



Town of Moraga	Agenda Item
CONSENT	6.3

**Meeting Date: January 23, 2024**

## **TOWN OF MORAGA**

## **STAFF REPORT**

**To:** **Honorable Mayor and Councilmembers**

**From:** **Shawn Knapp, Public Works Director / Town Engineer**  
**Yao Miao, Assistant Engineer**

**Subject:** **Award Professional Services Agreement for Construction Management, Inspection and Material Testing Services to Substrate, Inc.**

### **Recommendation**

Move to:

1. Adopt a Resolution Awarding a Professional Services Agreement for Construction Management, Inspection and Material Testing Services to Substrate, Inc. in the Amount of \$635,000 for 2023 and 2024 Pavement Rehabilitation Projects and authorizing a 15% contingency for a Total Amount Not to Exceed \$730,250 to be executed by the Town Manager; and
2. Authorize the Town Manager to Execute Agreement Amendments for up to \$95,250 (15% Contingency) of the Contract Amount, if necessary; and
3. Find the project exempt from review under the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. 15301 (Class 1-Existing Facilities).

### **Background**

The 2023 and 2024 Pavement Rehabilitation Projects (CIP 23-401 & 24-401) are in the Town of Moraga's Fiscal Year ("FY") 2023/24 and 2024/25 Adopted Capital Improvement Program ("CIP") Budgets. The completion of the 2023 and 2024 Pavement Rehabilitation Projects (Projects) were identified in the 2023 Town Council Goals.

On October 27, 2021, the Town Council, by Resolution 58-2021, awarded a design contract to Harris and Associates, Inc. ("Harris") to investigate and develop a Pavement Design Report ("PDR") and to design appropriate treatments for all streets with a PCI under 50 by the year 2024. Town staff worked collaboratively with Harris to develop the

PDR, which contains the recommended annual pavement rehabilitation lists for FY 2022 through 2024. The annual pavement rehabilitation projects will focus primarily on the rehabilitation of residential streets. As funding allows, rehabilitation of arterial and collector streets will be added to the projects.

On March 23, 2022, the Town Council approved the PDR. Harris then proceeded with more in-depth investigations and the design of the pavement, storm drain, and concrete improvements on the streets listed to be rehabilitated in the next two phases.

Harris submitted 90% of the Plans, Specification, and Engineer Estimates (PS&E) package on December 22, 2023. The Town Engineer reviewed the 90% submittal and will incorporate it with the constructability review from the selected Construction Manager to finalize the bid package. The construction bid package will be advertised in mid-March for contractor selection.

## **Discussion**

### ***Request for Proposals and Qualifications (RFP/Q)***

A Construction Management (CM) Inspection and Material Testing Services consultant is needed to manage, inspect, and perform material testing for the 2023 and 2024 Pavement Rehabilitation Projects. Pursuant to the Town's Purchasing Policy and Moraga Municipal Code section 3.04.060, an RFP/Q for CM Proposals was advertised for the Project on October 19, 2023. A copy of the detailed RFP/Q can be found on the Town's [Bid Postings](#) webpage.

The Town received five (5) CM proposals from the following firms by the submission deadline of November 16, 2023.

<b>Company</b>	<b>Location</b>	<b>Proposed Bid</b>
Anchor CM	Dublin, CA	\$612,468
Alpha CM	Alameda, CA	\$458,091
CSG Consultants	Foster City, CA	\$784,740
Substrate	Novato, CA	\$800,000
Interwest	Fremont, CA	\$396,785

An evaluation committee consisting of three Town engineers independently reviewed and scored each firm's qualifications and technical proposals. Each firm's proposal was ranked based on the following pre-selected criteria included in the RFP/Q:

- Consultant's Understanding and Approach for the Project (10%)
- Proposed Scope of Services (15%)

- Qualifications and Specific Experience of Key Team Members (15%)
- Experience with Similar Types of Projects (13%)
- Schedule and Capacity to provide Qualified Personnel (10%)
- Reference/Satisfaction of Previous Clients (7%)
- Cost Effectiveness (30%)
- Completeness of Response (Pass/Fail)

The top four ranked firms were asked to provide a written Quality Assurance Plan for the Project for staff evaluation. They were then invited to an interview on January 3 and 4, 2024, focused on their key staff's project management, inspection and testing experience.

Substrate Technical Proposal was ranked the highest of all proposals received. Substrate was also ranked the highest firm for its written Quality Assurance Plan and oral interview performance. Substrate has the necessary experience to manage and inspect pavement rehabilitation, storm drain repair, and concrete construction projects. Therefore, the Town Engineer has deemed Substrate to be the most qualified and experienced firm to provide CM, inspection and material testing services for the Project.

