



Santa Clara Valley Water District

File No.: 22-1311

Agenda Date: 1/10/2023

Item No.: 5.2.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☒ No ☐
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approve the Design-Build Agreement for the Coyote Pumping Plant Adjustable Speed Drive Replacement Project, Project No. 91234002, Contract No. C0675, Planet Bid File No. VW0073, with Kiewit Infrastructure West Co. for Phase 1 (Design and Pre-construction Services) for a Not-to-Exceed Fee of \$4,314,077, (Morgan Hill, District 1).

RECOMMENDATION:

Approve the Design-Build Agreement for the Coyote Pumping Plant Adjustable Speed Drive Replacement Project, Project No. 91234002, Contract No. C0675, Planet Bid File No. VW0073, with Kiewit Infrastructure West Co. for Phase 1 (design and pre-construction services) for a not-to-exceed fee of \$4,314,077.

SUMMARY:

The objective of the Coyote Pumping Plant Adjustable Speed Drive Replacement Project (Project) is to replace six adjustable speed drives (ASD) and associated mechanical, electrical, and control equipment at the Coyote Pumping Plant. Completion of this Project will modernize and extend the useful life of major equipment and allow for its reliable and efficient operation.

Staff recommends the approval of the Design-Build Agreement for the design-build entity (DBE), Kiewit Infrastructure West Co. (Kiewit), to proceed with the Phase 1 services which include design and preconstruction.

Project Background and Previous Board Actions

The Santa Clara Valley Water District (Valley Water) operates and maintains the Coyote Pumping Plant, which is owned by the United States Bureau of Reclamation (USBR) and is a part of the USBR's San Felipe Division of the Central Valley Project. The Coyote Pumping Plant increases the pressure in pipelines conveying raw water from (i) San Luis Reservoir to Valley Water's raw water distribution system and on to Anderson Reservoir and (ii) from Anderson Reservoir to the raw water distribution system. Completion of this Project will modernize and extend the useful life of major equipment and allow for its reliable and efficient operation.

On March 12, 2019, the Valley Water Board of Directors (Board) approved implementing the design-

build project delivery method and also approved a Consultant Agreement with Brown and Caldwell Inc., Agreement No. A4237A, for planning and preliminary design services for the Project, for a not-to-exceed fee of \$906,705.

On October 12, 2021, the Board received an update on the RFQ for the Project and approved staff's recommendation to proceed with a single proposer, as supported by the Capital Improvement Program Committee during their September 20, 2021 meeting.

On November 8, 2022, the Board adopted a Resolution Setting Time and Date of Public Hearing on the Engineer's Report and CEQA Exemption Determination for the Project, to occur on November 22, 2022, at 1:00 p.m.

On November 22, 2022, the Board conducted a Public Hearing on the Engineer's Report and CEQA Exemption Determination for the Project, approved the CEQA Exemption Determination for the Project, adopted a Resolution approving the Engineer's Report for the Project, and approved the Project.

Design-Build Entity Selection Process

On November 8, 2021, staff published a Request for Proposals (RFP) to the shortlisted Proposer by posting it on PlanetBids. An in-person site visit was held at the Coyote Pumping Plant for the Proposer on December 2, 2021. Furthermore, a Confidential Individual Meeting was held with the Proposer on December 15, 2021, to give the Proposer and Valley Water an opportunity to discuss the commercial terms of the draft Design-Build Agreement; and the Proposer an opportunity to provide insight to their respective technical and delivery approaches to ensure compliance with the Project objectives.

An Evaluation Committee (EC), consisting of three staff and one external subject-matter expert, reviewed and evaluated the proposal submitted by the Proposer in accordance with the evaluation criteria in the RFP. Following review of the proposal, the EC recommended that staff proceed with agreement negotiations with the Proposer, Kiewit.

Negotiations with Kiewit have been completed successfully and staff recommends Board approval of the Design-Build Agreement with Kiewit for Phase 1 design and preconstruction services for the Coyote Pumping Plant Adjustable Speed Drive Replacement Project, for a not-to-exceed fee of \$4,314,077.

Design-Build Agreement and Scope of Services

The Design-Build Agreement provides the terms of service to complete the design and construct the Project. The single DBE will be responsible and accountable for all services. This agreement is for the implementation of Phase 1.

