



Santa Clara Valley Water District

File No.: 22-0617

Agenda Date: 6/28/2022

Item No.: 5.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approve the Standard On-Call Consultant Agreement with OCMI, Inc. to Provide Independent Cost Estimating and Constructability Review Services, Agreement No. A4619A, PB File No. VW0019, for a Not-to-Exceed Aggregate Fee of \$5,000,000, and Consider Proceeding with the Multiple Award of this On-Call Consultant Agreement.

RECOMMENDATION:

- A. Approve the Standard On-Call Consultant Agreement with OCMI, Inc. for Independent Cost Estimating and Constructability Review Services for a not-to-exceed aggregate fee of \$5,000,000; and
- B. Approve that Staff Proceed with Negotiations for the Potential Multiple Award of this On-Call Consultant Agreement for Independent Cost Estimating and Constructability Review Services.

SUMMARY:

Santa Clara Valley Water District (Valley Water) delivers many capital projects and programs to meet its mission and goals for water supply, flood protection, and watershed stewardship. The On-Call Consultant Agreements for On-Call Independent Cost Estimating and Constructability Review Services (Agreements) will support capital projects by providing staff with independent project budget review, design phase estimates, construction cost analyses, change order analyses, claims assistance, and design constructability reviews on an as-needed basis. Each Valley Water project is planned and implemented according to applicable laws and regulations. Valley Water's Construction Contracts and Support Unit staff routinely provides support for these projects.

Background

On May 23, 2017, the Board, approved an on-call consultant agreement with TAP International, Inc. (TAP) for Board Audit Committee (BAC) independent auditing services. Following Board's approval, TAP conducted the audit of construction contract change order management processes and provided the final audit report to the Board of Directors.

The final audit report included the following recommendations:

Recommendation 1a.) Update capital construction change order policies by requiring an Independent Cost Estimate (ICE) for capital construction change orders;

Recommendation 2.) Enhance constructability reviews as part of the construction project design phase with the addition of independent subject matter experts to the review team to help mitigate the occurrence of change orders on large-scale capital projects; and

Recommendation 6c.) Promote the uniform implementation of change order management and administration for all capital projects by enhancing project management training to address change order management and administration, including negotiation, pricing analysis, and contract closeout activities.

This Standard On-Call Consultant Agreement with OCMI, Inc. for On-Call Independent Cost Estimating and Constructability Review Services is developed as a result of these recommendations.

Consultant Selection Process

On July 11, 2021, staff published a Request for Proposals (RFP) for On-Call Independent Cost Estimating and Constructability Review Services by sending it to 330 firms that were registered in PlanetBids. A pre-proposal meeting was not held for this RFP.

A total of five (5) proposals were received on August 9, 2021, from the following firms, Ariabuild, Inc., Capo Project Group, OCMI, Inc., Dabri, Inc., and Sixth Dimension PMCM, Inc. Of the total 330 firms informed of the solicitation, 34 firms confirmed to be prospective bidders in the Valley Water procurement portal.

An Evaluation Committee (EC), consisting of three panelists from Valley Water with subject matter expertise, evaluated and ranked the written proposals and oral interviews. Based on the combined written and oral rating scores, the EC recommended that staff undertake contract negotiations with OCMI, Inc. Staff subsequently decided to award a second agreement to the next highest ranked firm which is currently in negotiations.

Negotiation with OCMI, Inc. has been completed successfully. Staff recommends Board approval of the Standard On-Call Consultant Agreement with OCMI, Inc. to provide On-Call Independent Cost Estimating and Constructability Review Services, for a not-to-exceed aggregate fee of \$5,000,000.

Staff is currently negotiating with the next highest ranked firm. If negotiations are successfully concluded, staff will recommend award of a second on-call agreement with the second highest ranked firm on a future Board date.

Consultant Agreement and Scope of Services:

The Agreements include the following required tasks:

- Task 1 - Project Management
- Task 2 - Independent Cost Estimate
- Task 3 - Constructability Review

Task 4 - Additional Services

There is no guarantee of any minimum amount of work or compensation to Consultant under the Agreement. However, the maximum aggregate compensation that Valley Water will authorize to be expended for the Agreement is a not-to-exceed fee of \$5,000,000. The Not-To-Exceed Aggregate Fee of \$5 million shall apply to each on-call independent cost estimating and constructability review services agreement awarded and shall be a total not-to-exceed amount to be shared by all on-call agreements issued for independent cost estimating and constructability review services.

The top-ranked consultant, OCMI, Inc., will provide as-needed consulting services for up to \$5,000,000 in fees, for an initial five-year term. The second-ranked firm will provide as-needed consulting services for up to \$5,000,000 in fees, for an initial five- -year term in the event that OCMI, Inc. has a conflict of interest with performing services on a particular project or OCMI, Inc. does not have adequate resources to meet VW's needs.

The selected Consultant that performs the on-call, as needed, independent cost estimating and design constructability review services will not be eligible to bid on future Valley Water planning, design, construction management, and inspection services that are related to the projects for which they provided services provided pursuant to this Agreement.

Task orders will be subject to approval at the following delegated amount:

Deputy Operating Officer:	less or equal to \$250,000
Chief Operating Officer:	more than \$250,000

ENVIRONMENTAL JUSTICE IMPACT:

The Environmental Justice impacts associated with this item is not yet determined. The item is not a project. The Environmental Justice impacts will be determined when the item's engineering support to provide Independent Cost Estimating and Constructability Review Services becomes a project.

FINANCIAL IMPACT:

The not-to-exceed aggregate fee for the Agreement is \$5,000,000. The agreement term is five years. No funds will be encumbered at this time. On-Call services will be charged in accordance with each approved task order to budgeted funds from the respective project.

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

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UNCLASSIFIED MANAGER:

Aaron Baker, 408-630-2135