

DRAFT STAFF REPORT

AWARD A PROGRESSIVE DESIGN-BUILD CONTRACT FOR THE SOUTH STOCKTON GROUNDWATER WELL REHABILITATION AT WELL SSS8RECOMMENDATION

It is recommended that the City Council adopt a resolution to:

1. Award a Progressive Design-Build Contract in the amount of \$X,XXX,XXX, between the City and PCL Construction, Inc. for the design and development of a lump sum price proposal for the construction of the South Stockton Groundwater Well Rehabilitation at Well SSS8 (Project No. UH22008).
2. Authorize the City Manager to execute the Progressive Design-Build Contract.
3. Approve findings pursuant to Stockton Municipal Code section 3.68.070 in support of an exception to the competitive bidding process.

It is also recommended that the City Manager be authorized to take appropriate and necessary actions to carry out the purpose and intent of this resolution.

Summary

If approved, this action will retain PCL Construction, Inc. for the design and development of a lump sum price proposal to construct a wellhead treatment and water treatment facility improvements necessary for the South Stockton Groundwater Well Rehabilitation at Well SSS8 to meet the State Water Resources Control Board (SWRCB) Drinking Water Standards and the requirements of California law (Assembly Bill 756).

On September 25, 2021, the City of Stockton Municipal Utilities Department (MUD) advertised a Request for Proposals (RFP) for the design and development of a lump sum price for the South Stockton Groundwater Well Rehabilitation at Well SSS8. Two firms submitted proposals for this project. The Professional Service Selection Committee evaluated the proposals and found PCL Construction, Inc. to be the most qualified to provide the requested services.

If approved by Council, this action will award a Progressive Design-Build Contract in the amount of \$X,XXX,XXX with PCL Construction, Inc. It is anticipated that the design will be completed by June 2022. Once the design is progressed and construction lump sum price is determined, staff will return to Council to award the construction contract.

DISCUSSIONBackground

As detailed in the MUD's 2021 Water Utility Master Plan and the 2020 Urban Water Management Plan, there are two sources of drinking water supply for the South Stockton System (SSS), including 1) potable water purchased from Stockton East Water District

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(SEWD), and 2) groundwater wells. Currently, there are a total of five (5) groundwater wells in the South Stockton System and only two (2) groundwater wells (SSS3 and SSS9) are active. The remaining groundwater wells were placed into inactive status and require rehabilitation prior to use. Groundwater well improvements are necessary to ensure continued water supply reliability and drought resiliency while cost-effectively reactivating several inactive wells in lieu of constructing new wells.

Groundwater Well SSS8 will be the first water well from the South Stockton System to be rehabilitated. Wellhead treatment for removal of contaminants is needed to meet the SWRCB Drinking Water Standards and requirements of California Law (Assembly Bill 756).

Present Situation

On September 25 and 26, 2021, the MUD advertised the project in the Stockton Record and posted to the City's Bid Flash webpage. A notice with a brief project description was emailed to four (4) engineering consulting firms with similar treatment project experience. Additionally, 3,273 notifications were sent through Ask Stockton.

The RFP defined a two-phase engineering and construction effort to meet the required project objectives. The goal of Phase 1 is to advance facility design to a point where the firm would bid construction packages leading to a Phase 2 lump sum construction cost, similar to the procurement process conducted for the Delta Water Supply Project and the RWCF Modifications Project. Built into the RFP was the concept of an "off-ramp," whereby if the City and the firm were unable to reach an agreed upon construction cost and schedule, the City would have the option to direct the firm to complete the design and prepare bid documents for the City to competitively bid the project.

A non-mandatory pre-proposal meeting and job walk was held on October 7, 2021, with four (4) prospective design-build teams in attendance: Overaa/Hydroscience, W.M. Lyles Co./Provost & Pritchard, PCL Construction, Inc./Hazen Sawyer, and GEI Consultants. On October 28, 2021, two (2) sealed proposals were received and publicly opened by the City Clerk: Overaa/Hydroscience and PCL Construction, Inc./Hazen Sawyer.

