

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: RICHEL MAEDA, ASSOCIATE CIVIL ENGINEER
CAPITAL PROJECTS ENGINEERING
SUBJECT: LLANO TRUNK REHABILITATION PHASE 1, CONTRACT NO.
C02403 – APPROVAL OF THE GUARANTEED MAXIMUM PRICE,
ENGINEERING SERVICES DURING CONSTRUCTION, AND
CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by Santa Rosa Water and the Transportation and Public Works Department that the Board of Public Utilities, by motion, approve the Llano Trunk Rehabilitation Phase 1 Progressive Design-Build Contract Change Order #4 with SAK Construction, LLC of Rocklin, California, for Engineering Services During Construction in an amount not-to-exceed \$711,036.70 and for a Guaranteed Maximum Price for Construction Services in the not-to-exceed amount of \$14,705,413.09; approve a 15% contingency for the Guaranteed Maximum Price for a total not-to-exceed amount of \$17,622,261.75; and approve Project Work Order No. A010139-2016-34 under the Master Professional Services Agreement with Coastland Civil Engineering of Santa Rosa, California, to provide construction management and inspection services for the Llano Trunk Rehabilitation Phase 1 Project, in an amount not-to-exceed \$628,202.00.

EXECUTIVE SUMMARY

This proposed action will approve the Llano Trunk Rehabilitation Phase 1 Progressive Design-Build Contract Change Order (CCO) #4 with SAK Construction, LLC of Rocklin, California, for Engineering Services During Construction in an amount not-to-exceed \$711,036.70 and for a Guaranteed Maximum Price for Construction Services in the not-to-exceed amount of \$14,705,413.09; approve a 15% contingency for the Guaranteed Maximum Price for a total not-to-exceed amount of \$17,622,261.75; and approve Project Work Order No. A010139-2016-34 under the Master Professional Services Agreement with Coastland Civil Engineering of Santa Rosa, California, to provide construction management and inspection services for the Llano Trunk Rehabilitation Phase 1 Project, in an amount not-to-exceed \$628,202.00.

BACKGROUND

The Llano Trunk Rehabilitation Phase 1 Project (“Project”) will rehabilitate approximately 8,100 feet of 66-inch trunk sewer and twelve (12) trunk manholes adjacent to Llano Road. The Project will rehabilitate the trunk by means of trenchless cured-in-place pipe (CIPP) lining technology. The work requires an above-ground sewage bypass pumping system that will operate continuously, 24 hours a day, until all rehabilitation efforts are complete. The system will include 100% backup pumping capacity, and approximately 9,000 feet of three parallel 18-inch bypass lines installed adjacent to Llano Road involving various county road and bridge crossings.

The City has the authority to utilize a Design Build (DB) delivery method for public contracting pursuant to state law and the Santa Rosa City Code. The DB delivery method is an alternative contracting approach where a single DB entity designs and builds a project. The DB delivery method provides the City a single point of contact from the project’s initiation, enabling enhanced upfront collaboration among the City, the design engineer, and the contractor. This coordination can reduce project uncertainties and overall potential costs, leading to a more constructible project that meets the City’s objectives.

Progressive design-build (PDB) is a new variation of the DB delivery method where the designer and contractor collaborate under a single contract early in the design process. In September 2022, the California State Legislature enacted Senate Bill 991, allowing local public agencies to use the PDB delivery method for projects that, among other things, convey wastewater. Similar to DB contracting, PDB projects are delivered in two phases: the Engineering Phase and the Construction Phase. The Engineering Phase in PDB begins earlier in the process and involves confirming the project’s basis of design, developing the design, procuring project permits and right-of-way, and fulfilling requirements to comply with the California Environmental Quality Act. Unlike DB contracting, the design builder develops the construction cost, referred to as a Guaranteed Maximum Price (GMP), towards the end of the Engineering Phase for the City’s review, approval, and decision on whether to proceed to the Construction Phase. The GMP represents the maximum amount from the design-build team (collectively referred to as “DBE”) to complete the Construction Services for the Project as designed and is executed through a PDB contract change order (CCO). The PDB contract also includes an “off-ramp” option, which provides the City with the authority to terminate the contract if it cannot agree with the DBE to terms for the GMP.

In February 2024, the City, as owner, and SAK Construction, LLC, as DBE, entered into a PDB contract for the Llano Trunk Rehabilitation Phase 1 Project, Project No. C02403 (“PDB Contract”). Per the PDB Contract, the DBE developed the 75% Design Documents and applicable permit applications for the California Department of Fish and Wildlife, Regional Water Quality Control Board, US Army Corps, and the County of Sonoma.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

PROGRESSIVE DESIGN-BUILD CONTRACT FOR THE LLANO TRUNK
REHABILITATION PHASE 1
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On November 21, 2020, the Board of Public Utilities (Board), by motion, approved Project Work Order No. A010215-2017-05 with Woodard and Curran, to provide professional engineering services for temporary sewer flow monitoring, sewer inspection, condition assessment, Sanitary Sewer System Master Plan update, and ongoing sewer system modeling efforts, in the amount not to exceed \$2,133,308.00.

