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### **REPORT TO COUNCIL**

#### **SUBJECT**

Award of Contract to Carollo Engineers, Inc. for Professional Design Services Associated with the Sunnyvale Cleanwater 2.1 Project: Existing Plant Rehabilitation - Split Flow and Approve Budget Modification No. 5 in the amount of \$3,157,011 (F19-179)

#### **REPORT IN BRIEF**

Approval is requested to award a contract in the amount of \$7,315,615 to Carollo Engineers, Inc. of Walnut Creek for professional design services associated with the Sunnyvale Cleanwater 2.1 Project: Existing Plant Rehabilitation - Split Flow, a 10% design contingency in the amount of \$731,562, and for Budget Modification No. 5 to provide additional project funding.

#### **EXISTING POLICY**

Pursuant to Section 2.08.040 of the Sunnyvale Municipal Code, City Council approval is required for the procurement of goods and services exceeding \$100,000 in any one transaction.

Pursuant to Sunnyvale Charter Section 1305, at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by a motion adopted by affirmative votes of at least four members to authorize the transfer of unused balances appropriated for one purpose or another, or to appropriate available revenue included in the budget.

#### **ENVIRONMENTAL REVIEW**

This award is for the design phase and construction support services; therefore, the action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. However, it is expected that a CEQA memorandum will be filed, which documents the activities, impacts, and mitigation measures presented in the Sunnyvale Clean Water Program's approved Programmatic Environmental Impact Report (RTC No.16-0663) that are applicable to this project. It is anticipated that the project will have no effects beyond those analyzed in the PEIR and that no new environmental document or public notice will be required. If the CEQA memorandum prepared identifies new effects not analyzed and mitigated in the Program's PEIR, an Initial Study will be prepared leading to a Negative Declaration. The consultant will review all CEQA documentation as part of their design review.

#### **BACKGROUND AND DISCUSSION**

The Sunnyvale Cleanwater Program is working to rebuild the existing Water Pollution Control Plant (WPCP or Plant), which was initially built in 1956. With additions over the subsequent 15-20 years it has grown to a tertiary treatment facility with an average dry weather flow rate of 14 million gallons per day (MGD) and a permitted average dry weather flow rate of 29.5 MGD. An asset condition

assessment conducted in 2006 identified several critical Plant structures as at-risk and in need of immediate rehabilitation. Based on this assessment, the City began implementing several rehabilitation projects and also developed a long-term Strategic Infrastructure Plan (SIP) to serve as a road map for the physical improvements and process enhancements needed to maintain a high level of treatment and to meet current and expected regulatory requirements and stewardship objectives. In 2013, to help implement the SIP, the City secured the professional services of Carollo Engineers to develop a comprehensive Master Plan, which included the “basis of design” development for the various process areas to be rebuilt and a programmatic environmental impact report (PEIR). The Master Plan was adopted by City Council in 2016.

The Master Plan consists of more than 30 capital improvement projects. This design project includes rehabilitation of select plant assets needed now so that the Plant facilities can remain functional for the next 15+ years (e.g., through 2035 which is when the entire process is anticipated to have been converted to the new conventional activated sludge treatment). Another core objective of this project is to optimize the treatment performance of the pond system (oxidation ponds through the Air Flotation Tanks) with respect to removal of chemical biological oxygen demand (cBOD), total suspended solids (TSS), ammonia, and total nitrogen (TN). In addition, this project also includes the design of a perimeter flood protection wall, including hydrostatic flood gates and relocation of a portion of the sanitary sewer collections system near the intersection of Carl Road/Borregas Avenue to facilitate perimeter wall construction and create space for future project needs.

A Request for Proposal (RFP) process was utilized to solicit proposals to design the project. The RFP specifications were prepared by Public Works and Purchasing staff. The RFP was directly distributed to eight Bay Area design firms and posted on the Demandstar public procurement network. Proposals were received on May 22, 2019. Only one responsive proposal was received: Carollo Engineers in association with Brown and Caldwell.

The Proposal was reviewed by an evaluation team consisting of Public Works Engineering and Environmental Services Department staff. The firm was evaluated on qualifications, experience, project overview, project approach, and innovation. Following the proposal evaluation process, the team was invited to provide a presentation during a formal interview. Following the interview and deliberation, the City agreed that the Carollo/Brown and Caldwell team was well positioned to provide the necessary services. City staff is confident that the team has relevant experience and a good grasp and understanding of the reconstruction of the Plant.

