



# Santa Clara Valley Water District

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**File No.:** 21-1051

**Agenda Date:** 11/9/2021  
**Item No.:** 5.3.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Approve Agreement with Stantec Consulting Services, Inc. for Design Services for the Penitencia Water Treatment Plant Residuals Management Project, Project No. 93234044, CAS File No. 5204, for a Not-to-Exceed Fee of \$5,938,518 (San Jose), (District 3).

### **RECOMMENDATION:**

Approve the Consultant Agreement with Stantec Consulting Services, Inc. for Design Services for the Penitencia Water Treatment Plant Residuals Management Project, Project No. 93234044, for a not-to-exceed fee of \$5,938,518.

### **SUMMARY:**

The objectives of the Penitencia Water Treatment Plant (PWTP) Residuals Management Project (Project) are to extend the service life and improve reliability by replacing and/or improving the residuals management facilities at the plant. Residuals management facilities to be addressed by the Project include the solids handling process, the washwater recovery process, and a new washwater clarification facility.

The existing residuals management facilities have become increasingly inefficient, less reliable, and labor intensive to operate and maintain. Additionally, the original design of the process makes it difficult to achieve current water quality standards. The Project will evaluate the entire residuals management processes and provide solutions to address solids handling challenges.

Approval of the Consultant Agreement will provide the engineering design services required for the Project.

### ***Project Background***

The PWTP, constructed in 1974, is the smallest of Santa Clara Valley Water District's (Valley Water) three potable water treatment plants, delivering up to 40 million gallons of water per day to retailers, businesses, and residents within Valley Water's service area. The plant services the North San Jose and Milpitas areas, supplying safe drinking water to approximately 270,000 residential and commercial users.

A sludge dewatering system was installed in the late 1980s, which has become increasingly

inefficient, less reliable, and labor intensive. The original design of the processes makes it difficult to achieve current water quality standards. The system requires replacement and upgrade to ensure it achieves its operational capacity and reliability.

During an inspection in February 2020, the Division of Drinking Water (DDW) observed that a residuals management project had not been implemented, recycled water turbidity consistently exceeds 2 Nephelometric Turbidity Units (NTU), and the washwater return rate exceeds 10% of the plant flow rate.

In order to meet the District's commitment to these regulatory goals, this Project will implement a new residuals management facility which will include automated sludge removal and transfer from the sedimentation basins, segregation of liquid/solid streams, sludge conditioning and thickening, solids storage and mixing, and a washwater clarification facility with means of storage/equalization.

### ***Consultant Selection Process***

On March 26, 2021, staff published a Request for Proposals (RFP) for Design Services by sending it to 106 firms that were registered under CAS Expertise Code W10 - Water Treatment Infrastructure Design and Project Management. Staff also issued advertisements in the San Jose Post and SBEINC.com prior to publishing the RFP.

A pre-proposal meeting was held via Zoom on April 7, 2021, with two firms in attendance. As an additional outreach effort, a non-mandatory, in-person site visit was held at the PWTP on April 26, 2021, with one firm in attendance. Furthermore, the due date for proposals was extended by 2.5 weeks. Even with the additional outreach efforts performed, staff received only one proposal on the submittal deadline of May 19, 2021, from Stantec Consulting Services, Inc. (Stantec).

An Evaluation Committee (EC), consisting of four panelists from Valley Water with subject matter expertise, evaluated the written proposal. The EC completed their technical evaluation in accordance with the evaluation criteria in the RFP and invited Stantec to participate in an oral interview. Following the oral interview, the EC recommended that staff proceed with agreement negotiations with Stantec.

Negotiations with Stantec have been completed successfully and staff recommends Board approval of the Agreement with Stantec Consulting Services, Inc. for the engineering design and engineering design services during construction for the Penitencia Water Treatment Plant Residuals Management Project, for a not-to-exceed fee of \$5,938,518.

Stantec's past performance on Valley Water projects provides staff with confidence in selecting this firm and recommending approval of this Agreement. Stantec recently completed the design for the Rinconada Water Treatment Plant Residuals Remediation Project, and they will be incorporating lessons learned into the design of this Project.

### ***Consultant Agreement and Scope of Services***

The recommended Consultant Agreement with Stantec includes the required tasks and budget to perform design services, bid and award services, and engineering services during construction. A

summary of the tasks and fees for this Agreement is presented in Table 1. The scope for engineering design services during construction was added during negotiations of the Agreement to avoid the need for a future amendment.

The scope of services includes project management, preliminary design, design tasks (30%, 60%, 75%, 90% and final design), bid support, and engineering services during construction. The supplemental services task includes a budget for the Consultant to perform additional services which may include value engineering, public outreach, geotechnical, landscape, surveying services, etc. 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 the issuance of an approved Task Order.

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

Task	Description	Not-to-Exceed Fees
1	Project Management	\$499,973
2	Preliminary Design	\$356,216
3	30 Percent Design Document	\$734,300
4	60 Percent Design Document	\$959,086
5	75 Percent Design Document Electrical and Controls	\$93,360
6	90 Percent Design Document	\$646,965
7	Final Design Document Preparation	\$319,759
8	Bid and Award Services	\$33,238
9	Supplemental Services	\$564,285
10	Engineering Services During Construction	\$1,731,336
<b>Total Not-to-Exceed Fees</b>		<b>\$5,938,518</b>

**FINANCIAL IMPACT:**

The Penitencia Water Treatment Plant Residuals Management Project (Project No. 93234044) is included in the Five-Year FY 2022-26 Capital Improvement Program (CIP). Funding for the Consultant costs anticipated to be incurred during the first year of the Agreement are currently included in the Board adopted FY 2021-22 budget. The not-to-exceed fee for the design services Agreement with Stantec Consulting Services, Inc. is \$5,938,518, which does not change the overall total Project cost reflected in the Five-Year 2022-26 CIP. Funds to cover the remaining Consultant services in subsequent fiscal years will be recommended by staff through the annual fiscal year budget process. The funding source for the design services Agreement with Stantec Consulting

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Services, Inc. is the Water Utility Enterprise Fund (Fund 61), with 100 percent of the costs allocated to Zone W-2 (North County).

**CEQA:**

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

**ATTACHMENTS:**

Attachment 1: Agreement

**UNCLASSIFIED MANAGER:**

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