



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Katy Allen

**SUBJECT:** EDENVALE SANITARY SEWER  
SUPPLEMENT PHASE V PROJECT

**DATE:** 06-02-08

Approved

Date

6/5/08

**COUNCIL DISTRICT:** 2

## RECOMMENDATION

Approval of the second amendment to the consultant agreement with HMH Engineers for the Edenvale Sanitary Sewer Supplement Phase V Project increasing the amount of compensation by \$150,000, for a total agreement amount not to exceed \$1,525,000.

## OUTCOME

Council approval of an amendment to the agreement will allow HMH Engineers to complete the design services associated with the Edenvale Sanitary Sewer Supplement Phase V project.

## BACKGROUND

The Monterey-Riverside Trunk Sewer currently serves portions of south San José and the North Coyote Valley. This sewer system flows at full capacity and will not be able to accommodate the anticipated sewage flows from the future development of the North Coyote Valley. The objective of the Edenvale Sanitary Sewer Supplement Phase V (Edenvale Phase V) project is to provide increased flow capacity to the Monterey-Riverside basin by constructing a large diameter relief sewer.

The Edenvale Phase V project will install approximately 4.6 miles of 54-inch and 48-inch diameter sewer pipeline beginning at Monterey Highway/Blossom Hill Road and continuing south along Monterey Road to reach the western portions of the Edenvale Business Park. The southern reaches of the alignment will be constructed on Bernal Road and Santa Teresa Boulevard, terminating near Tulare Hill where the system will connect to the 42-inch Monterey-Riverside Supplement sanitary sewer.

On June 24, 2003, Council approved an agreement with HMH Engineers to provide consultant services for this project. The term of this agreement was from June 24, 2003 to December 31, 2007.

Due to budget constraints during Fiscal Year 2005-2006, the Edenvale Phase V project was separated into two phases, Phase VA and VB. City staff authorized HMH Engineers to prepare two separate sets of bid documents for each phase as additional services under the terms of the consultant agreement. The primary construction method for the Phase VA portion of the project will be microtunnelling.

On December 18, 2007, Council approved the first amendment to the agreement to extend the term of the agreement through December 31, 2009, at no additional cost to the City. This amendment was necessary for the additional time associated with preparing and managing the two distinct phases of the Edenvale project.

### ANALYSIS

The second amendment to the agreement provides \$150,000 in additional compensation to HMH Engineers for additional services under the original agreement. The additional services will enable the consultant to perform a detailed review of the plans, specifications and geotechnical reports related to microtunnelling. This review and subsequent revisions are necessary to incorporate recent developments within the microtunnelling industry and additional geotechnical information into the design documents.

Specific services anticipated with this second amendment include:

- Review of the existing design documents related to microtunnelling. The consultant will provide comments and recommendations which will increase the bid-ability and constructability of the project.
- Preparation and inclusion of a geotechnical baseline report into the bid documents. This report will better define the expected subsurface conditions along the project.
- Assess the pushing forces required to move the microtunnelling machine along the alignment. Results of this assessment will clarify the type and amount of equipment necessary for construction.
- Clarification of the requirements associated with the Union Pacific Railroad crossing. This will include refinements to the pipe material and construction techniques currently specified at this crossing location.

The compensation for these services will provide added value to the project by reducing the amount of interpretation of the design documents during bidding and construction.

HMH Engineers was originally selected to provide engineering design and construction support services for this project through the City's 1987 Policy for Selecting Architectural and Engineering Consultants by the Department of Public Works. In August 2001, HMH Engineers and other 18 firms submitted statements of qualifications to provide services that are related to major interceptor pipeline design, sanitary sewers, storm drains, pump stations and miscellaneous pipeline projects. These firms were placed on a "ranking" list based on their SOQ's. Subsequently, the top five ranking firms were then selected to go through an oral interview selection process where HMH was selected for the project.

HMH is very familiar with the project due to its involvement with the development and preparation of alternative designs, final design, and plans and specifications for the project. Staff is recommending that the additional services described above be added to the existing agreement through the proposed amendment rather than soliciting a new consultant under the Qualifications Based Consultant Selection Policy in light of all the services already provided by HMH and their familiarity with the project.

### **EVALUATION AND FOLLOW-UP**

Upon completion bid of this project, staff will follow-up with a recommendation to Council for award of the construction contract. The recommendation to award is expected to be presented to Council in December 2008.

### **POLICY ALTERNATIVES**

**Alternative #1:** Proceed with the design documents as is.

**Pros:** No additional costs related to design of the microtunnelling systems would be required at this time.

**Cons:** Unnecessary interpretation by bidders during advertisement resulting in higher bids. Potential for increased number and magnitude of change orders during construction.

**Reason for not recommending:** Staff believes the potential increased project costs during bid and construction will be greater than the costs associated with this second amendment to the agreement.

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The approval of this amendment does not meet any of the criteria identified by the Sunshine Reforms Work Plan. This memorandum will be posted on the City's website for the June 24, 2008 Council agenda.

**COORDINATION**

This agreement and memorandum have been coordinated with the Planning, Building and Code Enforcement Department, City Attorney’s Office and the City Manager’s Budget Office.

**FISCAL/POLICY ALIGNMENT**

This project is consistent with the Council-approved Budget Strategy in that it will spur construction spending in our local economy.

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$150,000

Project Delivery	\$3,250,000
Construction	14,000,000
Contingency	<u>1,400,000</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$18,650,000</b>
Prior Year Expenditures	(1,676,637)
<b>REMAINING PROJECT COSTS</b>	<b>\$16,973,363</b>

2. COST ELEMENTS OF AGREEMENT:

3. SOURCE OF FUNDING: 540 - Sanitary Sewer Connection Fee Fund  
 545 - Sewer Service and Use Charge Capital Improvement Fund

4. OPERATING COST: The proposed operating and maintenance costs of this project have been reviewed, and staff has determined that the project will have no significant adverse impact on the General Fund operating budget.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Amendment	2007-2008 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>				<b>\$16,973,363</b>			
<b>Current Funding Available</b>							
540	4037	Edenvale Sanitary Sewer Supplement, Phase VA and VB	119613	\$8,235,000	\$150,000	Capital V-64	10/16/07, Ord. No. 28143
545	4037	Edenvale Sanitary Sewer Supplement, Phase VA and VB	119613	\$12,559,000	\$0	Capital V-64	10/16/07, Ord. No. 28143
<b>Total Current Funding Available</b>				<b>\$20,794,000</b>	<b>\$150,000</b>		

HONORABLE MAYOR AND CITY COUNCIL

06-02-08

**Subject: Edenvale Sanitary Sewer Supplement Phase V Project**

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**CEQA**

CEQA: Mitigated Negative Declaration, PP 01-03-055.



KATY ALLEN

Director, Public Works Department

For questions please contact TIMM BORDEN, DEPUTY DIRECTOR, at 408-535-8300.

