



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen

SUBJECT: SEE BELOW

DATE: 02-22-10

Approved

Date

3/2/10

COUNCIL DISTRICT: 4

**SUBJECT: CONSULTANT AGREEMENT WITH HDR, INC. FOR SPRECKLES
SANITARY SEWER FORCE MAIN SUPPLEMENT AND PUMP STATION
REHABILITATION PROJECT**

RECOMMENDATION

Approval of an agreement with HDR, Inc. for consultant services for the Spreckles Sanitary Sewer Force Main Supplement and Pump Station Rehabilitation Project from the date of execution to June 30, 2013, in a total amount not to exceed \$897,463.

OUTCOME

Approval of the agreement will enable the Department of Public Works (DPW) to initiate the work under the contract with HDR, Inc. to perform the Spreckles Sanitary Sewer Force Main Supplement and Pump Station Rehabilitation project.

BACKGROUND

The Spreckles Sanitary Sewer Force Main Supplement and Pump Station Rehabilitation project is located within the Alviso area of the City of San José (see attached map). In an effort to consolidate the usage of several sewage treatment plants in the late 1970's, the City terminated the operation of the Alviso Treatment Plant. Subsequently, this facility was converted into a transmission pump station with a direct discharge through a ten inch asbestos concrete force main into the San José/Santa Clara Water Pollution Control Plant. Since this conversion, no major updates or renovations have been performed on this facility.

Due to the age of the pump station and associated force main, the City's Department of Transportation (DOT) and General Services (GS) have been responding to multiple electrical and mechanical failures at the pump station and along the force main. In 2008, a service order was issued to the City's consultant AECOM for the purpose of evaluating and providing

recommendations to mitigate the maintenance issues experienced by DOT and GS. These recommendations were used to define the scope for the consultant agreement with HDR, Inc.

ANALYSIS

Consultant Selection

A Request for Qualifications for consultant services for the Spreckles Sanitary Sewer Force Main Supplement and Pump Station Rehabilitation project was advertised on January 14, 2009. The City received Statements of Qualifications (SOQ) from twelve firms on February 11, 2009. Staff from the Department of Public Works (DPW) and DOT conducted a selection process for consultant services in accordance with the Council adopted, Qualifications Based Consultant Selection (QBCS) process and the Local Business and Small Business Preference Ordinance.

After evaluation of the SOQ's submitted, seven firms were invited for interviews. Interviews were conducted on February 25, 2009 by a panel comprised of various divisions within DPW and a non-City of San José member from the City of Santa Clara. The seven firms were evaluated and ranked based on their demonstration of relevant design and construction experience for sanitary sewer force main and sanitary sewer pump station rehabilitation work. Consideration was also given to their overall project management and ability to work with public and regulatory agencies. The seven firms were ranked by the interviewing panel as follows:

Ranked List determined by the Interview Panel:

<u>Rank</u>	<u>Consultant Company</u>
1	HDR, Inc.
2	West Yost Associates
3	AECOM
4	Hatch Mott MacDonald
5	Carollo Engineers
6	HydroScience Engineers
7	Winzler & Kelly

The panel rated HDR, Inc. of Walnut Creek, California as the top-ranked firm. This consultant was deemed the most qualified firm based on their past experience in managing pump station rehabilitation and force main installation projects and their approach proposed for this project.

Scope of Work

Based on the condition assessment report completed by AECOM, HDR will prepare plans and specifications for rehabilitation of the pump station. This includes removal and replacement of obsolete electrical systems with systems which meet current electrical code standards. Mechanical components will be replaced in an effort to improve efficiency and increase the reliability of the pump station. Design documents will also be prepared for installation of 5,000 feet of force main through an area with a high groundwater table that will require two trenchless

crossings. Due to these challenging conditions, a detailed geotechnical investigation will be completed during the development of the design documents.

