



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: SEE BELOW

DATE: May 23, 2022

Approved

Date

06/01/22

COUNCIL DISTRICT: 3, 4 & 6

SUBJECT: 10036 – MASTER AGREEMENT WITH FUGRO USA LAND INC. FOR OWNER’S ADVISOR SERVICES FOR THE BART SILICON VALLEY PHASE II EXTENSION AND DOWNTOWN WEST PROJECTS

RECOMMENDATION

Approve a Master Agreement with Fugro USA Land Inc. to provide owner’s advisor services for the BART Silicon Valley Phase II Extension and Downtown West projects from the date of execution through December 31, 2030 in an amount not to exceed \$3,000,000.

OUTCOME

Approval of a Master Agreement with Fugro USA Land Inc. will enable the City of San José (City) to obtain the owner’s advisor services necessary to provide additional geotechnical engineering resources to supplement its capability to review project engineering/construction documents. This will allow the City to cooperate with Santa Clara Valley Transportation Authority (VTA) and Google on the preliminary engineering, final design and construction of those portions of the projects that will affect City infrastructure.

BACKGROUND

BART Phase II will extend from the Phase I terminus at the Berryessa/North San José station to the City of Santa Clara, adding a six-mile-long subway tunnel through Downtown San José and four stations including: 28th Street/Little Portugal, Downtown San José, Diridon Station, and Santa Clara Station. As of May 5, 2022, the project will conduct an additional independent analysis on the single-bore and dual-bore options. The analysis shall enable a clear view of the trade-offs of single-bore and dual-bore design, specifically focused on passenger safety, rider access and experience, cost, and construction delay.

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Also located in the Diridon Station Area, the Downtown West Mixed-Use Plan (DTW) allows up to 5,900 residential units, 7.3 million square feet of office space, 500K square feet of active use space, 300 hotel rooms, 800 limited term corporate accommodations, 100K square feet of event/conference centers, two central utility plants, 100K square feet of warehouse, and 15 acres of open space. The DTW project will include the construction of an utilidor tunnel structure for private utilities within the public right-of-way and replacement of the West San Fernando Street bridge.

The Director of Public Works, who also serves as the City’s Engineer, is responsible for reviewing the plans for and issuing the encroachment permits needed to construct BART Phase II and DTW projects. While the Department of Public Works maintains geotechnical resources that it can deploy for most Capital Improvement Program and development projects (i.e., a Materials Testing Laboratory and a City geologist), additional support is needed for a project of this complexity, magnitude, and specialized application of single-bore construction.

ANALYSIS

On February 1, 2022, the City issued a Request for Qualification seeking owner’s advisor services for the BART Silicon Valley Phase II Extension and DTW projects. The City received Statements of Qualifications from two firms by the March 22, 2022 submittal deadline.

A Technical Evaluation Panel from the Department of Public Works evaluated the Statements of Qualifications , with evaluation criteria weighted as follows:

Evaluation Categories	Possible Points
Proposal Responsiveness	Pass/Fail
Expertise	30
Experience	30
Project Approach	30
Local Business Enterprise (LBE)	5
Small Business Enterprise (SBE)	5
TOTAL	100

The two firms met the minimum qualifications and passed the proposal responsiveness requirement. One of the two firms qualified for LBE points, but none of the firms qualified for SBE status. All firms were evaluated on their resources, experience, and approach. On April 6, 2022, the Notification of Final Ranking was posted showing the following:

Rank	Firm	Expertise	Experience	Approach	LBE	SBE	Total
1	Fugro	26.33	26.67	27.33	0.00	0.00	80.33
2	Ninyo & Moore	24.33	24.33	22.33	5.00	0.00	75.99

Staff recommends awarding the Master Agreement, in an amount not to exceed \$3,000,000 and a duration through December 31, 2030 to the top ranked firm, Fugro USA Land Inc.