A selection Committee evaluated the proposals based on the design/builder and key personnel experience/capabilities, organization, management, safety, project approach, schedule, and cost. Based on the noted criteria, PCL Construction, Inc. received the highest ranking and was determined to be the most qualified firm for this project. Staff negotiated a fee in the amount of \$X,XXX,XXX with PCL Construction, Inc.

Staff recommends that Council approve a resolution to award a Progressive Design-Build Contract in the amount of \$X,XXX,XXX to PCL Construction, Inc. for the South Stockton Groundwater Well Rehabilitation at Well SSS8. It is anticipated that the design will be completed by June 2022.

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PCL Construction, Inc. prepared a scope of work, price, and schedule for a Progressive Design-Build Contract with the City for the South Stockton Groundwater Well Rehabilitation at Well SSS8 Project. The proposed contract generally consists of Phase 1 engineering services to advance facility design to the 60-75 percent completion level and bidding of design packages to establish a fixed lump-sum price for construction. If pursued, Phase 2 services would consist of completing design, permitting, and construction of the facilities.

If PCL Construction, Inc., and the City agree on the price and schedule for Phase 2, staff will return to Council to request award of the construction contract. If PCL Construction, Inc. and the City cannot agree on the Phase 2 price and schedule, the City could opt to take an “off-ramp” and retain PCL Construction, Inc. to complete the design and prepare bid documents for the City’s use.

The scope of services is found in the corresponding exhibits to the Progressive Design-Build Contract (Exhibit 1 to the Resolution) detailing the specific tasks and associated fees.

The award of a Progressive Design-Build Contract at this time is limited to the following scope of services:

- Task 1 – Project Management
- Task 2 – Initial Studies and Basis of Design Report
- Task 3 – Phase 1 Design Workshops and Field Investigations
- Task 4 – 25 Percent Design Package
- Task 5 – 60-75 Percent Design Package
- Task 6 – Permitting
- Task 7 – Phase 2 Proposal and Design-Build Price Development
- Task 8 – First Phase 1 Off-Ramp (Optional)
- Task 9 – Second Phase 1 Off-Ramp (Optional)

Phase 2 Design, Engineering support and Construction Management tasks will be further detailed in the Phase 2 proposal developed in Phase 1. The initial Phase 2 tasks are also included in Exhibit 1 to the Resolution.

At the Water Advisory Group meeting held on January 5, 2022, the MUD staff presented the results of the PSSC review and recommended that PCL Construction, Inc. be awarded a Progressive Design-Build contract. At the Council Water Committee meeting on January 13, 2022, the MUD staff presented the results of the PSSC review and also recommended that PCL Construction, Inc. be awarded a Progressive Design-Build contract.

Findings

Pursuant to Stockton Municipal Code (SMC) section 3.68.070, Council may approve findings which support an exception to the competitive bidding process. These findings include:

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1. The scope of design services requires an engineering firm experienced in wellhead and water treatment design.
2. Use of the RFP process is appropriate for this Progressive Design-Build Contract because it relies on the evaluation of professional qualifications and performance as the basis for selection of a vendor. Use of the criteria helps ensure selection of a vendor that will provide the highest quality professional service, which is in the public interest.
3. The City negotiated a contract following solicitation of competitive proposals in accordance with SMC section 3.68.070.A.3.

This contract is for design services and as such, not subject to Local Employment requirements nor CEQA requirements. CEQA documentation will be completed prior to the award of Phase 2 (construction) contract.

FINANCIAL SUMMARY

Funds will be reappropriated from existing capital projects below to the South Stockton Groundwater Well Rehabilitation at Well SSS8 Project:

PROJECT	Amount Available to Transfer
UH14014 – DWTP Campus Improvements	\$750,000
UH17002 – Water Well SSS #10	\$1,750,000
UH21002 – DWTP Intake Pump Station Discharge Pipe Support Study and Improvements	\$2,400,000
UH21005 – DWTP Recharge Basins	\$750,000
TOTAL	\$5,650,000

Appropriation of new funding to these existing capital projects will be evaluated and added during the annual CIP budget development process.

There is no impact to the City's General Fund or any other unrestricted fund because of taking the recommended action.