



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 01-24-07

Approved

Ray Winer

Date

1/26/07

SUBJECT: MASTER AGREEMENTS WITH CH2M HILL, INC. AND CAROLLO ENGINEERS FOR CONSULTING SERVICES FOR TREATMENT PLANT OPERATION AND MAINTENANCE TECHNICAL SUPPORT, INCLUDING TECHNICAL SUPPORT IN BIOSOLIDS MANAGEMENT

RECOMMENDATION

1. Approval of master agreements with CH2M HILL and CAROLLO ENGINEERS for operation and maintenance technical support services for the San Jose/Santa Clara Water Pollution Control Plant, including technical support in biosolids management, each agreement for total not to exceed \$ 500,000, for total amount not to exceed \$1,000,000, and for a term commencing upon approval of the agreement and extending through June 30, 2008.
2. Adoption of a resolution authorizing the Director of Environmental Service to execute up to four one year options to extend each of the agreements, and to increase the annual payable amount up to \$1,000,000 for each firm, subject to the annual appropriation of funds by the City Council.

OUTCOME

Approval and award of these agreements will secure consultant services for wastewater operation and maintenance technical support, including technical support in biosolids management, for the San Jose/Santa Clara Water Pollution Control Plant (Plant). These consultant services are needed to assist City staff in addressing highly technical and specialized wastewater operations and maintenance issues that arise at the Plant.

BACKGROUND

For many years, the Plant has been utilizing consultant services to assist City staff in evaluating and solving highly specialized wastewater operation and maintenance problems. The most

recent technical services O&M support contract was awarded to CH2M HILL on November 16, 2004 for an amount not to exceed \$ 500,000, following a competitive request for proposal (RFP) process. Although the 2004 CH2M Hill contract was amended in November 2005 to extend the term of the Agreement through December 31, 2007, no supplemental resources were added to the Agreement and the original authorized funding is now nearing depletion.

ANALYSIS

In August 2006, a Request for Proposal (RFP) process was initiated to secure wastewater engineering consultant services for FY 06/07 Operation and Maintenance Technical Support & Biosolids Management. The RFP was advertised on the Public Works Bid Hotline and the Environmental Services RFPs/Bids website. In response to this outreach effort, five companies submitted responsive proposals.

As a part of the selection process, City staff assembled a Selection Board to conduct oral interviews with representatives from each of these firms. The interview panel consisted of two representatives from ESD's implementing workgroup (Technical Support Services Division), two representatives from ESD's owner workgroup (Water Pollution Control Plant), and a representative from the City of Milpitas, representing a tributary agency and the Plant Technical Advisory Committee (TAC).

The individual evaluations from the Selection Board members were compiled using a scoring system based upon a maximum of 500 points. Total point scores and the resulting rankings of each firm are summarized below:

<u>Consultant Firm</u>	<u>Scores</u>	<u>Rank</u>
CH2M HILL, Oakland, CA	417	1
CAROLLO ENGINEERS, Walnut Creek, CA	411	2
METCALF & EDDY, San Francisco, CA	395	3
MONTGOMERY WATSON HARZAR, Walnut Creek, CA	355	4
BLACK AND VETCH, Walnut Creek, CA	329	5

The Selection Board recommended that the top two ranked firms be chosen to provide the requisite consultant services as both firms offer unique technical expertise, and capitalizing upon their combined strengths would best benefit the Plant's technical consultant requirements. City staff therefore recommends the approval of master agreements with both CH2M Hill, Inc. and Carollo Engineers, for a total value not to exceed \$ 1.0 million collectively, based upon their expertise and qualifications in providing the required service support. Fees schedules submitted by the recommended consultants were found to be competitive in the bay area market place and similar rates and contract terms have been provided to local bay area water and waste water agencies such as City of Sunnyvale, City of Hayward, Santa Clara Water District, California Water Service Company and San Jose Water Company.

The scope of work under the master agreements includes various technical services to support Plant operation and maintenance as well as the Plant's capital improvement program. These technical services include, but are not limited to: engineering associated with specialized Plant operations; performing engineering and wastewater pilot studies; assisting with regulatory issues

and permitting; assessing operational and maintenance program needs; assessing asset conditions of Plant infrastructure and equipment; and performing feasibility studies for CIP projects.

Under these agreements, consultant service will be initiated by Service (task) Orders detailing the specific scope of work, schedule and budget for individual projects or tasks. Staff will determine the award of any individual service order to one or both of the consultant firms. Having two firms available will enable staff to issue a Service Order to the firm most able to complement staff expertise in a specific technical discipline, ensuring the most cost effective and efficient use of staff and consultant resources.

This recommendation also authorizes the Director of Environmental Services to extend each of the Master Agreements for up to four additional years, and to increase the amount payable under each agreement up to \$1.0 million annually, subject to the appropriation of funds by the City Council. The sum of all service orders under each agreement will not exceed \$1.0 million annually.

POLICY ALTERNATIVES

Alternative 1: Reject the staff proposal and utilize City personnel to resolve all operations and maintenance concerns at the Plant.

Pros: Ability to use resources to fund alternative projects.

Cons: Loss of ability to utilize highly technical expertise of consultant services to address specialized problems. Project delays resulting from inability of City staff to provide the requisite technical services due to workload or the lack of internal expertise.

Reason for not recommending: If this recommendation is not implemented, the Plant's wastewater performance could be jeopardized. Securing specialized consulting services after problems arise would not be as efficient and timely as having these master agreements in place.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The RFP for consultant services was advertised on the ESD RFP's/Bids Internet website and the City of San Jose's Bid Line on the City of San Jose Capital Project Management System (CPMS).

This award memo will be posted on the City's website for the February 13, 2007 Council Agenda.

COORDINATION

This project and memorandum have been coordinated with Risk Management, Equality Assurance, the City Manager's Budget Office, and the City Attorney's Office. As part of the "contracting-in" evaluation, this project was approved for outsourcing by the City's Contracting-In Committee due to the lack of technical skills required to implement this project within the City. This item is scheduled to be heard at the February 8, 2007 Treatment Plant Advisory Committee (TPAC) meeting.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council approved budget principle of protecting our vital core city services while we continue to streamline, innovate and simplify our operations so that we can deliver services at a higher quality level, with better flexibility and lower costs.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$ 1,000,000

2. COST OF AGREEMENT WITH EACH CONSULTANT:

CH2M HILL \$500,000

CAROLLO ENGINEERS \$500,000

TOTAL AGREEMENT AMOUNT: \$ 1,000,000

3. SOURCE OF FUNDING: 513 – San Jose/Santa Clara Treatment Plant Operating Fund.

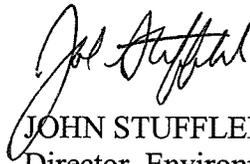
4. FISCAL IMPACT: No additional funding is necessary to approve this agreement.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2006-2007 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
512	5690	Plant Infrastructure Improvements	042853	\$11,658,000	\$650,000	V-156	10/21/06 27888
513	0762	ESD Non-personal/Equipment	950930	\$30,168,232	\$350,000	VIII-42	6/27/06

CEQA

Not a project.



JOHN STUFFLEBEAN
Director, Environmental Services Department

For questions, please contact David Tucker, Laboratory Supervisor, at 945-5316.