

AWARD PHASE 2A OF THE PROGRESSIVE DESIGN-BUILD CONTRACT FOR THE REGIONAL WASTEWATER CONTROL FACILITY (RWCF) MODIFICATIONS PROJECT

RECOMMENDATION

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

1. Award Phase 2A of the Progressive Design-Build Contract in the amount of \$6,026,561, between the City and AECOM/W.M. Lyles, Joint Venture (JV) for the 90% design and advance the development of a guaranteed maximum price for the Regional Wastewater Control Facility (RWCF) Modifications Project, and
2. Authorize the City Manager to execute Amendment No. 1 and Attachment A to Amendment No. 1 to Progressive Design-Build Contract, and
3. Authorize the City Manager to take appropriate actions to carry out the purpose and intent of this resolution.

Summary

The RWCF Modifications Project consists of key upgrades to the RWCF to comply with permit-required effluent limits along with replacing equipment and processes that are 40 to 70 years old and beyond their useful life. Upon the Project's completion, the RWCF can support the community through 2035, potentially expanding through 2045 and beyond.

On November 15, 2016, by Resolution No. 2016-11-15-1503, Council authorized the City Manager to award and execute a Progressive Design-Build Contract with the Joint Venture (JV) of AECOM/W.M. Lyles in the amount of \$5,349,000 to perform Phase 1 design services for the RWCF Modifications Project. The Progressive Design-Build Contract was anticipated to be executed in two phases: Phase 1 for the design through 65% complete drawings and Phase 2 for final design and construction.

AECOM/W.M. Lyles, JV completed the scope of work for Phase 1 and developed a guaranteed maximum price (GMP) for the Phase 2 work for the RWCF Modifications Project. The Phase 1 engineering services advanced the design to the 65 percent completion level and provided cost estimates for equipment vendor supply and subcontractors. If awarded, Phase 2 services would consist of completing design, permitting, construction and engineering services during construction.

If approved, this action will authorize AECOM/W.M. Lyles, a Joint Venture (JV), to fulfill Phase 2A, advance the design from 65% to 90% and finalize a GMP proposal for the RWCF Modifications Project. This project includes certain aspects of the Capital Improvement and Energy Management Plan (CIEMP) along with improvements necessary to meet treated wastewater discharge limits stipulated by the Regional Water Quality Control Board in 2014. The CIEMP was adopted by Council in 2011. In

2014, the Regional Water Quality Control Board amended the City's National Pollution Discharge Elimination System (NPDES) wastewater discharge permit to increase treatment requirements.

DISCUSSION

Background

On August 9, 2011, by Resolution 11-0221, City Council approved and adopted the RWCF CIEMP and the recommended wastewater treatment facility projects contained therein.

The CIEMP project design efforts were put on hold in 2013 while the City negotiated an exit from bankruptcy. In 2014, a new NPDES permit was issued to the City's RWCF. The permit requires lower nitrate plus nitrite discharge limits to the San Joaquin River, which cannot be met by the current treatment processes. The MUD staff stopped design work on CIEMP projects to evaluate what improvements are needed to meet the new wastewater discharge limits. The CIEMP was then revised to include treatment process modifications that can meet the lower limits by 2024, the compliance deadline. Using the Progressive Design-Build approach, the MUD initiated a two-stage procurement process to contract with a firm that would prepare designs for a suite of projects intended to meet the new NPDES permit requirements.

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Present Situation

Due to financing considerations, the MUD staff recommends splitting the Phase 2 services into two parts, Phase 2A and Phase 2B. Since Phase 1 advanced the design to 65% level of completion, initiating Phase 2A services now will allow the design to advance from 65% to a 90% level of completion and maintain the scheduled start of construction in the fall of 2019. Starting construction in 2019 is necessary to meet the Regional Water Boards directive for compliance with nitrate plus nitrite effluent limits by June 2024. Initiating Phase 2A at this time will also avert the significant escalation in the construction market.

After Phase 2A, if AECOM/W.M. Lyles, JV and the City come to terms on the price and schedule for Phase 2B, Amendment No. 2 to the Progressive Design-Build Contract would be presented to Council for approval. If AECOM/W.M. Lyles, JV and the City

cannot come to terms on the Phase 2B price and schedule, the City could opt to take an “off ramp” and retain AECOM/W.M. Lyles, JV to complete the design and prepare bid documents for the City’s use.