This Master Agreement will procure the services of an Owner’s Advisor to support staff in the implementation of these projects and the application of specialized underground, geotechnical engineering work. The key roles of the Owner’s Advisor may include, but are not limited to the following:

- review of geotechnical documents;
- provide construction and maintenance observations associated with work performed within City limits including monitoring VTA’s contractor and sensor data for gas, moisture, vibration, and other sensor data during the tunnel boring operation;
- attend meetings with City staff, public officials, community leaders, VTA, Google, contractors, and the general public;
- provide technical advice to City personnel related to all matters of geotechnical engineering, including but not limited to current building code requirements, General Plan requirements, and State and Federal regulations; and
- provide other geotechnical engineer services including design of special foundation or earth retaining systems, or the design of critical non-structural elements.

Beyond the construction period, these services are also important to manage the Right-of-Way in the future. Services such as addressing potential issues related to impact on adjoining buildings and facilities, impact on utilities, ground water, noise and vibration will ensure building foundation stability and tunnel integrity as development continues in and around the project area. The geotechnical expertise will enable the City to anticipate and setup best practices for managing the right of way for decades with the new complexity of the underground tunnel.

The Master Agreement will be administered with individual service orders specifying the scope of services that the firm must perform and the compensation to which the consultant would be entitled upon delivery of all specified services. For the BART Silicon Valley Phase II Extension project, the City executed a cooperative agreement with VTA to fund City expenses related to the project. For the DTW project, the City executed a development agreement with Google to fund City expenses related to the project. Each project will provide the direct funding to fund service orders directly related to their project. VTA and Google recognize the importance and need for the City to retain these specialized geotechnical Owner’s Advisor service in support of and to advance their projects.

CONCLUSION

Staff recommends the award and execution of the master consultant agreement to procure the services of an Owner’s Advisor to support staff in the implementation of the BART Silicon Valley Phase II Extension and DTW projects. The Owner’s Advisor services are necessary to provide additional geotechnical engineering resources to supplement the department’s capability to review project engineering/construction documents. The services will allow the City to cooperate with VTA and Google on the preliminary engineering, final design and construction of those portions of the projects that will affect City infrastructure. These services are important beyond the current projects for Public Works to effectively manage the Right-of-Way in the future.

EVALUATION AND FOLLOW-UP

The Master Agreement will allow consultant to provide support to the City in the implementation of the BART Silicon Valley Phase II Extension and DTW projects. No additional City Council follow-up action is expected at this time.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum does not affect Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City’s Council Agenda website for the June 14, 2022 Council meeting. Procurement staff used Biddingo to conduct outreach to local and small business enterprises. Chapter 4.12 of the San José Municipal Code defines a “local business enterprise” as one with a legitimate business presence in Santa Clara County and “small business enterprise” as a local business enterprise with 35 or fewer employees. Procurement staff sent notifications to 13,456 vendors, and documents were downloaded by 27 vendors, approximately seven of which were located within Santa Clara County. The recommended consultant is not a local or a small business enterprise.

COORDINATION

This item has been coordinated with the Department of Transportation, the City Attorney's Office, the City Manager’s Budget Office, and the Department of Planning, Building and Code Enforcement.

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COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

The BART project aligns with the City’s Envision 2040 goals to facilitate increased travel by transit and the Transportation and Aviation Services City Service Area goals to provide transportation choices that support a strong economy.

COST SUMMARY/IMPLICATIONS

The design and construction of City infrastructure will be fully funded by the projects. Funding is included in the 2023-2027 Capital Improvement Program in the Building and Structure Construction Tax and Construction Excise Tax Funds. City staff costs incurred for direct support of the projects will be reimbursed by the VTA and Google. The project will construct new and modified City infrastructure and they are not expected to have a significant cumulative effect on ongoing maintenance and operations.

CEQA

Not a Project, File No. PP17-002 – Consultant services for design, study, inspection, or other professional services with no commitment to future action.

Not a Project, File No. PP17-003 - Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/
MATT CANO
Director of Public Works

For questions, please contact J. Guevara, Deputy Director of Public Works, at (408) 807-1801.