



Santa Clara Valley Water District

File No.: 20-0174

Agenda Date: 5/12/2020

Item No.: 5.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approve Consultant Agreement with Mott MacDonald Group, Inc. for Phases 2A and 2B Upper Llagas Creek Flood Protection Project, Project No. 26174052, for Construction Management Services, for a Total Not-to-Exceed amount of \$13,019,441.19, and Authorize Consultant to Only Perform Construction Management Services relating to Phase 2A Now, for a Total Not-to-Exceed Amount of \$6,224,747.45 (Morgan Hill) (District 1).

RECOMMENDATION:

- A. Approve Consultant Agreement with Mott MacDonald Group, Inc. for Phases 2A and 2B Upper Llagas Creek Flood Protection Project (Project No. 26174052) for Construction Management Services, Total Not-to-Exceed amount of \$13,019,441.19 and;
- B. Authorize the Consultant to only perform Construction Management Services relating to Phase 2A portion now, for a Total Not-to-Exceed amount of \$6,244,747.45, of Consultant Agreement with Mott MacDonald Group, Inc. for Phases 2A and 2B Upper Llagas Creek Flood Protection Project (Project No. 26174052).

SUMMARY:

Santa Clara Valley Water District (Valley Water) is undertaking the Upper Llagas Creek Flood Protection Project (Project) in partnership with the U.S. Army Corps of Engineers (Corps) and the City of Morgan Hill to provide 1% flood protection to approximately 1,100 homes and 500 businesses along West Little Llagas Creek, East Little Llagas Creek, and Llagas Creek. The Project is approximately 13.9 miles long and encompasses the City of Morgan Hill, City of Gilroy, and various unincorporated areas of Santa Clara County, including San Martin (Attachment 1, Project Map).

Construction of the Project will be undertaken in multiple phases:

- Phase 1, currently under construction, consists of Reach 4, a portion of Reach 5, Reach 7A, and Lake Silveira (the on-site compensatory mitigation component of the Project). Phase 1 construction began on September 3, 2019.
- Phase 2A consists of construction of a portion of Reach 8 from Ciolino Avenue upstream to approximately 300 feet north of the existing West Main Avenue and Hale Avenue intersection. Phase 2A includes construction of the proposed approximately 2,300 linear feet horseshoe shaped underground high-flow diversion tunnel and approximately 1,600 linear feet of twin

reinforced concrete box culverts upstream and downstream of the proposed tunnel. Construction will include traffic control, detours, road work, utility relocations and coordination, fencing, soil testing as required for off-site disposal, concrete and other miscellaneous work, community outreach and coordination. Construction is anticipated to take approximately 2.5 years to complete.

- Phase 2B consists of construction of the remaining portion of Reach 5 and all of Reach 6 (Highway 101 upstream to Monterey Road), Reach 7B (Watsonville Road to Ciolino Avenue), the remaining portion of Reach 8 (approximately West Main Avenue to Llagas Road), and Reach 14 (confluence with Reach 4 upstream to Sycamore Avenue). Phase 2B construction consists of approximately 1,900 linear feet of twin reinforced concrete box culverts, creek modifications and excavation by widening and deepening, installation of culverts at various street crossings, construction of an inlet basin weir split-flow structure, bridge underpinning work, installation of instream complexities, removal of plantings and non-native plantings, habitat enhancements, revegetation, utility relocations and coordination, outfall modifications, aggregate base maintenance roads, access ramps, traffic controls/detours, fencing, soil testing as required for off-site disposal, concrete and other miscellaneous work, community outreach and coordination. Construction is anticipated to take approximately three years to complete followed by a three-year plant establishment period.

Valley Water's Construction Services Unit does not have expertise for the Phase 2A tunnel construction or sufficient resources currently needed to provide construction administration and inspection related services for the Project. Therefore, staff initiated a competitive process to select a firm and is recommending award of a consultant agreement to Mott MacDonald Group, Inc. for these services.

Consultant Selection Process

On August 2, 2018, staff published a Request for Proposals (RFP) for construction management services for Phase 2 of the Upper Llagas Creek Flood Protection Project on the Valley Water Contract Administration System internet portal. The RFP was distributed to approximately 190 firms on the Valley Water self-registered list for CM10 - Construction Management. In addition, the RFP was advertised in the Silicon Valley/San Jose Business Journal and Small Business Exchange.

During the five-week proposal period, staff issued three addenda to clarify the RFP and respond to questions received from interested consultants. Three proposals were received by the submittal deadline of September 5, 2018.