The individual scopes of services are found in the corresponding exhibits to Amendment No. 1 to the Progressive Design- Build Contract (Exhibit 1 to the Resolution). A summary of the exhibits is provided below:

Exhibit to Revised Contract	Description of Change	Title
A-Revised	Updated to Current Status	Key Personnel and Subcontractors
B-Revised	Updated to Reflect Phase 1 Design Requirements	Performance Requirements
C-No Change		Phase 1 Scope of Services
D-No Change		Phase 1 Cost
E-Revised	Updated to Reflect Phase 2 Split into Phases 2A and 2B	Phase 2B Final Design and Engineering Services During Construction and Construction Management Services
F-Revised	Updated to Reflect Phase 2 Split into Phases 2A and 2B	Phase 2B Engineering Fee
G-Revised		Reserved
H-Revised	Updated to Reflect Phase 2 Split into Phases 2A and 2B	Phase 2B Construction Management Fee
I –No Change		Phase 1 Schedule
J-Revised	Updated to Reflect Phase 2A advancing the design to 90%	Off-Ramp Final Design Scope of Services
K-Revised	Updated to Reflect Phase 2A advancing the design to 90%	Off-Ramp Final Design Cost
L-No Change		Off-Ramp Engineering Services During Construction (ESDC) Scope of Work
M-No Change		Off-Ramp ESCD Cost
N-New	Updated to Reflect Phase 2	Phase 2A Engineering & Design Scope of Services

	Split into Phases 2A and 2B	
O-New	Updated to Reflect Phase 2 Split into Phases 2A and 2B	Phase 2A Engineering & Design Cost
P-New	Updated to Reflect Phase 2 Split into Phases 2A and 2B	Phase 2A Schedule
Q-New	Added to Reflect Contract as Guaranteed Maximum Price	Phase 2B Guaranteed Maximum Price

The award of Phase 2A of the Progressive Design-Build Contract includes the following scope of services:

- Task 1 – Project Management
- Task 2 – Supplemental Studies and Alternative Analyses
- Task 3 – Field Investigations
- Task 4 – Permitting
- Task 5 – Phase 2A Design
- Task 8 – Off-Ramp Design (Optional)
- Task 9 – Off-Ramp Engineering Services during Construction (Optional)

Phase 2B Design, Engineering support and Construction Management tasks and the construction of the project will be further detailed in the Phase 2B proposal developed in Phase 2A.

At the October 2016, October 2017, May 2018, September 2018, December 2018, January 2019 and March 2019 Water Advisory Group and Council Water Committee meetings, the MUD staff provided updates on the status of the Phase 1 design and the concept of advancing Phase 2 into Phase 2A and Phase 2B.

ENVIRONMENTAL CLEARANCE

On March 5, 2013, by Motion 2013-03-05-1203, Council authorized the execution of an amendment to the Master Services Contract for the Preparation of Generalized & Specialized California Environmental Quality Act, National Environmental Policy Act, and Brownfields Remediation project documents with Robertson-Bryan, Inc. of Elk Grove, in the amount of \$319,757 to prepare an Environmental Impact Report (EIR). The EIR effort has begun but was halted until the Progressive Design-Build projects could be identified and evaluated for their environmental impact.

On May 15, 2018, by Resolution 2018-05-15-11, Council authorized the execution of a second amendment to the Master Services Contract for the Preparation of Generalized & Specialized California Environmental Quality Act, National Environmental Policy Act, and Brownfields Remediation project documents with Robertson-Bryan, Inc. of Elk Grove, in the amount of \$209,000 to update the

Environmental Impact Report (EIR) for the RWCF Modifications Project.

Certification of the RWCF Modifications Project EIR is being considered at the March 26, 2019, Council Meeting.

LOCAL EMPLOYMENT ORDINANCE

This project is subject to the Local Employment Ordinance, and all applicable requirements will be conditioned upon AECOM/W.M. Lyles, JV in their Phase 1 and Phase 2A tasks leading to a Phase 2B contract amendment.

COMMUNITY WORKFORCE AND TRAINING AGREEMENT

On July 26, 2016, Council adopted a Community Workforce and Training Agreement (CWTA). The CWTA became effective August 25, 2016, and applies to all Public Works projects over \$1 million that are bid after the effective date. The MUD issued the Request for Proposals and selected the top ranked qualified respondent in 2015, therefore, the CWTA does not apply to the RWCF Design Build project.

FINANCIAL SUMMARY

There are sufficient funds available in Account No. 437-7709-670 (CIP - Wastewater/Sanitary Sewer RWCF Modification & Replacement) to award Phase 2A of the Progressive Design-Build Contract in the amount of \$6,026,561.

There is no impact to the City's General Fund or any other unrestricted fund from this action.