obligation bonds for specified purposes, including high-priority transportation corridor improvements, State Route 99 corridor enhancements, trade infrastructure and port security projects, school bus retrofit and replacement purposes, state transportation improvement program augmentation, transit and passenger rail improvements, state-local partnership transportation projects, transit security projects, local bridge seismic retrofit projects, highway-railroad grade separation and crossing improvement projects, state highway safety and rehabilitation projects, local street and road improvement, congestion relief, and traffic safety. http://www.bondaccountability.dot.ca.gov/bondacc/

Some of the Prop 1B funds were used for the State-Local Partnership Program Account (SLPP) for the completion of the Balboa Boulevard and Channel Road project between "G" Street and Ocean Front Alley East in the City of Newport Beach (City). The City performed the project, SLPPL-5151(027), funded with $693,000 in SLPP funds. The project involved removing and reconstructing deteriorated concrete pavement, curbs, gutters, sidewalk, and driveway approaches on Balboa Boulevard and Channel Road to improve safety. Existing utilities were also adjusted to grade. The project provided enhanced safety and extended pavement life by at least 15 years.

SCOPE

The scope of the audit was limited to financial and compliance activities related to the above referenced project. We performed our limited scope audit to specifically determine whether:

- The project costs incurred and reimbursed were in compliance with the executed project agreement, state and federal regulations, contract provisions, and California Transportation Commission (CTC) program guidelines.

- The project deliverables and outcomes were consistent with the project scope, schedule, and benefits described in the executed project agreement or approved amendments.

To achieve our audit objectives, we performed the following audit procedures:

- Reviewed the City's prior audits and single audit reports;

- Reviewed the City's policies and procedures relating to the job cost system and procurement;

- Interviewed employees, completed a review of the internal control system, and gained an understanding of the City's internal controls, job cost system, timekeeping, accounts payable, and billing processes related to projects funded by Prop 1B.

For the projects under review, we performed the following audit procedures:

- Reviewed project billing invoices sent to the Caltrans accounting office to ensure that the City properly prepared and/or billed Caltrans for reimbursement of project expenditures;

- Reviewed supporting documentation from the project billing invoices to ensure that project expenditures were supported and in compliance with the project agreement, state and federal laws and regulations, contract provisions and CTC Guidelines;

- Obtained procurement records to ensure that the City procured billed contracts in accordance with applicable state and federal procurement requirements;

- Reviewed significant contact change orders to ensure that they were properly approved and supported;

- Reviewed and compared project agreement and project final delivery report to ensure that project deliverables and outcomes were met and that variances to the project's scope, schedule, costs and benefits were properly approved and supported.

The City is responsible for the fair presentation of incurred costs; ensuring compliance with contract provisions, state and federal regulations, CTC program guidelines; and the adequacy of its job cost system to accumulate and segregate reasonable, allocable, and allowable costs. Our responsibility, based on our audit, is to express an opinion on the allowability of the reimbursed costs in accordance with the applicable agreements, contract provisions, state and federal regulations, and CTC guidelines.

Because of inherent limitations in any financial management system, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the financial management system to future periods are subject to the risk that the financial management system may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Our findings and recommendations take into consideration the City's response dated August 3, 2015, to our July 21, 2015, draft report. Our findings and recommendations, the City response, and our analysis of the response are set forth in the Findings and Recommendations section of this report. A copy of the City's response is included as Attachment 1 of this report.

METHODOLOGY

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit was less in scope than an audit performed for the purpose of expressing an opinion on the financial statements of the City. Therefore, we did not audit, and are not expressing an opinion, on the City's financial statements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the data and the records selected. An audit also includes assessing the accounting principles used and significant estimates made by the City, as well as evaluating the overall presentation.

CONCLUSION

Based on our audit, we determined that reimbursed project costs totaling $673,101.16 were in compliance with the executed project agreement, state and federal regulations, contract provisions, and CTC program guidelines; and the project deliverables (outputs) and outcomes were consistent with the project scope, schedule, and benefits described in the executed project agreement or approved amendments. Reimbursed costs totaling $19,898.84 were not supported and not in compliance with the respective agreement provisions, state and federal regulations, and CTC program guidelines as detailed in the Findings and Recommendations section of this report.

