



# Santa Clara Valley Water District

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**File No.:** 17-0309

**Agenda Date:** 6/27/2017

**Item No.:** 5.1.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Consultant Agreement with The Hanna Group, LLC for Construction Management Services for an amount Not-to-Exceed \$1,254,231 for the Main Avenue and Madrone Pipeline Restoration Project, Project No. 26564001 (Morgan Hill) (District 1).

### **RECOMMENDATION:**

Approve the Construction Management Agreement with The Hanna Group, LLC, for construction management services for the Main Avenue and Madrone Pipeline Restoration Project (Project) for a Not-to-Exceed amount of \$1,254,231.

### **SUMMARY:**

#### ***Project Background***

The Main Avenue and Madrone Pipeline system conveyance capacity has deteriorated during the past 60 years, due to excess leakage and invasive tree roots. During the last 20 years, temporary fixes have been implemented, but the condition of the pipelines continues to degrade. In addition, Water Resources Planning Studies conducted in 2005 and 2010 have shown that there could be water supply shortages ranging from 4,000 acre-feet per year (AFY) to 16,000 AFY by the year 2030 in the South Santa Clara County, including the Llagas groundwater subbasin.

The scope of the proposed Project is to design and construct approximately 14,000 linear feet of 30 and 36-inch diameter raw water pipeline and appurtenances to replace the existing pipelines with larger diameter pipelines, restore the system to its full operating capacity, and address the potential water supply shortages. This allows for groundwater recharge via the Main Avenue Recharge Ponds and the Madrone Channel from Anderson Reservoir or the Santa Clara Conduit. Completion of the Project will address current and future groundwater recharge demands.

### ***Construction Management Services***

With the high number of watershed and water utility capital projects currently in, or beginning construction in the next few years, external resources are necessary to provide construction management services for some projects. Through a competitive selection process, staff has selected The Hanna Group to perform such services for this Project. Staff recommends Board approval of the Construction Management Agreement with The Hanna Group for construction management services for the Project for a Not-to-Exceed fee of \$1,254,231.

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

On January 15, 2016, the Request for Proposals (RFP) for construction management services for multiple Water Utility Capital Division projects in various stages of design was published on the District's Contract Administration System (CAS) web-portal, and advertised in the Silicon Valley Business Journal and the Small Business Exchange. Over 100 consultant firms that are registered in CAS, under the expertise code CM 10, were notified of the RFP.

An optional pre-proposal meeting was held on January 22, 2016, and was attended by representatives from 32 consulting firms. During the 3-month proposal period, staff issued four addenda to clarify details and instructions in the RFP, and responded to questions received from interested consultants.

The District received proposals from four prime consultant firms for this Project. A Consultant Review Board (CRB) consisting of two internal subject matter experts from the District, and two external subject matter experts from the City of San Jose and the San Francisco Public Utilities Commissions, evaluated the written proposals. Three of the four respondents were invited to participate in the oral interviews. Based on the combined (written and oral) rating scores, the CRB recommended that staff undertake contract negotiations with The Hanna Group, the highest rated firm.

On November 17, 2016, based on the Project's proposed construction schedule, Staff initiated Agreement negotiations with The Hanna Group.

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

The Agreement scope of services includes the required tasks and budget to perform the construction administration, construction management, and inspection-related services for the construction of the

Project (Attachment 1).

The Supplemental Services task could include additional inspections or testing, estimating support for change orders, reports or technical memoranda, and attendance at additional meetings.

Table 1 presents a summary of the tasks and associated costs for this Consultant Agreement.

**Table 1 - Summary of Tasks and Associated Costs for  
Consultant Construction Management Services**

<b>Task</b>	<b>Description</b>	<b>Total Not-to-Exceed Fees</b>
1	Project Management	\$118,840
2	Preconstruction Services	\$40,169
3	Construction Contract Management-Documentation and Coordination	\$402,417
4	Construction Contract Management-Change Management & Administration	\$149,863
5	Inspections, Special & Specialty Inspections	\$407,629
6	Safety Management	\$4,020
7	Training, Testing, Start-up, and Commissioning	\$6,700
8	Claims and Dispute Management	\$17,439
9	Acceptance and Closeout	\$47,429
10	Supplemental Services	\$59,725
<b>Total Not-to-Exceed Fees</b>		<b>\$1,254,231</b>

### **Next Steps**

If the Board approves staff's recommendations, staff will have the resources to implement construction administration and management for the Project. Staff anticipates advertising for construction contract bids in August 2017 and Project construction beginning in November 2017.

**FINANCIAL IMPACT:**

There are adequate funds in the FY 2017-18 Budget, project #26564001 to award the \$1.25 million contract.

**CEQA:**

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

**ATTACHMENTS:**

Attachment 1: Agreement

Attachment 2: Map

Attachment 3: Project Delivery Process Chart

**UNCLASSIFIED MANAGER:**

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