### ***Substrate, Inc.'s Quality Assurance Plan, Technical and Cost Proposals***

Staff recommends Substrate as the top firm based on their Technical Proposal, Quality Assurance Plan, oral interview, and reference checks. Substrate assembled a CM team of experienced engineers, inspectors, and material testers last year to assist the Town with the 2022 Pavement Rehabilitation Project. Substrate's key staff includes Sunny Jhutti, who is in a dual role as Construction Manager and Resident Engineer/Inspection. Mr. Jhutti has 25 years of experience with heavy civil structural, pavement rehabilitation, concrete, underground storm drain, bridge, and utility construction. Additionally, Substrate is using experienced civil inspectors Edwin Ekberg, and Mansoor Hakimzada will be construction inspectors to cover the work during peak periods.

Substrate is supported by Twining, Inc., which will provide special technical inspections, and field and laboratory materials testing. Verux will provide technical reviews and quality assurance inspections for regulation required Storm Water Pollution Prevention Plan (SWPPP).

The next step in the evaluation process was the consideration of costs. Town staff analyzed all the proposed costs and found Substrate's costs were very competitive with all other proposals. Substrate's CM position, which comprised the majority of work hours, has the lowest hourly rate, and their inspector position rate was also the lowest among the five firms.

In Substrate's original Cost Proposal per the Project's Request for Proposals/Qualifications specifications was based on the CM of two separate construction projects: 2023 Pavement Project (CIP 23-401) in 2024; and the 2024 Pavement Project (CIP 24-401) in 2025. Substrate proposed \$398,000 for the 2023 Pavement Project (CIP 23-401) and \$402,000 for the 2024 Pavement Project (CIP 24-401). Through successful negotiations, Substrate agreed to bring down their Cost

Proposal to \$348,050 for (CIP 23-401) and \$366,950 for (CIP 24-401), respectively, shown in the table as Option 2.

Town Engineer is recommending that both projects begin construction in 2024 (with the goal of construction completion in one construction season). The Town could benefit from possible lower overall construction and management costs because of the shorter project cycle and reducing the potential impact of annual construction escalation for inflation. Substrate proposed a lump sum (Option 1) of \$635,000 in one construction phase as the alternative proposal (Attachment C).

Substrate's Revised Cost Proposal Options	Substrate Proposal Cost	CM Contingency (15%)	Total CM Budget
<b>Option 1 - One Construction Phase</b>  <b>(Combined CIP 23-401 &amp; 24-401 projects into one construction project in 2024)</b>	\$635,000	\$95,250	\$730,250
<b>Option 2 - Two Construction Phases</b>  <b>(Constructed CIP 23-401 in 2024 and 24-401 in 2025)</b>	P1: \$348,050 P2: \$366,950 Total: \$715,000	\$107,250	\$822,250

The FY 2023-24 and 2024-25 Adopted CIP Budget for the 2023 and 2024 Pavement Rehabilitation Projects (CIP 23-401 & 24-401) included a budget of \$789,000 in CM/inspection/testing funded by Fund 213 – Measure K. Substrate's Cost Proposal for Option 1 – One Construction Phase is \$635,000, and with 15% contingency, the total cost is \$730,250, which is below the combined project budget of \$789,000. Option 2 - Two Construction Phases is \$715,000, and, with 15% contingency, is a total cost of \$822,250, above the \$789,000 combined projects budget.

The Town Engineer has determined that the Substrate's Technical and Revised Cost proposals are complete and acceptable. The Town Engineer recommends awarding Substrate a \$635,000 Professional Services Agreement for the CM Services based on a possible construction season starting in 2024 for anticipated cost savings in both construction and CM.

### **CEQA Compliance**

The 2023 and 2024 Pavement Rehabilitation Project (CIP 23-401 & 24-401) is not subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21000, et seq. and the CEQA Guidelines (14 Cal. Code Regs. 15000 et. seq.) as this project is categorically exempt pursuant to 14 Cal. Code Regs. 15301 (Class 1-Existing Facilities).

## **Fiscal Impact**

The recommended Substrate CM, Inspection, and Material Testing services total is \$730,250, including a 15% contingency. FY 2023-24 (700-724-073-23) \$390K and FY 2024-25 (700-724-073-24) \$399K from Fund 213 – Measure K for the 2023 and 2024 Pavement Rehabilitation Projects is sufficient to cover Substrates cost proposal (\$635,000) and the 15% contingency (\$95,250).

Reviewed By: Lisa Malek-Zadeh, Interim Administrative Services Director

## Alternatives

1. Adopt the attached Resolution; or
2. Adopt the attached Resolution with modifications; or
3. Do not adopt the attached Resolution and provide direction to staff.

## Next Steps

Construction Management Services for 2023 and 2024 Pavement Rehabilitation Projects (CIP 23-401 & 24-401) is scheduled to begin in January 2024 and continue through November 2025. A subsequent construction bid is estimated to go out in March 2024; and a tentative start date for construction is estimated for May 6, 2024.

## **Attachments**

- A. DRAFT Resolution \_\_-2024
- B. Substrate, Inc.'s Technical Proposal
- C. Substrate, Inc.'s Cost Proposal
- D. Substrate, Inc.'s Quality Assurance Plan [LINK](#)
- E. Substrate, Inc.'s Professional Services Agreement

**Report reviewed by:** **Scott Mitnick, Town Manager**  
**Denise Bazzano, Assistant Town Attorney**