



# City Council Report

City Council Meeting: August 28, 2018  
Agenda Item: 3.C

To: Mayor and City Council  
From: Susan Cline, Director, Public Works, Civil Engineering  
Subject: Selection and Award of Sustainable Water Infrastructure Project Design/Build Services Contract

## Recommended Action

Staff recommends that the City Council:

1. Award RFP #SP2456 to Kiewit Infrastructure West Co., a Delaware-based company, for the design-build services for the Sustainable Water Infrastructure Project;
2. Authorize the City Manager to negotiate and execute a design-build services agreement with Kiewit Infrastructure West Co. in an amount not to exceed \$7,500,000 to provide design services for the Sustainable Water Infrastructure Project, including engineering, permitting, preparation of construction documents, and submittal of a guaranteed maximum price for construction services; and
3. Authorize the Director of Public Works to issue any necessary change orders to complete additional work within contract authority.

## Summary

Santa Monica strives to be water self-sufficient and independent from costly imported water. Imported water can be impacted by seasonal and regional droughts and has a high environmental impact due to the energy demands of transporting the water from distance locations. Water self-sufficiency will result in long-term adaptability and resiliency to climate vulnerabilities by providing the security of a sustainable water supply.

The Sustainable Water Infrastructure Project (SWIP) would produce approximately 1.5 million gallons/day (MGD) of new water for immediate non-potable reuse. In the future, the water would also be used for indirect potable reuse via aquifer recharge upon approval by the California State Water Resources Control Board. The project would help offset the City's costly imported water, which is currently 2.67 MGD. The project would also protect the ocean and the City's beaches from stormwater and urban runoff

pollution. Staff recommends awarding a design-build services agreement to Kiewit Infrastructure West Co. (Kiewit) in an amount not to exceed \$7,500,000.

### **Discussion**

The City's water supply is a combination of 25% imported water and 75% local groundwater. The City seeks to reduce its reliance on imported water through conservation, increased reliance on its groundwater resources, and the integration of all available local water resources by treating brackish/saline groundwater, municipal wastewater, stormwater and urban runoff.

The SWIP would construct three new water treatment and storage facilities designed to function as a cohesive and integrated system to harvest and treat nonconventional water resources, including stormwater, brackish/saline impaired groundwater, and municipal wastewater, for reuse for irrigation and toilet flushing. The three sites are outlined in Table 1 and a detailed project description is provided in Attachment A.

Table 1

Location	Proposed Improvement
Civic Center	1.0 MGD underground advanced water treatment facility 1.5 MG capacity underground stormwater harvesting tank
Memorial Park	3.0 MG capacity underground stormwater harvesting tank
Santa Monica Urban Runoff Reclamation Facility (SMURRF)	New reverse-osmosis (RO) membrane filtration system and facility enhancements to produce 0.5 MGD treated water

Once the design phase is completed, staff would return to the City Council for approval of the Guaranteed Maximum Price (GMP) amendment to complete the construction phase.

### Environmental Analysis

The California Environmental Quality Act (CEQA) Mitigated Negative Declaration, the Mitigation Monitoring and Reporting Plan, and the National Environmental Policy Act (NEPA) documents for the project were certified by the Santa Monica City Council on September 27, 2016, and the Notice of Determination was filed at the State

Clearinghouse on September 30, 2016. The SWIP was also presented to the Water Advisory Committee on May 23, 2016 and the City's Task Force on the Environment on June 20, 2016.

Design-Builder Selection

Request for Qualifications (RFQ)

RFQ Data					
RFQ Posting Date	RFQ Posted On	RFQ Advertised In (City Charter & Municipal Code)	# of Vendors Downloaded	# of Submittals Received	Date SOQs Received
11/22/2017	City's Online Bidding Site	Santa Monica Daily Press	99	3	01/17/2018

Pre-qualified List	Vendor Selection Recommendation	
Black & Veatch Construction, Inc.	Municipal Code	SMMC 2.24.073
J.F. Shea Construction, Inc	Evaluation Criteria	Previous experience, financial stability, safety record, qualifications of the key personnel and project understanding.
Kiewit Infrastructure West Co.		

Justification to Short-List
Staff from the Civil Engineering and Water Resources divisions evaluated the statements of qualification (SOQs) based on the criteria in SMMC 2.24.073, including references, experience and qualifications of key personnel, project understanding, financial stability, safety record and knowledge and prior experience on design-build water treatment projects. Based on these criteria, the firms were recommended as pre-qualified design-build firms. Proposals were solicited from all pre-qualified firms prior to awarding the design-build agreement.

Request for Proposals (RFP)

RFP Data				
RFP Posting Date	RFP Posted On	# of Vendors Downloaded	# of Submittals Received	Date Proposals Received
04/30/2018	City's Online Bidding Site	3	3	06/14/2018

RFPs Received
Black & Veatch Construction, Inc.

J.F. Shea Construction, Inc.

**Kiewit Infrastructure West Co. (lowest construction mark-up)**

**Justification for Award**

A selection panel of staff from the Civil Engineering and Water Resources divisions evaluated the proposals and interviewed all three teams based on the following criteria: Fee, qualifications, skills and ability of proposed team members, cohesiveness of the team members, ability of the team to manage the complexity of the project, quality and variety of the design, technical and management services offered, sophistication of the organization and team, ability and methodology to successfully design and construct according to a given design program within budget and under time constraints, character, integrity, reputation, good judgment, training, experience and efficiency of the team. The focus of the evaluation committee was to identify the most qualified and cohesive team that has the best proposal and understanding of the project and is the best fit for the SWIP. Kiewit provided the best ranked proposal and interview. Based on the evaluation criteria and the interviews, the committee recommends the team of Kiewit Infrastructure West Co. in association with Arcadis US, Inc. and Perc Water Corporation as the best qualified firm to provide design and engineering services for the SWIP. The recommended Kiewit team submitted a bid estimate with the lowest fixed construction markup. Team qualifications and a cost comparison table are provided in Attachment B.

**Past Council Actions**

<b>Council Meeting Date</b>	<b>Action Type</b>	<b>Description</b>
9/27/2016 (Attachment C)	Adoption of CEQA IS/MND	Adopted CEQA Initial Study/ Mitigated Negative Declaration

**Financial Impacts and Budget Actions**

Staff seeks authority to award a design-build services agreement to Kiewit Infrastructure West Co. for design and engineering services.

<b>Agreement Request</b>		
<b>Request Amount</b>	<b>FY 2018-19 Budget CIP Account #</b>	<b>Total Contract Amount</b>
\$7,500,000	C5106950.689000	\$7,500,000

**Prepared By:** Selim Eren, Civil Engineer

**Approved**

**Forwarded to Council**



Dean Kubani, Assistant Director

8/16/2018



Rick Cole, City Manager

8/20/2018

**Attachments:**

- A. SWIP Project Description & Site Layouts
- B. Team Qualifications & Cost Comparison
- C. September 27, 2016 Staff Report - Adopted CEQA Initial Study/ Mitigated Negative Declaration (WebLink)
- D. Kiewit West Infrastructure Oaks Initiative Form