



COUNCIL AGENDA: 06/19/18  
FILE: 18-660  
ITEM: 7.1

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Kerrie Romanow  
Matt Cano

**SUBJECT:** SEE BELOW

**DATE:** May 29, 2018

Approved

*D. D. SyL*

Date

*6/7/18*

**SUBJECT: 8753 – MASTER CONSULTANT AGREEMENTS WITH CONSTRUCTION TESTING SERVICES, INC.; SIGNET TESTING LABS, INC.; AND CONSOLIDATED ENGINEERING LABS FOR SPECIAL INSPECTION AND MATERIALS TESTING SERVICES FOR THE SAN JOSÉ-SANTA CLARA REGIONAL WASTEWATER FACILITY CAPITAL IMPROVEMENT PROGRAM**

## RECOMMENDATION

Approve Master Consultant Agreements with Construction Testing Services, Inc.; Signet Testing Labs, Inc.; and Consolidated Engineering Labs for special inspection and materials testing services for various capital improvement projects at the San José-Santa Clara Regional Wastewater Facility, from the date of execution through December 31, 2023, in a total amount not to exceed \$3,000,000 for each agreement, subject to the appropriation of funds.

## OUTCOME

Approval of master consultant agreements will provide the San José-Santa Clara Regional Wastewater Facility (RWF) Capital Improvement Program (CIP) with the ability to obtain on-call special inspection and materials testing services to support various capital improvement projects. These services are needed to ensure construction projects are performed in accordance with special inspection and testing requirements of the San José Municipal Code (SJMC) and the California Building Code (CBC). Approval of these agreements will not result in any physical changes to the environment, as the City Council will need to take additional actions before construction on any capital projects commences.

## **BACKGROUND**

The RWF CIP is currently undertaking numerous capital projects to rehabilitate and upgrade the RWF. The CIP includes 23 projects, with a construction value estimated at more than \$700 million that will be under construction over the next five years. Many of these projects are expected to require special inspection and testing services for structural steel, concrete, masonry and wood construction, as well as soils, foundation elements, seismic resistance, sprayed fire-resistant materials, coatings, insulation & finish systems, fire-resistant penetrations and joints, and smoke control systems.

The Code Inspectors and the Materials Testing Laboratory staff from the Department of Public Works (DPW) normally provide special inspection and material testing services for Capital Improvement projects. However, those City resources lack sufficient capacity, certifications, or expertise to efficiently perform many of the specialist tasks needed to support the upcoming volume of work expected in the RWF CIP. Special inspection and materials testing consultant services are required to ensure construction projects can proceed as scheduled and will be performed in accordance with the SJMC and CBC.

The RWF CIP currently has special inspection master agreements with Construction Testing Service, Inc. and Signet Testing Labs, Inc., with not-to-exceed amounts of \$500,000 and \$700,000, respectively. Both agreements will soon be exhausted for services required for current projects under construction. New master consultant agreements are needed to replace the previous agreements.

## **ANALYSIS**

On November 27, 2017, the City issued a Request for Qualifications (RFQ), on BidSync, seeking on-call special inspection and materials testing services for various CIP projects. The City received five Statements of Qualifications (SOQ) by the December 22, 2017, submittal deadline.

A Technical Evaluation Panel, consisting of representatives from the Departments of Public Works and Environmental Services evaluated and ranked the SOQs in accordance with the procurement process set forth in the RFQ. Each panel member evaluated the SOQs using a consistent scoring matrix based on the firm's expertise, experience, approach, and Local/Small Business Enterprise status. Each firm received a total score comprised of their SOQ score and Local Business Enterprise (LBE)/Small Business Enterprise (SBE) status as shown below:

Description	Weight
<b>SOQ</b>	
Submittal Responsiveness	Pass/Fail
Minimum Qualifications	Pass/Fail
Expertise	25
Experience	40
Project Approach	25
Local Business Enterprise (LBE)	5
Small Business Enterprise (SBE)	5
<b>TOTAL</b>	<b>100</b>

The final ranking and rounded scores for each firm were as follows:

Rank	Firm	Expertise	Experience	Approach	LBE	SBE	Total
<b>1</b>	Construction Testing Services, Inc.	23.8	39.5	24.5	5.0	0.0	<b>92.8</b>
<b>2</b>	Signet Testing Labs, Inc.	22.9	36.3	23.5	0.0	0.0	<b>82.7</b>
<b>3</b>	Consolidated Engineering Laboratories	19.5	35.5	23.8	0.0	0.0	<b>78.8</b>
<b>4</b>	CTE Cal, Inc.	18.5	33.3	19.2	0.0	0.0	<b>71.0</b>
<b>5</b>	Intertek-PSI	18.8	25.0	19.7	5.0	0.0	<b>68.5</b>

All five firms met the minimum qualifications and their SOQs were deemed responsive. In accordance with City policy, ten percent of the total evaluation points were reserved for local and small business enterprise status. Only two firms qualified for the Local Business Enterprise (LBE), and none of the firms qualified for the Small Business Enterprise (SBE) status.

Staff recommends approval of master agreements with the top three firms, Construction Testing Services, Inc., Signet Testing Labs, Inc., and Consolidated Engineering Laboratories. The top three consultants demonstrated a high level of technical expertise and extensive experience in special inspections and materials testing services at RWF or similar water/wastewater treatment facilities in California. All three top ranking consultants are on the list of recognized consultants by the City of San Jose's Planning, Building and Code Enforcement Department. Given the significant volume of construction planned over the next five years, the CIP will need the combined resources of all three special inspection consultants to ensure that there will be sufficient specialty inspection and testing resources to provide timely services for the projects in construction at the RWF.

