



Addendum 1
REQUEST FOR QUALIFICATIONS
FOR
DESIGN-BUILD SERVICES
WATER RECLAMATION FACILITY (WRF)
Onsite Improvements
November 15, 2017

Interested parties are hereby informed the Request for Qualifications issued October 27, 2017 by the City of Morro Bay (City) for the above project has been amended by the following information. A signed copy of this sheet acknowledging the receipt of this addendum shall be included with Statements of Qualifications.

1. **Financing and Funding:** The City plans to fund the project with a State Water Resources Control Board (SWRCB) State Revolving Fund (SRF) Planning and Design Loan for \$10.3M, WIFIA loan for 49% of the project, and SRF Construction Loan for the remainder of the project. The City has been awarded the SRF Planning and Design Loan and is applying for the SRF Construction and WIFIA loans. The City is one of 11 agencies across the United States invited to apply for the WIFIA loan and it is our understanding the US Environmental Protection Agency has funding for all selected projects. The City will also pursue a Bureau of Reclamation WaterSmart Grant which could fund 20% of the project up to \$20M. The City will not have all financing secured before release of the RFP in January. The RFP process is intended to allow the City to make final adjustments to the project budget before increasing water and sewer rates through the Proposition 218 process, since it is assumed the 2015 rates are not adequate to fund the full project.
2. **Enforceable Commitment to City to Provide Skilled and Trained Workforce:** Each entity that provides an SOQ shall include in that SOQ an unconditional commitment, that will be incorporated into the ultimate design/build contract, stating the D/B Team will ensure the D/B Team and all those working on this project on behalf of the D/B Team, at every tier, will be a skilled and trained workforce to perform all work on the project or meet the apprentice provisions allowed by State law.
3. **Opinion of Probable Cost:** The most current project costs are contained in the Updated Site Comparison Report dated September, 2017 at www.morrobaywrf.com. They represent costs developed after preliminary value engineering and input from a Peer Review committee of local public works experts assembled by the City. Project lifecycle cost and economic value are critical issues to City Council.
4. **Qualified Short List Length:** As stated on page 6 of RFQ the City will short list 3-4 DB firms. The number of Design/Build firms selected for inclusion on the short list will in part be determined by the number and quality of submitted qualifications.
5. **EIR Delays:** Any unforeseen project delays caused by the EIR certification process or implementation of potential mitigation measures will be addressed in the contract documents.
6. **Stipend Increase:** The Stipend of \$75,000 was approved by City Council and will not be increased.
7. **Best and Final Offer (BAFO):** The City does not anticipate returning to final respondents and asking for a BAFO after selection. The City will enter into negotiations with the Selected Design/Build firm.
8. **Insurance Requirements:** Insurance requirements shall be revised as follows:
Commercial General Liability: \$25M per incident and aggregate
Automobile Liability: \$2M
Contractor's Environmental/Pollution Liability: \$2M
Professional Liability: \$10M per incident and aggregate
All other coverage requirements shall remain as specified in the RFQ.
9. **Type of Design-Build Contract:** The anticipated contract will be Cost Plus with a Guaranteed Maximum Price (GMP). This decision must be approved by City Council. The City will allow proposers to submit questions specific to the agreement after the draft contract is issued for review to those proposers who are selected to respond to the RFP.

10. **Precluded Firms:** The list of precluded firms has been reviewed and approved by the City. Gannett Fleming shall also be added since they recently became a subconsultant to MKN & Associates, Inc.
11. **Referenced Projects:** The reference projects submitted with the RFQ may not be projects completed by a parent company or a parent company wholly owned subsidiary.
12. **Relevant Experience and Reference Projects:** The proposed General Contractor shall have demonstrated a minimum of 2 design-build projects with a guaranteed maximum price of at least \$80 Million. The proposed Lead Design/Engineer of Record must have demonstrated a minimum of 2 design-build projects with a guaranteed maximum price of at least \$80 Million. The projects over \$80 Million need not be the same for the General Contractor and the Lead Designer/Engineer of Record. The purpose of the submitted reference projects is to demonstrate the team members have proven ability to perform projects similar in size, scope and complexity. Projects similar in scope to the proposed WRF will be ranked higher by the evaluation team than those that are not water- or wastewater-related. All alternative delivery project methods are acceptable, but those using DB delivery methods will be ranked higher by the evaluation team.
13. **Safety Record:** Please submit Table of Contents of Safety Plans from the General Contractor, all members of a Joint Venture, and/or any construction firm providing key staff as defined in the SOQ.
14. **Subcontractor Experience:** Any subcontractor's projects may be submitted as part of the SOQ provided the subcontractor is part of the Joint Venture. The reference projects for the General Contractor and Lead Designer/Engineer of Record must be provided and meet the stipulated requirements.
15. **Joint Ventures:** Each member of a Joint Venture will be required to submit pages 26-20 and 30-44 of the SOQ attachment.
16. **Surety Letter:** The language in the sample surety letter may not be modified.
17. **Replacement of CEO/President as Key Team Member:** Proposers may offer a substitute for the role of CEO/President. It shall be a division manager, department member, or other supervising firm principal in charge of management of all internal staff and resources proposed in the SOQ for that firm.
18. **Design Manager and Engineer of Record:** Design Manager and Engineer of Record can be the same person. A single lead Engineer of Record is acceptable for the SOQ.
19. **Construction Project Manager:** Part 1.III.e. shall be modified to replace "Construction Manager" with "Construction Project Manager."

Rob Livick, PE, Public Works Director/City Engineer

15 November 2017

Date

Acknowledgement of Addendum No. 1

Date