In addition to design services, HDR will provide construction support and specialty inspection/acceptance testing services. This includes confined space entry inspections, monitoring of trenchless pipe installation and start-up and acceptance testing of electrical and mechanical components.

The original proposal submitted by HDR, Inc., in the amount of \$1,351,976, included several items that could be completed by City staff. It is most efficient to use City staff to complete work within our typical scope, and augment with specialty consulting for work that is unusual and not sustainable to develop staff expertise. Upon completion of both scope and compensation negotiations, staff and HDR, Inc. agreed that a fee of \$897,463 was appropriate for the services to be provided under the agreement. Taking into account the complexity of the project and the current economic conditions, the negotiated fee represents a market rate fee structure. HDR, Inc. will begin design work upon Council approval of the agreement.

EVALUATION AND FOLLOW-UP

This consultant agreement for the Spreckles sanitary sewer force main supplement and pump station rehabilitation project is currently within budget and on-schedule. No additional follow-up action with the Council is expected at this time.

Upon completion of the design work on this project, award of a construction contract will be submitted to the City Council for approval in late 2011 or early 2012.

POLICY ALTERNATIVES

Alternative 1: Perform the work with in-house resources.

Pros: Increase work options for current staff.

Cons: Project costs will increase and delays to the project will occur.

Reason for not recommending: In-house staff will require a significant amount of time and training to gain the expertise required for a project of such complexity. This expertise is rarely necessary for design work on the City's sewer system, and therefore gaining this ability would not be sufficient or sustainable. This would result in unnecessary project costs and delays.

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)**

This action does not meet any of the criteria above. The Request for Qualifications was published on the *San José Post Record* and the City's Internet bid line. In addition, this memorandum will be posted on the City's website for the March 16, 2010 Council Agenda.

COORDINATION

This agreement and memorandum were coordinated with the Departments of Planning, Building and Code Enforcement, Transportation, City Attorney's Office and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

This agreement is consistent with the Council-approved Budget Strategy for Economic Recovery in that the consultant retained under this agreement will assist sewer studies to identify capital improvement projects which will spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF AGREEMENT: **\$897,463**

Agreement Management/Design Oversight	\$ 154,181
Agreement Amount	<u>897,463</u>
TOTAL DESIGN COST	\$1,051,644
Prior Year Expenditures	(114,393)
REMAINING PROJECT COSTS	\$ 937,251

2. COST ELEMENTS OF AGREEMENT

Project Management	\$ 82,083
Project Coordination	101,207
Initial Design (30% complete)	200,784
60 Percent Complete Design Plans	115,278
90 Percent Complete Design Plans	77,871
Final Design (100 Percent Complete)	29,565
Bid Document Preparation	21,492
Pre-Construction and Construction	169,183
Support Services	
Additional Services	<u>100,000</u>
TOTAL CONSULTANT CONTRACT	\$ 897,463

3. SOURCE OF FUNDING: 545 – Sewer Service and Use Charge Capital Improvement Fund.

4. OPERATING COSTS: Staff anticipates that this project will reduce the current operating and maintenance costs of this pump station.

BUDGET REFERENCE

The table below identifies the funds and appropriations proposed to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2009-2010 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
545	6531	Spreckles Sanitary Sewer Force Main Supplement	153253	\$3,177,000	\$897,463	Capital V - 72	10/20/09, Ord. No. 28653

HONORABLE MAYOR AND CITY COUNCIL

02-22-10

Subject: Consultant Agreement with HDR, Inc. for Spreckles Sanitary Sewer Force Main Supplement and Pump Station Rehabilitation Project