The consultant under each master agreement will provide on-call special inspection and materials testing services through authorized service orders for a variety of CIP projects to ensure compliance with the requirements of the SJMC, CBC, and the contract documents for the

particular project. Specific services to be authorized under individual service orders may include, but are not limited to: submittal reviews; inspection and testing of structural steel, welding, pre-stressing tendons, reinforced concrete, epoxy anchor bolting, structural masonry, soils, foundation elements, fire-resistant materials, exterior insulation & finish systems, smoke control systems, instrumentation and control systems equipment; and provision of confined space entry and rescue.

Assignment of service orders will be made on a rotational basis for the three firms. Maintaining consultant continuity on each project will be an important consideration while issuing service orders. For each service order, staff will negotiate the scope of work, deliverables, schedule, and cost with the selected firm. In the event negotiations are unsuccessful, staff may negotiate with the next firm in the rotation to perform the work. The City may elect to issue a service order for urgent work or other circumstances (special expertise, familiarity with project, available staff, etc.) to the more qualified firm.

The term of the agreements will be from the execution date through December 31, 2023, unless terminated earlier pursuant to its terms.

### **EVALUATION AND FOLLOW-UP**

No additional follow up action with the Council is expected at this time. All service orders issued under these agreements greater than \$100,000 will be reported to Treatment Plant Advisory Committee (TPAC) on the monthly summary of procurement and contract activity and the quarterly CIP agreement and service order summary. A progress report on this and other RWF capital projects will be made to the Transportation and Environment Committee and City Council on a semiannual basis. Monthly progress reports on the RWF CIP will also be submitted to TPAC and posted on the City's website.

### **POLICY ALTERNATIVES**

***Alternative #1:*** Direct City staff to provide the required services with in-house resources from the DPW.

**Pros:** Increased work options for DPW staff.

**Cons:** DPW staff does not possess the capacity, technical expertise or industry certifications needed for the anticipated projects, which could lead to possible construction delays or ineffective, incomplete inspections.

**Reason for not recommending:** The City would need to hire multiple new staff members with knowledge and expertise in a variety of inspection and materials testing disciplines. This would add time and cost to the project, and would likely result in releasing newly hired staff at the completion of the project, when their services would no longer be required.

### **PUBLIC OUTREACH**

The RFQ was advertised on BidSync on November 27, 2017. This memorandum will be posted on the City's website for the Council Agenda of June 19, 2018. This item is scheduled to be heard at the TPAC meeting on June 14, 2018.

### **COORDINATION**

This agreement and memorandum have been coordinated with the City Manager's Budget Office, the City Attorney's Office, Finance Department, and the Planning, Building and Code Enforcement Department.

### **COMMISSION RECOMMENDATION/INPUT**

This item is scheduled to be heard at the June 14, 2018 TPAC meeting. A supplemental memo with the committee's recommendation will be included in the amended June 19, 2018, City Council meeting agenda.

### **FISCAL/POLICY ALIGNMENT**

This project is consistent with the Council approved Budget Strategy to focus on rehabilitating aging RWF infrastructure, improve efficiency, and reduce operating costs. This project is also consistent with the budget strategy principle of focusing on protecting our vital core services.

### **COST SUMMARY/IMPLICATIONS**

- |    |                                       |                    |
|----|---------------------------------------|--------------------|
| 1. | AMOUNT OF RECOMMENDATION:             | \$9,000,000        |
|    | Construction Testing Services, Inc.   | \$3,000,000        |
|    | Signet Testing Labs, Inc.             | \$3,000,000        |
|    | Consolidated Engineering Laboratories | <u>\$3,000,000</u> |
|    | TOTAL                                 | \$9,000,000        |
2. COST ELEMENTS OF AGREEMENT/CONTRACT: The consultant's services are reimbursed on an hourly rate schedule in the master agreement for the involved consultant personnel.
3. SOURCE OF FUNDING: San José/Santa Clara Treatment Plant Capital Fund (512).

4. FISCAL IMPACT: The projects that will use these agreements are funded through the San Jose-Santa Clara Treatment Plant Capital Fund and will have no impact on the San Jose-Santa Clara Treatment Plant Operating Fund (Fund 513) or the General Fund.
5. PROJECT COST ALLOCATION: The cost for consultant services performed for a project will be allocated per the allocations of that project in accordance with the recommendations set forth in the Capital Project Cost Allocations Technical Memo (Carollo Engineers, March 2016).

### **BUDGET REFERENCE**

Services performed by the consultants under these agreements will be authorized by service orders. An appropriation is not required for execution of these master consultant agreement, but is required for each service order authorized under these agreements. Future funding is subject to the annual appropriation of funds and, if needed, will be included in the development of future year budgets during the annual budget process.

### **CEQA**

Not a Project, File No. PP17-003, services that involve no physical changes to the environment. The projects that will be assigned to special inspection consultants will have undergone CEQA approval on a project-by-project basis.

/s/  
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/s/  
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For questions, please contact Ashwini Kantak, Assistant Director, Environmental Services Department at 408-975-2553.