



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 13

Section Name: {{section.name}}

Account Number: 72-4671

File ID: {{item.tracking_number}}

TO: City Council
FROM: Christina Horrisberger, Interim City Manager
PREPARED BY: Public Works Department
MEETING DATE: July 17, 2023

SUBJECT:
Wastewater Treatment Plant Upgrade Engineering Services During Construction – Contingency Increase

RECOMMENDATION:

Approve an increase in the contingency reserve by \$1,100,000 for the agreement with HDR Engineering, Inc. for engineering services during construction for the Wastewater Treatment Plant Upgrade and Expansion Project for a total agreement amount of \$13,143,427, and new total contingency amount of \$3,344,000; and authorize the Public Works Director to execute amendments and change orders within the contingency amount.

BACKGROUND:

The City is currently under a Regional Water Quality Control Board Cease and Desist Order requiring improvements to its sewer 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 (CWP) includes several capital improvement projects that are currently under construction and intended to comply with the Cease and Desist Order. The WWTP Upgrade and Expansion Project (Project) is one of these projects, which will result in a new treatment plant for processing wastewater. The project designer is HDR Engineering, Inc. (HDR).

The design was released for construction in three packages, which has been underway since May 2019 by Sundt Construction, Inc. The project is anticipated to be complete in January 2025.

- Package 1 - Site preparation: completed in July 2022.
- Package 2 - Foundation piles: completed in January 2022.
- Package 3 - WWTP process facilities, Administration Building, and Maintenance Warehouse: in progress.

In June 2019, City Council approved an agreement with HDR to provide engineering services during construction (ESDC) for Package 1 of the Project. In June 2020, City Council approved Amendment No. 1 to include ESDC for Package 2. In November 2020, City Council approved Amendment No. 2 to include ESDC for Package 3. As part of the Amendment No. 2 approval, City Council also authorized a contingency reserve of \$2,244,000 to address future scope needs (both known items and for unforeseen issues). The total contract value awarded to HDR for Packages 1, 2, and 3, including contingency, is summarized in Table 1. The Public Works Director has executed six additional amendments (Nos. 3 through 8) to HDR's agreement, drawing down the contingency reserve as detailed in Table 2.

Table 1. HDR Engineering Services During Construction Contract Summary

| | HDR Contract Value | Contingency |
|--------------------------------|---------------------|--------------------|
| Package 1 (Original Agreement) | \$450,221 | \$0 |
| Package 2 (Amendment No.1) | \$419,830 | \$0 |
| Package 3 (Amendment No.2) | \$12,273,376 | \$2,244,000 |
| Total | \$13,143,427 | \$2,244,000 |

Table 2. Summary of HDR ESDC Amendments using Contingency Funds

| Contingency Scope Item* | Anticipated Amount* | Approved Amount (Amendments No. 3-8) |
|---|---------------------|--------------------------------------|
| 1. Additional Technical Submittals Review | \$546,131 | \$63,840 |
| 2. Electronic Operations & Maintenance Manual Development | \$292,446 | \$342,088 |
| 3. Process Training for WWTP Staff | \$224,005 | \$302,106 |
| 4. Treatment Plant Simulator Development and Training | \$97,389 | \$108,887 |
| 5. Additional Resident Engineer Services (for 2022) | \$585,480 | \$807,138 |
| 6. Unknown Scope Items | \$500,000 | \$442,385 |
| Total | \$2,244,000 | \$2,066,444 |
| Remaining Contingency Amount | | \$177,556 |

*Potential scope items and anticipated amounts were included in the November 2, 2020 Administrative Report to City Council as part of the request to approve Amendment No. 2 and establish a contingency reserve.

Staff recommends increasing the contingency reserve by \$1,100,000 to cover additional scope that may be necessary to successfully complete the Project. Anticipated scope needs are summarized in Table 3. Staff will continue negotiating potential amendments to minimize use of contingency funds.

Table 3. Summary of Potential Additional Contingency Scope Items

| Contingency Scope Item | Anticipated Amount |
|--|--------------------|
| 1. Additional Resident Engineer Services (for 2023 and 2024) | \$500,000 |
| 2. Design Modifications and Cost Reviews | \$250,000 |
| 3. Additional ESDC Services for Existing WWTP Motor Control Center Replacements | \$100,000 |
| 4. Additional Project Management Services due to Construction Contract Extension | \$165,000 |
| 5. Additional Process Training for WWTP Staff/Additional Operator Shifts | \$60,000 |
| 6. Asset Management Support to WWTP Staff | \$25,000 |
| Total | \$1,100,000 |

BUDGET IMPACT:

Sufficient funds are available in Project No. 46T003 to increase the contingency on HDR's agreement for engineering services during construction.

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). The PEIR was certified by City Council on June 6, 2016. In accordance with CEQA, the Final PEIR serves as the primary environmental compliance document for implementation of the Clean Water Program. The City prepared an Addendum to the Final PEIR that were 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 Addenda.

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

None

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