



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 7

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council

FROM: Drew Corbett, City Manager

PREPARED BY: Public Works Department

MEETING DATE: May 4, 2020

SUBJECT:

Wastewater Treatment Plant Upgrade Construction Services - Amendment

RECOMMENDATION:

Approve Amendment No. 1 to the agreement with Sundt Construction, Inc. for services to construct the second package of the Wastewater Treatment Plant Upgrade and Expansion Project for a Guaranteed Maximum Price of \$17,716,049; approve a contingency reserve in the amount of \$1,645,000; and authorize the Public Works Director to execute the amendment in substantially the form presented and issue change orders within the contingency amount.

BACKGROUND:

The City of San Mateo is currently under a Regional Water Quality Control Board Cease and Desist Order requiring improvements to its collection system and Wastewater Treatment Plant (WWTP) to eliminate sanitary sewer overflows and unauthorized discharges of untreated or partially treated wastewater to San Francisco Bay. The Clean Water Program includes several capital improvement projects that are currently under design and are intended to comply with the Cease and Desist Order. Specifically, the WWTP Upgrade and Expansion Project consists of new facilities, including a headworks, primary clarifiers, secondary treatment basins, membrane filtration, and a dedicated wet weather treatment train.

Due to the project's size and complexity and construction demand in the Bay Area, a Construction Manager at Risk (CMAR) delivery approach was selected and approved by City Council on May 16, 2016, in accordance with Section 3.60.070(h) of the Municipal Code. City Council approved a professional services agreement with Sundt Construction, Inc. (Sundt) on January 17, 2017, to provide CMAR preconstruction services for the project. HDR Engineering (HDR) is the design engineer for the project and has collaborated with Sundt throughout the engineering design of the project.

With the CMAR delivery method, the construction is being executed in three separate construction packages. The CMAR will develop a guaranteed maximum price fee for each package, submitting open book documentation and a not to exceed price for construction of the work. The general scope for each construction package is:

- Package 1: Mobilization activities; demolition; site preparation; mass excavation; perimeter shoring; dewatering; electrical upgrades; and stormwater management improvements.
- Package 2: Pile installation.
- Package 3: Process facilities including a headworks; primary treatment; biological nutrient removal basins; membrane filtration; dedicated wet weather treatment; chemical storage and feed; odor control; and non-process facilities including an administration building and maintenance warehouse.

As the CMAR, Sundt is constructing all three construction packages of the project. The scope and fee for each construction package are negotiated separately. On May 6, 2019, City Council approved a contract for Package 1 with a negotiated

guaranteed maximum price of \$33,098,178 and \$1,725,000 in contingency. Package 1 is anticipated to be complete in October 2020.

Staff recommends approval of the amendment to Sundt to deliver Package 2 of the project. Sundt provided an initial cost submittal for Package 2 based on contract documents developed by HDR. Staff reviewed the cost submittal, negotiated the associated costs, and believe them to be reasonable for the effort and expertise required. Sundt's cost estimate of \$18,072,870 was negotiated and reduced to a guaranteed maximum price of \$17,716,049. A contingency amount of \$1,645,000 is recommended to cover potential unknown issues such as soil conditions, existing underground utilities, pile performance, and owner scope additions or change. A future amendment will be required for Sundt to construct Package 3, which is anticipated to be submitted for City Council approval in August 2020.

BUDGET IMPACT:

Sufficient funds are available in Project No. 46T003 for Construction Package 2.

ENVIRONMENTAL DETERMINATION:

The City prepared a Final Programmatic Environmental Impact Report (Final PEIR) in accordance with the California Environmental Quality Act (CEQA) (SCH No. 2015032006). Council on June 6, 2016, certified the PEIR. In accordance with CEQA, the Final PEIR serves as the primary environmental compliance document for the implementation of the Clean Water Program. The City prepared Addenda to the Final PEIR that was approved on July 16, 2018 (Addendum 1) and April 15, 2019 (Addendum 2). This work is within the scope of the Project evaluated in the PEIR and Addendum.

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Amendment

Exhibit A1 – Scope of Services, GMP 2 Submission

Exhibit C1 – WIFIA and SRF Funding Requirements

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