FINDINGS AND RECOMMENDATIONS

FINDING 1: Unsupported Construction Engineering for Management and Inspection Costs

The City was not able to provide the source documents, such as detailed timesheets or time documentation, where the hours that City employees worked on the project were tracked. The City's Public Works Department (Department) does not keep track of the hours its employees spend on each project, so estimated hours were billed to Caltrans. The Department's timesheets require employees to report total hours (i.e. 8 hours for a full work day) and the timesheets do not segregate the hours worked by project. As a result, the City cannot support the City labor costs billed under Construction Engineering from March 18, 2013 to June 30, 2013 that totals $11,859.66 ($28,372.40 x 41.8% reimbursement ratio paid by State).

49 Code of Federal Regulation (CFR) Part 18.20, Section (b)(2), states "Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

49 CFR Part 18.20, Section (b)(6), states "Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc."

Local Assistance Procedures Manual, Chapter 5.8—Audits of Local Agency Expenditures, states, in part "The local agency shall maintain written source document records that account for agency costs and payments made to consultants, vendors, and contractors."

RECOMMENDATION:
We recommend that Caltrans recover the unsupported amount of $11,859.66 from the City. Also, if the City intends to bill project labor costs in future projects involving state and federal funds then timesheets need to adequately substantiate the employee's time.

CITY'S RESPONSE:
The City disagreed with finding. The City provided a summary spreadsheet of hours worked by each employee on the project. The City also stated the construction engineering costs were reasonable in comparison to total construction costs. Additionally, the City has recently acquired a new integrated finance and payroll system that has a project ledger to track both grant sources and uses, including payroll. For City's full response to the finding see Attachment 1 to this report.

AUDITOR'S ANALYSIS OF CITY'S RESPONSE:
The City did not provide documentation of source documents which would be detailed timesheets per employee. Also, as the City stated in their response the City employees do not

track project hours worked within the City's timekeeping payroll system. We are unable to consider the reasonableness of the costs as the contract terms are for reimbursement of actual costs, however the costs must be substantiated with source documentation. While the newly acquired integrated finance and payroll system will be beneficial to the City, it was not in use during the project period. Consequently, the finding remains as stated above.

FINDING 2: Procurement Processes for Construction Engineering Agreement

The City could not demonstrate that its on-call consultant agreement with GMU Geotechnical, Inc. (GMU) for soils and materials inspection and testing services was properly procured. Specifically, the City could not provide: the project's advertisement (such as the memorandum or letter the City sent to geotechnical firms soliciting a firm's statement of qualifications), original score sheets used for evaluating consultants, and documents demonstrating the contract was awarded to the most qualified consultant. As a result, the City is unable to substantiate that the $8,039.18 ($19,232.50 x 41.8% reimbursement ratio paid by State) paid to GMU for the Balboa Boulevard and Channel Road Pavement Reconstruction project was the result of an open and competitive procurement.

49 CFR Part 18, Section 36(l), states, in part, "All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of Section 18.36."

49 CFR Part 18, Section 36(b)(9), states "Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

RECOMMENDATION:
Caltrans recover the costs paid by the City to GMU totaling $8,039.18. Also, the City publicly advertise and competitively award future on-call agreements, as well as retain all supporting documentation, in accordance with state and federal requirements.

CITY'S RESPONSE:
The City disagreed with the finding. The City stated that it utilized an open and competitive process to select GMU as a consultant for this project, however, the public advertisement notice and the committee original score sheets are no longer available. For the City's full response to the finding see Attachment 1 to this report.

AUDITOR'S ANALYSIS TO CITY'S RESPONSE:
The City did not provide additional information to show that the project was properly advertised and that the most qualified consultant was awarded the contract. Consequently, the finding stands as stated.

Audit Team

Laurine Bohamera, Chief, External Audits

Luisa Ruvalcaba, Audit Manager

Sukhraj Kaur, Auditor

ATTACHMENT 1

CITY OF NEWPORT BEACH
100 Civic Center Drive
Newport Beach, California 92660
949 644-3127 | 949 644-3339 FAX
newportbeachca.gov/finance

August 3, 2015

Laurine Bohamera, Chief External Audits–Contracts
Audits & Investigations
Department of Transportation

Dear Ms. Bohamera:

We are providing this letter in connection with your incurred cost audit findings of the City of Newport Beach (City) financial management system as of April 1, 2015.

