



CITY OF HAYWARD

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Cover Memo

File #: CONS 15-137, **Version:** 1

DATE: September 15, 2015

TO: Mayor and City Council

FROM: Director of Utilities & Environmental Services

SUBJECT

New Garin Reservoir and Pump Station Improvements: Authorization for the City Manager to Execute a Professional Services Agreement

RECOMMENDATION

That Council adopts the attached resolution authorizing the City Manager to execute a Professional Services Agreement with Kleinfelder, Inc., for the design, and to provide technical support during construction, of the New Garin Reservoir and Pump Station Improvements Project, in an amount not to exceed \$300,000.

SUMMARY

On June 15, 2015, the City entered into an Agreement with La Vista, L.P., for the City to manage the design and construction of the water storage reservoir and pump station upgrades at Garin Road. The Agreement obligates the proposed development at La Vista to reimburse the City for all its costs. This report summarizes the City's consultant selection process for the project and recommendation for award of the contract to provide engineering services.

BACKGROUND

On May 26, 2015, Council approved Resolution No. 15-086, revising the Conditions of Approval for No. 58 and No. 120 related to project water system improvements. The revision stipulates that the City will build the new 0.75 million gallon water storage reservoir and upgrade the existing pump station in order to accommodate the La Vista development. Subsequently, on June 23, 2015, Council approved the Final Map for Tract 7620 - La Vista Development and authorized the execution of the Subdivision Agreement.

On June 15, 2015, the City entered into an agreement with La Vista, L.P., that the City will be reimbursed for all costs associated with the design and construction of the water storage reservoir and pump station upgrades. La Vista, L.P., has also agreed to pay upfront \$300,000 to the City for the design of the improvements. A repayment schedule has been established based on a per-dwelling-unit fee to the City prior to the issuance of each building permit for a residence to pay for the construction cost. This fee would be separate, and distinct from, all other applicable development-related fees and charges. The

proposed per dwelling fee, which includes 5% per year interest, has been calculated at \$20,534. The fact that building permits will not be issued without payment of this fee provides a safeguard to limit the risk of non-payment.

DISCUSSION

On June 29, 2015, staff advertised a Request for Proposals for engineering services for the design work. Five proposals were received on August 6, 2015 from 1) Amec Foster Wheeler; 2) Infrastructure Engineering Corporation; 3) Kleinfelder; 4) Lee & Ro, Inc.; and 5) Schaaf & Wheeler. Staff reviewed and rated the proposals submitted by the consultants on the following factors: 1) the relevant experience of the firm and its sub-consultants; 2) the experience and qualifications of the project manager and professional team; 3) understanding of the City's specific issues of concern; 4) demonstrated ability to meet the City's needs within the defined budget and schedule; and 5) innovative proposal components that would add value to the project above and beyond the standard tasks. All of the proposals were solid with each firm having particular areas of strength.

While each of the five firms are highly qualified and have strong teams for the City's project, in staff's view, Kleinfelder demonstrated the best combination of qualifications and responsiveness to the City's requirements. Kleinfelder achieved a higher rating in the selection criteria by providing a solid and innovative approach to the engineering design, and proposing a knowledgeable and experienced project team. Kleinfelder indicated an excellent understanding of the City's needs and has performed satisfactorily on other similar projects.

Cost was not a factor in staff's recommendation, as the total proposed costs from the top four firms were very comparable. Kleinfelder has proposed a reasonable number of labor hours and competitive hourly rates, and as part of the selection process, staff further negotiated and lowered the fees. Staff believes that the final negotiated not-to-exceed cost of \$300,000 is reasonable for the scope of services required.

Kleinfelder will be responsible for the design of the water tank structure and pump station improvements. City staff will be responsible for the project administration including the bidding process and construction management.

ENVIRONMENTAL REVIEW

Resolution No. 05-098 adopted a Mitigated Negative Declaration (MND) for the project on July 19, 2005. Staff has reviewed the requested amendment to Conditions of Approval No. 58 and No. 120 and determined that it is in substantial compliance with the existing condition and does not present any new or increased environmental impacts not previously analyzed; thus, no additional environmental review under the California Environmental Quality Act (CEQA) Guidelines is required. Therefore, the MND is sufficient from a CEQA perspective for the City Council to adopt the attached resolution.

ECONOMIC IMPACT

There are no economic impacts to Hayward customers as a result of the recommended change in project administration and management. The developer has already paid the City for the design cost. The upfront construction costs will be paid from reserves in the Water System Capital Improvement Fund and the developer will reimburse the City for all costs, with interest, as building permits are issued for the

new homes.

FISCAL IMPACT

The estimated project costs are as follows:

Professional Engineering Services - Consultant	\$ 300,000
Project Administration - City Staff	\$ 100,000
Testing and Inspection Services	\$ 100,000
Estimated Construction Cost	<u>\$ 2,350,000</u>
Total:	\$ 2,850,000

The current total estimated cost to design and construct the water storage tank and pump station upgrades is \$2.85 million. The project is currently budgeted in the FY16 Capital Improvement Program in the Water System Improvement Fund. All costs to the City will be reimbursed per the terms of the Agreement with La Vista, L.P.

PUBLIC CONTACT

City staff has worked closely with representatives of La Vista, L.P. There is no material impact on other Hayward water customers during the design process.

NEXT STEPS

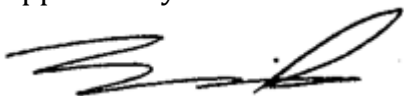
The estimated schedule for this project is summarized as follows:

Execute Professional Service Agreement	September 2015
Begin Design	October 2015
Design Completion	February 2016
Begin Construction	May 2016
Construction Completion	December 2017

Prepared by: Henry Louie, Senior Utilities Engineer

Recommended by: Alex Ameri, Director of Utilities & Environmental Services

Approved by:



Fran David, City Manager

Attachments: Attachment I - Resolution