The terms include the following:

- a. Design-Build Entity (DBE): Kiewit Infrastructure West Co., the single entity responsible and accountable for all design-build services.
- b. Compensation:

- Phase 1: Not-to-Exceed \$4,314,077
- Early Work Packages/Phase 2: Guaranteed Price, by Amendment.
- c. Design to Budget: DBE and Valley Water to design and construct Project to budget. Budget to be informed by advancement in design.
- d. DBE's Basis of Design Report (BOD):
 - Updates to Valley Water's BOD to incorporate findings of field investigations, current conditions, and DBE recommended and Valley Water accepted changes to the Project; and
 - Governs all design work on the Project, upon acceptance by Valley Water.
- e. DBE's Limit of Liability: 200% of contract price excluding defense and indemnification, Civil Code Section 1688 (willful misconduct, fraud, willful injury or violation), governmental fines, insurance claims, and liquidated damage claims.
- f. Off-Ramp / Termination for Convenience: Options for Valley Water to end DBEs services and use a different delivery process to complete Project, if an Amendment to Design-Build Agreement for a guaranteed price is not reached are listed in Section 5.4.

The Design-Build Agreement will allow the DBE to perform 60%, 90%, final design and preconstruction services (i.e., validation of design, cost model development, and evaluation of early work packages).

The scope of services to perform 60%, 90%, final design and preconstruction services includes project management, review of reference documents, field investigations, design development, prepare design and construction documents, cost model and scheduling, guaranteed price proposal, and supplemental services. The supplemental services task includes a budget for the DBE to perform additional services, upon written authorization from Valley Water, to support design and preconstruction services for the Project.

The Agreement includes the following required tasks:

- Task 1 - Phase 1 Project Management
- Task 2 - Reference Document Review
- Task 3 - Field Investigations and Permitting Support
- Task 4 - Design Development and Documents
- Task 5 - Cost Modeling and Scheduling
- Task 6 - Guaranteed Price Proposal
- Task 7 - Supplemental Phase 1 Services

Releasing certain information in the Design-Build Agreement, including the Exhibit 2 - Owner's Basis of Design Report, Exhibit 3C - Owner's Project Criteria, and Exhibit 8 - Construction Documents (i.e., 30% drawings and specifications) that are considered by Valley Water as including highly sensitive, confidential information pertaining to existing information technology systems, to the public, may increase the potential for an attack on Valley Water's information technology system. To protect Valley Water's information technology system, the DBE and Design-Build Team members Stantec Consulting Services, Inc., Tesco Controls, Inc., and Cupertino Electric, Inc. each submitted to Valley Water a completed Non-Disclosure Agreement (NDA) to access these documents.

The Design-Build Agreement Exhibit 2 - Owner's Basis of Design Report, Exhibit 3C - Owner's Project Criteria, and Exhibit 8 - Construction Documents were provided by separate communication to the Board for their review prior to taking the recommended action to approve the Design-Build Agreement.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice Impacts associated with this item. No direct or indirect impacts on communities' living environments were identified in connection to the execution of this Project.

FINANCIAL IMPACT:

The Coyote Pumping Plant ASD Replacement Project, Project No. 91234002, is included in the Capital Improvement Program (CIP) Fiscal Year (FY) 2023-27 Five-Year Plan and in the FY 2022-23 Adopted Budget. There are adequate funds in the project's FY 2022-23 Adopted Budget to encumber the initial planned expenditures for the Design-Build Agreement this fiscal year. The design-build Phase 1 services total not-to-exceed fee for the Design-Build Agreement, is \$4,314,077, which does not change the overall Total Project Cost reflected in the CIP. Funds to cover the remaining design-build services in subsequent fiscal years will be recommended by staff during the biennial budget process or through budget adjustment(s). The Project is funded through the Water Utility Enterprise Fund (Fund 61), with 100% of the costs allocated to Zone W-2 (North County). Long term forecasts for Fund 61 include placeholder capital projects costs for implementation of the developed plan. Those forecasts will be revised as the plan is developed and the funding will be requested in future CIPs and budgets.

CEQA:

This project is exempt under the California Environmental Quality Act (CEQA) Guidelines Sections 15301 and 15304. Section 15301 exempts operation or repair of existing public structures involving negligible or no expansion beyond existing use. Section 15304 consists of minor alterations in the condition of the land, which do not involve removal of healthy mature and scenic trees.

ATTACHMENTS:

Attachment A: Gov. Code § 84308, DB Agmt Kiewit
Attachment 1: Design-Build Agreement

UNCLASSIFIED MANAGER:

Emmanuel Aryee, 408-630-3074