FINDING 1: *Unsupported Construction Engineering for Management and Inspection Costs*

The City was not able to provide the source documents, such as detailed timesheets or time documentation, to track the hours that City employees worked on the project. The City's Public Works Department (Department) does not keep track of the hours its employees spend on each project, so estimated hours were billed to Caltrans. The Department's timesheets require employees to report total hours (i.e. 8 hours for a full working day) and the timesheets do not segregate the hours worked by project. As a result, the City cannot support the City labor costs billed under Construction Engineering from March 18, 2013 to June 30, 2013 totaling $11,859.66 ($28,372.40 x 41.8% reimbursement ratio paid by State).

49 Code of Federal Regulation (CFR) Part 18.20, Section (b)(2), states " Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

49 CFR Part 18.20, Section (b)(6), states "Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc." Local Assistance Procedures Manual, Chapter 5.8—Audits of Local Agency

Expenditures, states, in part "The local agency shall maintain written source document records that account for agency costs and payments made to consultants, vendors, and contractors."

RECOMMENDATION:
We recommend that Caltrans recover the unsupported amount of $11,859.66 from the City. Also, if the City intends to bill project labor costs in future projects involving state and federal funds, timesheets need to adequately substantiate employee time.

City Response

Employees track their project-time using spreadsheets, construction dairies, calendars, notes and 8-hour timesheets. Each employee separately tracks the time spent on each project and the project manager assembles and tabulates these hours as part of the funding reimbursement. At the time of the audit, the City presented a summary spreadsheet of the hours worked by each employee on the project. It appears that the back-up may not have been submitted as part of the audit. The summary spreadsheet (see Attachment 1) does include detailed back up for each person, each day and hour they worked on the project. The City can also submit payroll records to indicate that those employees worked a full day on those same days.

The City of Newport Beach respectfully requests your reconsideration for this item. Although, employees do not track project-hours worked within the City's timekeeping payroll system, the additional spreadsheet data provide the source documents for tracking reimbursable construction engineering management and inspection costs. In addition, for referencing the reasonableness of these costs and expenditures, the City only used 3% of the total construction cost for construction engineering. Industry standard is 10-15%.

The City did use City staff for construction engineering as part of the project and has provided documentation for that. If at this time, Caltrans feels that the 3% construction engineering costs are not reimbursable, the City will accept the finding and return the funding.

The City has acquired a new integrated finance and payroll system that has a project ledger to track both grant sources and uses, including payroll. In the future, the City will use the new integrated finance and payroll software system to better support employee time.

FINDING 2: *Procurement Processes for Construction Engineering Agreement*
The City could not demonstrate that its on-call consultant agreement with GMU Geotechnical, Inc. (GMU) for soils and materials inspection and testing services was properly procured. Specifically, the City could not provide: the project's advertisement (such as the memorandum or letter the City sent to geotechnical

*firms soliciting a firms' statement of qualifications), original score sheets used for evaluating consultants, and documents demonstrating the contract was awarded to the most qualified consultant. As a result, the City is unable to substantiate that the $8,039.18 ($19,232.50 * 41.8% reimbursement ratio paid by State) paid to GMU for the Balboa Boulevard and Channel Road Pavement Reconstruction project was the result of an open and competitive procurement.*

49 CFR Part 18, Section 36(l), states, in part, "All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of Section 18.36."

49 CFR Part 18, Section 36(b)(9), states "Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

RECOMMENDATION:
Caltrans recover the costs paid by the City to GMU totaling $8,039.18. Also, the City publicly advertise and competitively award future on-call agreements, as well as retain all supporting documentation, in accordance with state and federal requirements.

City Response

At the time of construction for this project, the City's used the assistance of a consulting geotechnical testing firm to verify the compaction and quality of materials used on the project as required by Best Practices. The cost for these services was less than $20,000 or less than 2% of the construction costs. City Staff approached these consulting testing services utilizing the State's small purchase procurement method and our understanding is consultant agreements less than $100,000 may be handled through an informal method of procurement established by the local agency.

That particular consultant and service was handled through a competitive selection process using an on-call service agreement for small and miscellaneous services. We are unaware if supporting documents for that consultant and their selection was reviewed as part of the audit. Attached (as Attachment 2), please find the RFP, dated September 12, 2011.

The City utilized a competitive and open selection process and selected GMU as one of many on-call consultants to assist the City with minor tasks and projects. An evaluation committee was formed at the time and referenced in the contract and award documents. However, the public advertisement notice and the committee original score sheets are no longer available. On-call agreements are commonly used by the City and in the industry.

