

CITY OF STOCKTON  
MUNICIPAL UTILITIES DEPARTMENT

**DELTA WATER SUPPLY PROJECT**

**ADDENDUM NO. 1**  
to  
**REQUEST FOR QUALIFICATIONS**  
to provide  
**DESIGN/BUILD SERVICES**

**September 15, 2006**

TO: All Prospective Respondents

The enclosed clarifications, changes, additions and deletions are hereby made to the above mentioned Request for Qualifications (RFQ). In addition, responses to submitted questions are hereby made available for your consideration in preparing a Statement of Qualifications (SOQ) for Design/Build Services for the Delta Water Supply Project.

Acknowledgement of receipt of this Addendum No. 1 is required in your SOQ Letter of Transmittal (see page A-1 of the RFQ).

If you have any questions regarding this Addendum No. 1 or other aspects of the Request for Qualifications, please contact me at (209) 937-8779 or robert.granberg@ci.stockton.ca.us.



ROBERT L. GRANBERG  
DEPUTY DIRECTOR, WATER RESOURCES PLANNING

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## RFQ Revisions

### 4.1.2 Selected Respondent Responsibilities

*The following statement is a replacement for the ninth (9<sup>th</sup>) bullet item under Stage 1 – Initial Design Phase (placement on page 4-3 of RFQ):*

- Solicitation of competitive bids for some or all of the design package(s), preparation of a lump sum construction cost, and negotiation of the lump sum construction cost with the City in accordance with the Contract.

## Responses to Submitted Questions

### Preface

The City appreciates the interest in the DWSP evidenced by the pre-SOQ meeting attendance and the submission of questions by prospective Respondents. In addition to responding to the submitted questions, the City intends to interview those Respondents who meet the Minimum Qualifications criteria to facilitate the development of contract terms and conditions that are acceptable to both parties. The following responses to submitted questions are meant to clarify the SOQ requirements and promote dialogue toward developing the Request for Proposals (RFP) and draft Contract.

The questions are numbered in order of receipt by the City with minor editing to ensure a common understanding by all parties.

### Question 1

*Is the "construction cost" (a) only for fees and costs associated with the designer carrying the design to 100 percent for construction and designer related costs associated through the construction period, or (b) does it also include the actual nuts and bolts costs of building the raw water intake, the WTP, and the transmission lines? If (b), then I am further confused about the procurement process for the construction work itself. At the pre-bid meeting there were questions about self performing work by the D/B respondent, but also owner comments about using a competitive bidding process for the construction contract(s). Please clarify.*

### Response:

Fees include: a) the Stage 1 design and project management Fee, b) the Stage 2 design and construction management Fee, and c) the final design and project management Fee. It is anticipated that the RFP will request submission of a) the Stage 1 design and project management Fee and c) the final design and project management Fee.

The Stage 1 Contract will include the Stage 1 design and project management Fee only. The Stage 2 Contract will include the Stage 2 design and construction management Fee and the lump sum construction cost, including services to achieve Initial and Final Acceptance. It is anticipated that the Fee for Stage 1 services will need to include sufficient engineering and construction expertise to determine the lump sum construction cost for Stage 2 although the selected Respondent will not need to complete 100 percent design in Stage 1 for such purposes. The City and selected Respondent will execute a change order for the Stage 1 Contract, to

incorporate the final design and project management Fee, only in the case of unsuccessful negotiation of the Stage 2 Contract.

At this time, the City intends to allow self-performance of construction work in Stage 2, but may require the selected Respondent to competitively bid the associated design packages and document that self-performance by the selected Respondent is in the best interest of the City. The City looks forward to discussing this important issue with qualified Respondents during the interview process, and will make a final determination in the RFP.

#### Question 2

*Contract arrangement appears similar to a CM @ risk contract (Stage 1 and Stage 2) with bidding documentation in escrow. What is the process if design packages put out for Stage 2 competitive bid & bid prices exceed the Stage 2 construction cost estimate (emphasis on "estimate")?*

#### Response:

It is anticipated that the selected Respondent will self-perform and/or subcontract the various design packages, and will not rely on independently prepared estimates in determining the lump sum construction cost for Stage 2.

#### Question 3

*My read is the SOQ is 99.9 percent for engineering services, with the chance of later getting a Stage 2 construction contract. But the Stage 2 construction work may be bid out competitively in any case. For example, City may negotiate a Stage 2 price with D/B respondent but may then elect to put out package or packages to competitive bid – and if the competition beats the D/B team's price I would assume the City would go with the lower price bid rather than staying with the higher D/B negotiated construction estimated price. Is this a correct evaluation of the situation?*

#### Response:

The City's intention is to continue working with the selected Respondent for Stage 1 through to completion of Stage 2. Only in the event of unsuccessful negotiation of the Stage 2 Contract would the City elect to have the Stage 1 Respondent complete 100 percent design for public bidding as a traditional design-bid-build project.

