

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: September 3, 2026

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager 

FROM: Serge V. Terentieff, Director of Engineering and Construction 

SUBJECT: Phased Approach to Design Consultant Management Update

SUMMARY

At the September 9, 2025, Planning Committee meeting, the Committee requested a one-year update on the phased approach for design consultant management for large and complex projects. The Walnut Creek Water Treatment Plant (WTP) Pretreatment Project (Project) was the first project to implement this approach. This memorandum provides an update on the District's use of the phased approach for the Project over the past year and outlines upcoming decisions related to project delivery and detailed design.

DISCUSSION

Background

The District uses a phased approach for design consultant management for large and complex projects. As shown in Table 1, a design project can be separated into three design consultant agreements: pre-design services (up to 30 %), detailed design (30 % to 100 %), and engineering services during construction (from completion of design through construction). This approach allows the scope of work to be refined at key milestones, reduces the likelihood of change orders to consultant agreements, and improves flexibility in negotiating subsequent phases.

Table 1: Phased Design Approach

Phase	Deliverables
Preliminary Design	Basis of Design Report (BODR).
Agreement #1: Pre-Design (0% - 30%)	Technical memoranda, pre-design up to 30 percent drawings, 30 percent construction cost estimate and schedule, value engineering (as required).
Agreement #2: Detailed Design (30% - 100%)	Bid documents (100% drawings and specifications), construction cost estimate, bid phase support. Detailed scope based on results of Agreement #1.
Agreement #3: Engineering Services During Construction	Construction support and operations and maintenance documentation. Detailed scope based on 90 percent cost estimate.

Updates on Implementation for the Project

The Walnut Creek WTP Pretreatment Project (Project) will add new treatment processes at the Walnut Creek WTP to improve water system reliability and operational flexibility. The upgrades will allow the WTP the ability to treat supplemental water from other sources, poorer water quality caused by climate change, high rainfall runoff, wildfires, algal blooms, and emerging contaminants.

The Walnut Creek WTP Project is the first to implement this approach and is currently in the pre-design phase. The Board authorized the first agreement for pre-design services on January 23, 2024, for an amount not to exceed \$11,215,126. Under this agreement, the consultant performed geotechnical investigations, assessed the condition of existing pipelines, and refined the design criteria included in the BODR prepared by the District. Over the past year, the consultant completed the 30 percent design, including drawings and key process equipment technical specifications, which were submitted for review in October 2025.

Due to the Project's size and complexity, phased construction under separate contracts was initially assumed. However, the consultant assembled a team of independent water treatment plant design experts familiar with the Project's scope and constraints – but not part of the active design team – to conduct a value engineering study to evaluate design and construction phasing that meets the District's operational and financial needs. The team developed more than 125 ideas that resulted in considerable cost savings by consolidating related functions, optimizing facility sizes, and improving layout efficiency. These refinements resulted in a smaller construction footprint while maintaining project objectives.

Even with these value engineering efforts, the Project remains large and complex at an active, must-run facility. To improve efficiency and cost certainty during design, the District is

considering collaborative delivery through a construction manager/general contractor (CM/GC). Onboarding a CM/GC between the pre-design and detailed design phases is recommended to maximize the benefits of this collaborative delivery method.

Under a traditional design consultant management approach, the consultant's contract would need to be terminated early to establish separate new contracts for the consultant and the CM/GC. This reset in contracting adds complexity and can create inefficiencies during an important transition in project delivery.

Under the phased approach, however, there is flexibility as the first agreement for pre-design is considered complete at the 30 percent milestone. Once a CM/GC is selected and the design-phase contract is executed, the District can enter into the second agreement with the design consultant to continue detailed design with both parties onboard. This approach avoids early termination, maintains continuity in design development, and enables a smoother and more coordinated transition into collaborative delivery.

An update will be provided in winter 2026/2027 if CM/GC delivery is selected for this Project.

NEXT STEPS

The District will continue to evaluate project needs and identify opportunities to implement this phased approach to design consultant management.

CCC:SVT:bs

This page is intentionally left blank.