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CEQA

CEQA: Exempt, File No. PP09-104

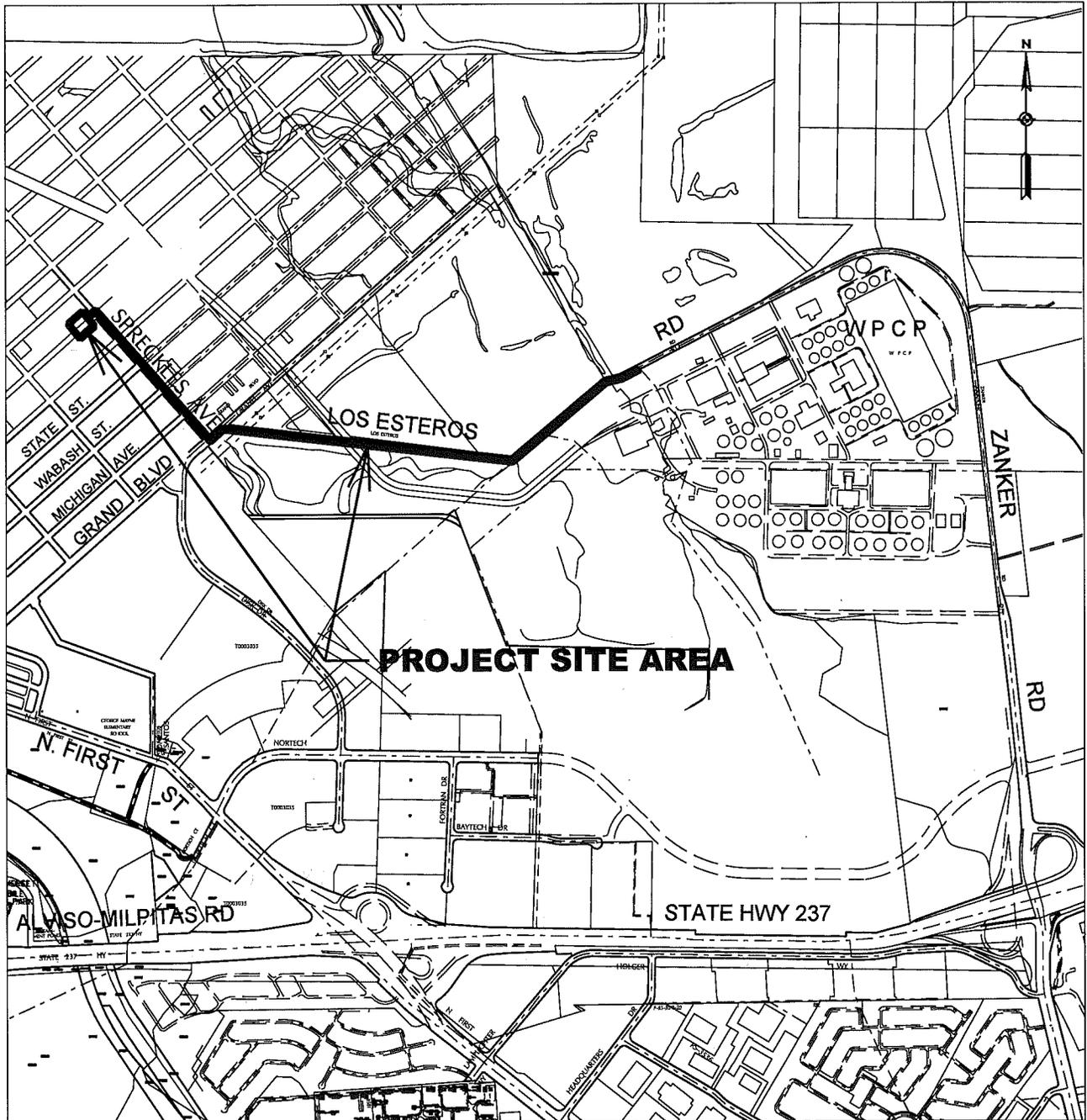
/s/

KATY ALLEN
Director, Public Works Department

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

EXHIBIT B-1

SPRECKLES SANITARY SEWER FORCE MAIN SUPPLEMENT AND PUMP STATION REHABILITATION



LOCATION MAP
N.T.S.