#### Question 4

*Please confirm that if amendments/revisions are required to the CEQA documents already submitted on the Delta Water Supply Project, the City has responsibility for preparing and submitting such amendments/revisions and that the responsibility of the selected Respondent is to provide the technical information required for such amendments/revisions.*

#### Response:

Yes. However, it is anticipated that the selected Respondent will design and construct the Facilities in accordance with the terms and conditions of the CEQA and NEPA certifications.

The City will consider a Respondent-proposed change in scope that would affect the CEQA and NEPA certifications only if the benefit outweighs the associated cost and delay.

#### Question 5

*Please clarify the definition of "major Participating Firm" as it relates to submittal information that is required in the SOQ. There appears to be some ambiguity in the SOQ as follows:*

- *On page 5-4: Respondents shall identify each major Participating Firm expected to provide services constituting 2.0 percent or more of the combined Fees for Stage 1, and describe their role in the project, particularly those responsible for design, permitting, project management, construction and testing of the facilities.*
- *On page 5-7: The Respondent, its parent company, if any, and all major Participating Firms (those Participating Firms whose participation is expected to account for 15 percent or more of the combined Fees) shall provide the following financial information.*
- *On page A-6 on the RFO Financial Form 1: \* Major Participating Firms include those whose participation is expected to account for 2.0 percent or more of the combined Fees.*
- *On page C-4: "Fees" mean the Stage 1 design and project management Fee, the Stage 2 design and construction management Fee, and the final design and project management Fee.*

#### Response:

The threshold for Participating Firm information is 2.0 percent of the anticipated cost of the Stage 1 services. The 15 percent threshold identified on page 5-7 was an inadvertent typographical error. Page C-4 provides a general definition of all of the Fees, but the definition of the Stage 1 Fee is narrower. The Stage 1 Fee is for initial design and project management only. The City will require identification of Participating Firms for Stage 2 final design, project management, construction management, and the actual construction work prior to negotiation of the Stage 2 Contract, but not in the currently requested SOQs.

#### Question 6

*This question is to clarify the information that the City will use to pre-qualify Respondents for the RFP:*

- *Page 4-3 when listing the Selected Respondent Responsibilities states: Solicitation of competitive bids for the design package(s), preparation of a fixed construction cost, and negotiation of the fixed construction cost with the City in accordance with the Contract.*
- *Page 5-4 under Respondent/Team Information states: Respondents are not precluded from submitting information about other key members of the project team whose services will not constitute 2.0 percent of the combined Fees until Stage 2 based on the anticipated fixed construction cost.*

*It can be inferred from the statement on page 4-3 that the City wants the selected Respondent to competitively bid all major construction subcontracts. Thus it can be further inferred that the*

*City is not expecting and is not interested in having Respondents include construction firms as subcontractors on their teams, and the City will not pre-qualify Respondents for the RFP based on potential construction subcontractors. Yet the statement on page 5-4 could be interpreted as that the City is interested in the construction resources (e.g. construction subcontractors) of a Respondent's team, and that the qualifications of such subcontractors might be used in selecting the pre-qualified Respondents for the RFP. Please clarify.*

Response:

The City may require the selected Respondent to solicit competitive bids as a condition of self-performance (see response to Question 1) and for certain other design packages, but not necessarily for every design package. The City looks forward to discussing this important issue with the qualified Respondents during the interview process, and will make a final determination in the RFP.

The City does not require Respondents to identify or provide information about Stage 2 Participating Firms in the currently requested SOQs. However, the Respondents are not precluded from including information about Stage 2 Participating Firms to strengthen their qualifications.

Question 7

*Section 4.6.4 of the RFQ states: City failure to complete the Delta diversion facilities and make raw water available to the Facilities that are the subject of this RFQ may constitute an Uncontrollable Circumstance.*

*Please clarify under what circumstances that such a failure to complete the diversion facilities would not constitute an uncontrollable circumstance and that the selected Respondent would be assessed liquidated damages due to delays in Initial Acceptance or Final Acceptance that are caused by delays in the diversion facilities.*

Response:

Such a circumstance is not known at this time. However, a final determination for any Uncontrollable Circumstance will depend on the specific circumstances.

Question 8

*Please confirm that the City will own the Facilities during the Commissioning Period.*

Response:

Yes, the City will own the Facilities during the Commissioning Period.

Question 9

*Please clarify if the selected Respondent is required to have a line or staff management position at the treatment facilities during the one-year Commissioning Period.*

Response:

The selected Respondent is not required to staff the Facilities during the Commissioning Period, but is expected to review the performance of the Facilities at least monthly in comparison to the Performance Requirements and to work in collaboration with the City in identifying any operational and/or physical improvements that are necessary to achieve the Performance Requirements.

Question 10

*Does the Letter of Transmittal count toward the 12-page limit for Volume 1 of the SOQ?*

Response:

No, the title page, table of contents, Letter of Transmittal, tables, renderings, drawings and graphs do not count toward the 12-page limit for Volume 1 of the SOQ.