ATTACHMENT 1

The City did use an open and competitive selection process as part of this consultant selection and asks that Caltrans reconsider with the attached documents, especially in light of the small purchase procurement flexibility that is offered to local agencies. If at this time, Caltrans feels that the 2% for geotechnical testing costs are not reimbursable, the City will accept the finding and return the funding.

In the future, the City will retain the public advertisement notice and RFP score sheets to better document the contract award.

Dan Matusiewicz, Finance Director

Name and Title of CFO or equivalent

Signature

Attachments:

1. Detailed Timekeeping Spreadsheet
2. RFP for On Call Soils and Materials Inspection

ATTACHMENT 1

Detailed Time Keeping Balboa Blvd Channel Rd Pavement Project

ATTACHMENT 1

CONSTRUCTION ENGINEERING COST

Balboa Blvd and Channel Rd Pavement Reconstruction (C-5152)

City Staff Time Spent on Construction Engineering (Manz 4144

Federal Obligation = $1,083,924
Max. Const. Engr. (15%)

	HOURS WORKED ON THIS PROJECT FOR SEPTEMBER 2009																							
	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W		INCURRED
EMPLOYEE NAME	1	2	3	4	7	8	9	10	11	14	15	16	17	18	21	22	23	24	25	28	29	30	HOURLY BILLING RATE	COST
MIKE ST. CLAIR																								
FRANK TRAN																								
ANDY TRAN																								
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	.	

Material Testing by GMU Geotechnical =

Construction Engineering Total =

ATTACHMENT 1

CONSTRUCTION ENGINEERING COST

Balboa Blvd and Channel Rd Pavement Reconstruction (C-5152)

City Staff Time Spent on Construction Engineering (N

	HOURS WORKED ON THIS PROJECT FOR OCTOBER 2009																				
	TH	F	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F
EMPLOYEE NAME	1	2	5	6	7	8	9	12	13	14	15	16	19	20	21	22	23	26	27	28	29	30
MIKE ST. CLAIR																						
FRANK TRAN								1	1	1	1			1	2	1	1	1		1	1	
ANDY TRAN																						
TOTAL	0	0	0	0	0	0	0	1	1	1	1	0	0	1	2	1	1	1	0	1	1	0

Material Testing by GMU Geotechnical =

Construction Engineering Total =

ATTACHMENT 1

CONSTRUCTION ENGINEERING COST

Balboa Blvd and Channel Rd Pavement Reconstruction (C-5152)

City Staff Time Spent on Construction Engineering (N

	HOURS WORKED ON THIS PROJECT FOR NOVEMBER 2009																					
	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F	M
EMPLOYEE NAME	2	3	4	5	6	9	10	11	12	13	16	17	18	19	20	23	24	25	26	27	30
MIKE ST. CLAIR						7	7		7		7	7	7	7	6	7	7				7
FRANK TRAN	1		1	1		1	2				1	1	1	1	2						2
ANDY TRAN																					
TOTAL	1	0	1	1	0	8	9	0	7	0	8	8	8	8	8	7	7	0	0	0	9

Material Testing by GMU Geotechnical =

Construction Engineering Total =

ATTACHMENT 1

CONSTRUCTION ENGINEERING COST

Balboa Blvd and Channel Rd Pavement Reconstruction (C-5152)

City Staff Time Spent on Construction Engineering (N

	HOURS WORKED ON THIS PROJECT FOR DECEMBER 2009																						
	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH
EMPLOYEE NAME	**1**	**2**	**3**	**4**	**7**	**8**	**9**	**10**	**11**	**14**	**15**	**16**	**17**	**18**	**21**	**22**	**23**	**24**	**25**	**28**	**29**	**30**	**31**
MIKE ST. CLAIR	7	7	7	6	7	7	7	7		7	7	5		6	7	7	7	4					
FRANK TRAN	2	2	2	2	1		1	1		1	1	1	1	1	2	2	2	1					
ANDY TRAN															4								
TOTAL	9	9	9	8	8	7	8	8	0	8	8	6	1	7	13	9	9	5	0	0	0	0	0

Material Testing by GMU Geotechnical =

Construction Engineering Total =

ATTACHMENT 1

CONSTRUCTION ENGINEERING COST

Balboa Blvd and Channel Rd Pavement Reconstruction (C-5152)