On August 18, 2022, the Board, by motion, authorized the issuance of a Request for Proposals for the Design-Build procurement method for the Llano Trunk Rehabilitation Phase 1.

On February 15, 2024, the Board, by motion, approved a progressive design-build contract, C02403, in an amount not-to-exceed \$1,302,657.45 with SAK Construction, LLC of Rocklin, California, plus an additional 10% contingency amount of \$130,265.75 for a total not-to-exceed amount of \$1,432,923.20.

On April 3, 2025, the Board, by resolution, adopted the Mitigated Negative Declaration (MND), adopted the Mitigation Monitoring and Reporting Program, approved the Llano Road Trunk Rehabilitation Project, and directed City staff to file a Notice of Determination for the Project pursuant to the California Environmental Quality Act (CEQA) Guidelines.

ANALYSIS

Project Work Order for Construction Management and Inspection Services

On March 12, 2024, in accordance with Council Policy 600-01, the City solicited a Request for Proposals (RFP) to perform construction management and inspection services for the Project from professional consulting firms holding Master Professional Services Agreements (MPSAs) with the City. Twenty-six firms were solicited via online "PlanetBids." The City received two proposals by the April 4, 2025, deadline. An Associate Civil Engineer, an Engineering Technician, and a Supervising Engineer reviewed the proposals for their responsiveness to the RFP, qualifications, experience, technical abilities, availability, work plan, project references, and consultant fees. Coastland Civil Engineering of Santa Rosa, California was selected as the most qualified consultant to provide construction management and inspection services.

Santa Rosa City Code 3-08.110A authorizes the Board of Public Utilities to execute contracts that exceed \$100,000 in accordance with City Charter Section 25.

Guaranteed Maximum Price and Engineering Services During Construction

City staff reviewed the 75% Design Documents that the DBE developed under the PDB Contract and found that the DBE had progressed the Design Documents sufficiently to develop and document detailed pricing for the Project's construction. The City requested that the DBE submit for the City's consideration a Proposed GMP. On April 4, 2025, the City received a Proposed GMP from the DBE to complete the Project. Staff and a third-party consultant subsequently conducted an audit of the GMP, which led to further negotiations between the City and DBE, ultimately resulting in the recommended Final GMP.

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Staff is recommending that the Board approve a PDB CCO for Engineering Services During Construction in the amount not-to-exceed \$711,036.70 and a GMP of \$14,705,413.09, and approve a 15% GMP contingency, for a total not-to-exceed amount of \$17,622,261.75 for the Construction Phase of the Project. The 15% contingency will cover, among other things, potential unforeseen field conditions and any requests the City may have for extra work outside of the PDB Contract's scope during the construction phase. If the Board rejects this PDB CCO, the Project will not proceed to the Construction Phase under this PDB Contract.

The City and DBE have not yet secured all the required permits and temporary construction easements to begin construction for the Project. City staff and the DBE anticipate that all permits will be secured by mid-to-late May. If the permits are not obtained in time to begin construction by June 15, 2025, any construction under the PDB Contract will be delayed until June 2026. If this delay occurs, the GMP will be rescinded from the PDB Contract and CCO, and the City and DBE will attempt to negotiate a new Proposed GMP in early 2026 for the Board's approval.

FISCAL IMPACT

Approval of this item has no additional impact on the budget. Funds for this contract were previously appropriated in the Capital Improvement Program Budget. The majority of funds for the construction phase have been previously appropriated and the remaining funds are in the process of being transferred.

ENVIRONMENTAL IMPACT

On April 3, 2025, the Board adopted the Mitigation Negative Declaration (MND) for the Llano Trunk Rehabilitation Project. This action is within the scope of the MND and does not require further environmental review or analysis under CEQA. Section 15162 of the CEQA Guidelines states that no subsequent environmental review is required unless proposed project changes result in: new significant environmental effects or a substantial increase in previously identified effects, or a substantial change to project circumstances resulting in new environmental effects or a substantial increase in previously identified effect, or new information of substantial importance shows that the project would result in substantial impacts not previously analyzed, or a substantial increase in previously identified effect, or that necessitates reevaluation of mitigation measures. There are no changes to the project or to the circumstances surrounding the project site or new information demonstrating new or unanalyzed impacts. For these reasons no additional CEQA review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable

ATTACHMENTS

- Attachment 1 – Location Map

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- Attachment 2 – C02403 Llano Trunk PDB Contract Change Order #4
- Attachment 3 – Project Work Order No. A010139-2016-34

PRESENTER

Richela Maeda, Associate Civil Engineer