

Memorandum

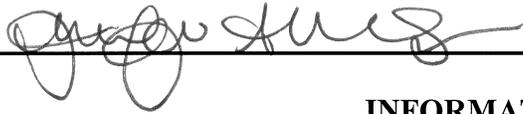
TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow
Matt Cano

SUBJECT: SEE BELOW

DATE: May 23, 2019

Approved



Date

5/24/19

INFORMATION

SUBJECT: FINAL PROPOSER RANKINGS AND INTENT TO NEGOTIATE THE DESIGN-BUILD CONTRACT FOR THE DIGESTED SLUDGE DEWATERING FACILITY PROJECT AT THE SAN JOSE-SANTA CLARA REGIONAL WASTEWATER FACILITY

BACKGROUND

In January 2016, the Director of Environmental Services and Director of Public Works approved the use of the progressive design-build (PDB) delivery method for the Digested Sludge Dewatering Facility Project (Project) due to its complexity, the need to coordinate with multiple other projects, and uncertain requirements for integration with existing facilities. As requested by City Council on March 24, 2015, staff is keeping City Council and the Treatment Plant Advisory Committee (TPAC) apprised about the design-build procurement process through informational memos.

Project Description

The San José-Santa Clara Regional Wastewater Facility (RWF) Plant Master Plan (PMP), adopted in 2013, envisioned a transition from the current process that dewateres digested sludge (sludge) in lagoons and drying beds, with disposition as alternative daily cover at the nearby Newby Island Landfill, to an enclosed, mechanical dewatering process with a variety of off-site dispositions.

The Digested Sludge Dewatering Project (Project) will construct a new dewatering building to house mechanical dewatering equipment; sludge cake storage, conveyance, and truck load-out facility; chemical feed station; pump station to return centrate to headworks; operations and maintenance space and storage; and associated mechanical, electrical, and instrumentation equipment. The Project scope will also include new sludge transfer pumps and sludge storage tanks; a new sludge export pump station and pipelines; vehicle storage and parking; and general

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civil work. The proposed facilities will transfer sludge from the digesters to the new dewatering building on the east side of Zanker Road, as illustrated in Attachment A. The dewatered sludge will be loaded into trucks and hauled away for a variety of beneficial re-uses.

The new dewatering facility will be designed to process a wide range of digested sludge flows, loads, and characteristics. It will allow for future expansion to ultimate flow and load conditions and to accommodate potential future biosolids processing facilities. Its operation will fully integrate with the existing RWF facilities. Ultimately, the Project will allow the City to retire its current solar operation, which uses 750 acres of land and requires four years to dry digested sludge. The new dewatering process will use 10 acres of land and instantaneously (less than one day) dewater digested sludge.

The Project is intended to: 1) position the RWF to have multiple and diversified disposition options with the anticipated closure of Newby Island Landfill, 2) reduce the footprint of the biosolids processing area and enable other land uses, 3) create flexibility to respond to future regulatory changes governing the allowable disposal of treated biosolids, specifically the potential impact of Senate Bill No. 1383 (SB 1383), which calls for diversion of organics, including biosolids, from landfills, and 4) reduce odors in the community.

Based on the current project schedule, preliminary services will begin August 2019. Final design and construction will begin in January 2021 and commissioning will be completed in April 2023.

ANALYSIS

A Request for Qualifications (RFQ) was issued on March 16, 2018, and Statements of Qualifications (SOQs) were received on May 9, 2018. Four design-build firms submitted SOQs:

- AECOM
- HDR Engineering, with Overaa Construction as General Contractor
- Jacobs Engineering, with Kiewit Construction as General Contractor
- Walsh Construction, with Black and Veatch as Engineer Firm

Based on the submittals, the City determined that all four firms were qualified and eligible to submit proposals. A Request for Proposals (RFP) was issued on October 10, 2018 and the City received proposals from three firms on December 14, 2018. AECOM did not submit a proposal.

The selection panel, consisting of representatives from Environmental Services, Public Works, and a representative from the local Building Trades Council, evaluated the written proposals and held interviews with the three candidate firms on January 29, 2019. Scores from the proposals and interviews were tabulated and resulted in the following final ranking:

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<u>Proposer</u>	<u>Ranking</u>
Walsh/Black and Veatch	1
HDR/Overaa	2
Jacobs/Kiewit	3

While all three firms were well qualified, Walsh distinguished itself from the other proposers during the interview phase by demonstrating a clear understanding of Project objectives, outlining innovative approaches to completing the Project, and confirming their highly experienced professionals were dedicated to the success of the Project. The Walsh team consists of a project manager and team leaders with extensive design-build experience, including the design and construction of similar dewatering facilities.

Contract Negotiation Process

An exemplar of the design-build contract was included with the RFP. Staff will now negotiate the final terms of the contract, including the price for preliminary (pre-construction) services, the general conditions fee, and the design-builder fee.

In August 2019, following negotiations, staff plans to recommend to Council approval of the negotiated contract, which will include a “not to exceed” fixed price for the preliminary services, as well as a delegation of authority to the City Manager to execute amendments to the contract to allow the design-builder to proceed with discrete portions of the work prior to establishing the guaranteed maximum price (GMP) for all of the design-build work. Upon completion of a basis of design report (BDR) in approximately one year, staff will return to Council to seek delegation of authority to the City Manager to negotiate an amendment to the contract to, among other things, establish the GMP. The total estimate for the Project is currently \$128 million, which includes an estimate of \$85 million for the design-build work. Staff will have a more accurate estimate of the GMP, however, following completion of the BDR.

/s/

MATT CANO
Director of Public Works

/s/

KERRIE ROMANOW
Director, Environmental Services

For questions, please contact Mariana Chavez-Vazquez, Interim Deputy Director, Department of Environmental Services, at (408) 635-4008.

Attachment A

ATTACHMENT A

Digested Sludge Dewatering Facility Project Extents at the San José-Santa Clara Regional Wastewater Facility

