



Santa Clara Valley Water District

File No.: 18-0090

Agenda Date: 5/8/2018

Item No.: 5.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Budget Adjustment in the Amount of \$5 Million from the Rinconada Water Treatment Plant Residuals Management Project to the Rinconada Water Treatment Plant Residuals Remediation Project, Project No. 93294058; and Standard Consultant Agreement between the Santa Clara Valley Water District and Stantec Consulting Services, Inc., for Project Planning and Design Services (Los Gatos) (District 7).

RECOMMENDATION:

- A. Approve a budget adjustment of \$5 million from the Rinconada Water Treatment Plant Residuals Management Project, Project No. 93294051, to the Rinconada Water Treatment Plant Residuals Remediation Project, Project No. 93294058, to fund project expenditures for Fiscal Years 2018 and 2019; and
- B. Approve the Standard Consultant Agreement Between the Santa Clara Valley Water District and Stantec Consulting Services, Inc., for project planning and design services, for a not-to-exceed fee of \$3,296,795.

SUMMARY:

The Rinconada Water Treatment Plant (RWTP) residual solids management facility has experienced numerous operational deficiencies since construction completion in 2016 of the RWTP Residuals Management Project. It has been determined that the new residuals management system does not meet the District's objectives and requirements and is not reliable.

Staff has completed a consultant selection process for services to identify and permanently address the operational deficiencies. Staff recommends a budget adjustment of \$5.0 million to fund a new project established to create a clear accounting record of remediation costs for the residuals management system. The new project is the RWTP Residuals Remediation Project (Project No. 93294058).

Staff also recommends approval of a Consultant Agreement with Stantec Consulting Services, Inc. (Consultant) for remediation planning and design services, for a not-to-exceed fee of \$3,296,795.

Project Background

The RWTP is the only source of treated water supply for the west side of Santa Clara Valley Water

District's service area. Its operating reliability is critical to meet the daily water demands of more than one million customers.

Now in its 50th year of operation, the RWTP is undergoing major improvements to upgrade or replace all the key plant components through major capital projects, including the Reliability Improvement Project. The Reliability Improvement Project, currently under construction, will update and improve the existing water treatment process train and increase the plant's capacity from 80 to 100 million gallons per day (MGD).

The Residuals Management Project was implemented to modernize the handling of residual solids from the water treatment process. Project construction was completed in 2016. Although startup testing and commissioning were performed for the new residuals management system as part of the construction phase, numerous operational deficiencies have been experienced since it began operations. Staff has taken interim steps to maintain the system's operability since early 2017, but a remediation effort is necessary to achieve reliable system operations for the long term.

Previous Board Actions

On May 15, 2012, the Board awarded Agreement no. A3585A to CDM Smith to perform engineering services for the design of the RWTP Residuals Management Project for \$1,449,316.

On August 27, 2013, the Board awarded a construction contract for the RWTP Residuals Management Project to Preston Pipeline, Inc., in the amount of \$15,818,300 and approved a contingency fund of \$1,581,830.

On October 25, 2016, the Board accepted the RWTP Residuals Management Project as complete and authorized the Clerk to sign the Notice of Completion of Contract and Acceptance of the Work.

On January 24, 2017, the Board approved a budget adjustment of \$3,356,000 from the Water Utility Operating and Capital Reserve to the Fiscal Year 2016-17 Project budget to fund short-term remediation efforts necessary to maintain the system's functionality.

Proposed Budget Adjustment

The remediation effort for the residuals management system will require additional planning and design services by the new Consultant. To separate the costs of this planning/design effort from that performed by other consultants during the original RWTP Residuals Management Project, staff plans to initiate a new project, the RWTP Residuals Remediation Project, to effectively track all phases of project delivery for the remediation effort.

There are adequate funds in the Board-approved FY18 Budget for the RWTP Residuals Management Project to transfer \$5.0 million, per the recommended budget adjustment, to the newly-initiated RWTP Residuals Remediation Project.