The City engaged Carollo Engineers in discussions to clarify the level of effort and proposed project scope against the City’s intended requirements. These discussions resulted in a cost decrease from \$9,214,506 to \$7,178,620 and optional services in the amount of \$136,995 for the total of \$7,315,615. A 10% design contingency in the amount of \$731,562 for the base and optional scope of services is also being requested which is within industry standards for similar projects. The design costs were estimated based on a conceptual scope of work and the contingency is included to account for any changes that may need to be made based on further design development, equipment changes, or redesigns during construction due to unforeseen conditions.

Optional Services

The scope of work has been written to allow the consultant to recommend several design concepts and treatment process alternatives for the project which could add up to \$136,995 in design costs. Since there is a potential that adding some of these items may reduce construction costs, site conflicts, increase wastewater treatment performance, change environmental clearances and/or meet future regulatory requirements, it is recommended that these options be included in the contract.

The design consultant will only proceed with these items if directed in writing by the City. If through the conceptual and preliminary design process, it is determined that some of these items are not sufficiently beneficial, then the use of the funds will not be authorized.

Staff recommends awarding a contract for the design services associated with the Sunnyvale Cleanwater 2.1 Project, including the base and optional services, for a total of \$7,315,615.

**FISCAL IMPACT**

Project costs are as follows:

Project Design (Including Bid and Construction Support)	\$7,178,620
Optional Services	\$136,995
Total Contract Amount	\$7,315,615
10% Contingency	\$731,562
Total Cost	\$8,047,177

Of the \$8,047,177 needed for this project, \$4,692,786 is available in project 833150 - SCWP Existing Plant Rehabilitation-Split Flow, which includes approximately \$2,813,746 from FY 2018/19 carryover, \$547,544 is remaining available in FY 2019/20 budget, and the remaining in future years. In addition, \$67,380 is available in project 833140 - SCWP Rehabilitation Influent Pipelines to WPCP and \$130,000 in project 833130 - SCWP Rehabilitation Primary Effluent Pipeline.

Budget Modification No. 5 has been prepared to transfer the funds from Project 833140 and Project 833130 to Project 833150 as well as to appropriate additional funding of \$3,157,011 in project 833150.

This appropriation increases the overall project budget accordingly. The monies allocated for construction of this project have been accounted for both this project and in future projects; at award of the construction contract, some future funding for the Plant influent collections system work may need to be brought forward.

This project is one of three for which the City has been selected to apply for a low-interest federal loan - the Water Infrastructure Finance and Innovation Act (WIFIA). The budget modification amount on this contract will be eligible under the WIFIA loan provisions.

**Budget Modification No. 5  
FY 2019/20**

	<b>Current</b>	<b>Increase/(Decrease)</b>	<b>Revised</b>
<b>Wastewater Management Fund</b>			
<u>Expenditures</u>			
Reduce Budget from Project 833140 - SCWP Rehabilitation Influent Pipelines to WPCP	\$1,120,000	(\$67,380)	\$1,052,620
Reduce Budget from Project 833130 - SCWP Rehabilitation Primary Effluent Pipeline	\$130,000	(\$130,000)	\$0
833150 - SCWP Existing Plant Rehabilitation - Split Flow	\$674,049	\$3,354,391	\$4,028,440
<u>Reserves</u>			
Rate Stabilization Reserve	\$27,242,724	(\$3,157,011)	\$24,085,713

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

**RECOMMENDATION**

Take the following actions:

- Award a contract in substantially the same form as Attachment 1 to the report in the amount of \$7,315,615 to Carollo Engineers, Inc.,
- Authorize the City Manager to execute the contract when all necessary conditions have been met,
- Approve a 10% contingency in the amount of \$731,562, and
- Approve Budget Modification No. 5 to transfer \$197,380 from project 833130 and 833140 to project 833150 and appropriate an additional funding of \$3,157,011.

Prepared by: Gregory S. Card, Purchasing Officer  
 Reviewed by: Timothy J. Kirby, Director of Finance  
 Reviewed by: Chip Taylor, Director of Public Works  
 Reviewed by: Teri Silva, Assistant City Manager  
 Approved by: Kent Steffens, City Manager

**ATTACHMENTS**

1. Draft Consultant Services Agreement