A Consultant Review Board (CRB) consisting of four subject matter experts, three from Valley Water and one from City of Morgan Hill, evaluated the written proposals and conducted oral interviews on October 4, 2018. Based on the combined written and oral rating scores, the CRB recommended that staff undertake contract negotiations with Mott MacDonald Group, Inc. (Consultant), the highest ranked firm. Agreement negotiations began On October 24, 2018.

Valley Water staff and the Consultant's team met numerous times and had lengthy negotiations to

discuss the scope and level of effort for specific tasks. Agreement negotiations slowed when it was apparent external funding sources still needed to be secured before Phase 2 could be advertised for construction. In January 2020, Valley Water Board of Directors approved splitting Phase 2 into two smaller construction projects, Phase 2A and Phase 2B, with Phase 2A paid for exclusively with existing local funding. After this Board decision, Valley Water staff re-engaged in negotiations with Consultant to finalize the Agreement.

Consultant Agreement and Scope of Services

The recommended Consultant Agreement (Attachment 2) with Mott MacDonald, Inc. has an approximately 5.5-year term and spans three in-channel construction seasons. The basic scope of services includes constructability review and the required tasks and budget to perform the construction administration and inspection related services for Phase 2 of the Project for a “not-to-exceed” amount of \$13,019,441.89. Agreement tasks are split between Phase 2A (\$6,244,747.45) and Phase 2B (\$6,774,694.44). The term of the Consultant Agreement expires on December 31, 2026.

Staff recommends the Board award the full Agreement, but only authorize Consultant to perform services relating to Phase 2A in the amount of \$6,244,747.45. The initial term is for approximately 36 months, including six months for preconstruction services. Staff recommends, and the Consultant Agreement provides, that separate Board approval will be required for the Consultant to proceed with performing services relating to Phase 2B services at a later date.

Consultant will perform construction inspection, management, and administration functions for the Project. Consultant shall also review Phase 2A construction documents prior to advertisement for bids and identify any constructability concerns for Valley Water’s consideration. Consultant’s cost to perform the Phase 2A constructability review is \$78,000, and is included within the Task 1, Phase 2A costs identified in Table 1 below.

A summary of tasks and budget for this Consultant Agreement is presented in Table 1. The basic scope of services is described in Tasks 1- 4. Supplemental Services (Task 5) may include services such as additional: survey, construction inspection, community outreach, meetings beyond the number estimated, and other miscellaneous services.

Table 1

Cost Breakdown

Task	Description	Phase 2A	Phase 2B	Not-to-Exceed Fees
1	Construction Administration	\$2,816,446.30	\$2,280,499.86	\$5,096,946.16
2	Construction Inspections	\$2,615,177.36	\$3,322,579.00	\$5,937,756.36
3	Partnering, Claims, and Disputes Management	\$90,919.80	\$119,351.78	\$210,271.58
4	Acceptance and Close-Out	\$24,583.99	\$46,363.80	\$70,947.79
5	Supplemental Services	\$697,620.00	\$1,005,900.00	\$1,703,520.00
Total Not-to-Exceed Fees		\$6,244,747.45	\$6,774,694.44	\$13,019,441.89

Valley Water is pursuing external funding, including a grant from the United States Department of Agriculture, Natural Resources Conservation Service, to address the estimated \$70 - \$80 million shortfall to construct Phase 2B of the Project. Staff will not recommend Board approval of Phase 2B services by Consultant or advertisement for bids until adequate funding for construction has been secured. In addition, staff will evaluate the federal grant terms and modify the contract documents and contract award process, as necessary, to incorporate and implement federal requirements, subject to Board approval.

The City of Morgan Hill is supportive of advancing the construction of Phase 2A. Per letter dated December 16, 2019 to the Valley Water Board, Mayor Rich Constantine stated, "For the City of Morgan Hill, completing the tunnel work sooner is highly important as this work will require staging on a section of the future Hale Avenue roadway in Morgan Hill. The City is on a tight timetable to complete this roadway improvement, and once completed, the tunnel work will become much more complicated and expensive." The letter is included as Attachment 3.

Next Steps

If the Board approves staff's recommendations, Consultant will proceed with its constructability review of Phase 2A Project design documents and provide input to staff prior to staff recommending the Board authorize advertisement for bids.

FINANCIAL IMPACT:

The total not-to-exceed compensation limit for Phase 2A of the Agreement is \$6,244,747.45. Funding for this portion is included in the FY20 Uvas Llagas Creek, Nonreimburse E6a (26174052) Project budget.

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: Project Map

Attachment 2: Agreement

Attachment 3: 121619 City of Morgan Hill Letter

UNCLASSIFIED MANAGER:

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