City Staff Time Spent on Construction Engineering (N

	HOURS WORKED ON THIS PROJECT FOR JANUARY 2010																				
	F	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F
EMPLOYEE NAME	**1**	**4**	**5**	**6**	**7**	**8**	**11**	**12**	**13**	**14**	**15**	**18**	**19**	**20**	**21**	**22**	**25**	**26**	**27**	**28**	**29**
MIKE ST. CLAIR		7	7	7	7		7	7	7	7	7		2	2	2		7	7	7		6
FRANK TRAN		2	1	2	2		2	3	2	2	2								1	2	1
ANDY TRAN						2															
TOTAL	**0**	**9**	**8**	**9**	**9**	**2**	**9**	**10**	**9**	**9**	**9**	**0**	**2**	**2**	**2**	**0**	**7**	**7**	**8**	**2**	**7**

Material Testing by GMU Geotechnical =

Construction Engineering Total =

ATTACHMENT 1

CONSTRUCTION ENGINEERING COST

Balboa Blvd and Channel Rd Pavement Reconstruction (C-5152)

City Staff Time Spent on Construction Engineering (N

	HOURS WORKED ON THIS PROJECT FOR FEBRUARY 2010																		
	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	TH	F	M	TU	W	TH	F
EMPLOYEE NAME	1	2	3	4	5	8	9	10	11	12	15	16	18	19	22	23	24	25	26
MIKE ST. CLAIR						7	2	2	6	6		6	9	8	6	6	6	6	6
FRANK TRAN	2		2	2		2	2	2	2	2		2	3		3	3	3	3	2
ANDY TRAN	3	4	4	4	3	1	1		1			1							
TOTAL	5	4	6	6	3	10	5	4	9	8	0	9	12	8	9	9	9	9	8

Material Testing by GMU Geotechnical =

Construction Engineering Total =

ATTACHMENT 1

CONSTRUCTION ENGINEERING COST

Balboa Blvd and Channel Rd Pavement Reconstruction (C-5152)

City Staff Time Spent on Construction Engineering (N

	HOURS WORKED ON THIS PROJECT FOR MARCH 2010																									
	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TOTAL	HOURLY SALARY +	
EMPLOYEE NAME	1	2	3	4	5	8	9	10	11	12	15	16	17	18	19	22	23	24	25	26	29	30	31	HOURS	BENEFITS	TOTAL COST
MIKE ST. CLAIR	3	6	1	1		1	1	1	1	1	1	1	1	1										200	$64.65	$12,930.00
FRANK TRAN	1																							160	$75.10	$12,016.00
ANDY TRAN	1				3	1																		40	$85.66	$3,426.40
TOTAL	5	6	1	1	3	2	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	400		$28,372.40

Material Testing by GMU Geotechnical = $19,232.50

Construction Engineering Total = $47,604.90

ATTACHMENT 1

ATTACHMENT 2

RFP for On Call Soils and Materials Inspection

ATTACHMENT 1

CITY OF NEWPORT BEACH

PUBLIC WORKS DEPARTMENT
Stephen G. Badum, Director

GMU Geotechnical
Attention Mr. David Atkinson
23241 Arroyo Vista
Rancho Santa Margarita, CA 92688

September 12, 2011

E-mail - datkinson@gmugeo.com

Subject: Request for Proposal
On-Call Soils and Materials Inspection and Testing Services

Dear David,

The City of Newport Beach currently has a Capital Improvement Program that totals approximately $51,000,000, and which may require soils and materials inspection and testing services on a number of projects. We propose to select a few qualified firms to provide these services on an as-needed basis for the individual projects. Each individual project would still require a brief proposal for the specific project.

If you are interested in providing these on-call services please provide 3 copies of your proposal to include:

1. Cover Letter – Description of Services Provided (Exhibit A)
2. Local Staffing List - Names and Positions
3. Advance Notice Requirements – Ability of your firm to provide service on short notice
4. Resumes of Key Personnel
5. List of Public Agency Work performed in the Last Five Years
6. References
7. Fee Schedule (Exhibit B)

A DRAFT of the City's current Standard Form Professional Services Agreement that includes our insurance requirements is available for review upon request. Please indicate the name of the principal person in your firm who will be the contact person for use in the Agreement. After receipt of the above requested items, and if your firm is selected, a FINAL agreement will be prepared and mailed to you for execution. At that point in time we will request original insurance certificates be submitted.

The agreement is intended to run through December 31, 2013. Please provide your proposal package by September 23, 2011

Sincerely,

Michael J. Sinacori, P.E.
Assistant City Engineer

Cc: Dave Webb, Deputy Public Works Director/City Engineer

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