Consultant Selection Process for Long-Term Remediation Project

On June 15, 2017, staff published a Request for Proposals (RFP) for Planning and Design Services by sending it to 95 firms and entities that were registered on the District’s Consultant List for “WT10 - Water Treatment Infrastructure Design, and Project Management.” The RFP was also posted on the District’s Contract Administration System (CAS) internet portal and advertised in the Small Business Insider.

District staff conducted mandatory pre-proposal and site visit meetings on June 27, 2017 and June 29, 2017. Five engineering firms and two sub-consultant firms attended. During the 10-week proposal period, staff issued four addenda to provide pre-proposal meeting documents, clarify the RFP, respond to questions received from interested consultants, and to extend the proposal due date. Staff received two consultant proposals on the submittal deadline of August 24, 2017.

A Consultant Review Board (CRB), including two internal and one external subject matter experts, evaluated the written proposals. Oral interviews were held on September 26, 2017. Based on the firms’ qualifications, experience, project understanding, and technical approach, the CRB ranked Stantec Consulting Services Inc. as the highest-ranked firm and recommended that District staff proceed with agreement negotiations.

Information on Stantec’s past performance on District agreements was considered in selecting this firm and recommending approval of this Agreement.

Consultant Agreement Scope of Services

The proposed Consultant Agreement includes the required tasks to complete the Project planning and design scopes of work and to provide support during bidding for Project construction. A summary of the tasks and fees for this Agreement is presented in Table 1.

The scope of services includes project management, data collection, and investigations (such as geotechnical investigations and solids generation analysis report, consultant initial assessment, and review of District’s ongoing remediation efforts), conceptual alternatives and basis of design, design tasks (30%, 60%, 90% and final design), and bid support. The supplemental services task includes a budget for the Consultant to perform additional geotechnical, public outreach, operational, or optimization tasks, supplemental design services for pumping and power improvements, and model renderings of proposed facilities. The firm may also be requested to assess the current operational deficiencies and the related causes. Prior to performing any supplemental services, the Consultant will be required to obtain written authorization from the Water Utility Capital Division Deputy Operating Officer through issuance of an approved Task Order.

Details of the scope, budget, and schedule are included in the proposed Consultant Agreement (Attachment 1).

Table 1 - Summary of Tasks and Fees for Proposed Consultant Agreement with Stantec Consulting Services, Inc.		
Task	Description	Total NTE* Fees
1	Project Management	\$494,715
2	Data Collection and Investigation	\$521,948
3	Conceptual Alternatives and I	\$296,548
4	30% Design Document Preparation	\$412,512
5	60% Design Document Preparation	\$430,658
6	75% Design Document Preparation (Systems)	\$52,712
7	90% Design Document Preparation	\$452,623
8	Final Design Document Preparation	\$148,609
9	Bid and Award Services	\$21,470
10	Supplemental Services	\$465,000
Total Not-to-Exceed Fees (Tasks 1 through 10)		\$3,296,795

*NTE = not to exceed.

FINANCIAL IMPACT:

The recommended budget adjustment would transfer \$5.0 million from the RWTP Residuals Management Project to the newly-initiated RWTP Residuals Remediation Project. There are sufficient funds in the Board-adopted FY18 Budget for the RWTP Residuals Management Project to transfer these funds.

Board approval of this budget adjustment will enable the encumbrance of the not-to-exceed fee of \$3,296,795 for the Planning and Design Services Agreement with Stantec Consulting Services, and fund staff labor to manage the new Project in FY18 and FY19.

Both the RWTP Residuals Management Project and the RWTP Residuals Remediation Project are included in the FY2019-23 Capital Improvement Program, with a current total cost estimate of \$64.7M.

Funds for work to be performed in future fiscal years will be budgeted accordingly.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonable foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Consultant Agreement

UNCLASSIFIED MANAGER:

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