

REPLACEMENT

COUNCIL AGENDA: 04-24-07

ITEM: 7.1



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen

SUBJECT: SEE BELOW

DATE: 04-04-07

Approved

Katy Allen

Date

4/12/07

Council District: Citywide

SUBJECT: MASTER AGREEMENT WITH RMC WATER AND ENVIRONMENT (RMC) FOR CONSULTANT SERVICES FOR CITY'S SANITARY SEWER MASTER PLAN (CAPACITY ASSESSMENT) PHASE II AND UPDATES

REASON FOR REPLACEMENT

The report that was issued to Council on April 10, 2007 as part of the Early Distribution Packet for April 24, 2007 had an incorrect Budget Reference on Page 5 of the report. This replacement report reflects the correct appropriation and RC#.

RECOMMENDATION

Approval of the master agreement with RMC Water and Environment for consultant services for the City's Sanitary Sewer Master Plan (Capacity Assessment) Phase II and Updates Project from the date of execution to December 31, 2011, in a total amount not to exceed \$2,800,000.

OUTCOME

Approval of the master agreement will enable the Department of Public Works (DPW) to issue service orders for RMC to prepare engineering studies for the City's Sanitary Sewer Master Plan Capacity Assessment Phase II and update the existing Phase I Master Plan. Additionally, under this master agreement, the consultant will prepare updates to the 1982 Sanitary Sewer Level of Service Council Policy to include the results of the city-wide capacity assessment studies.

BACKGROUND

The previous master plan effort in the late 1970s produced a Sanitary Sewer Capacity Deficiencies Report based on the City's 1975 General Plan. For the last two decades, major changes in the City's General Plan have increased land use densities, which resulted in significantly increased flows to the sewer systems. In order to address the increased inflow and

anticipated future changes, the City initiated a sewer master plan study in 2002, and divided the sewer system into five service areas, denoted as the South, Central, North, East and West Areas, as shown on the attached map.

Due to the magnitude and complexity of the City's sanitary sewer system, staff determined that the master plan study should be prepared in two phases. The City retained MWH America, Inc., RMC (formerly known as Raines Melton and Carella, Inc.) and Brown and Caldwell to prepare the Sanitary Sewer Master Plan Phase I for the South, Central and North service areas, respectively. The Phase I study was completed in October 2004 using the January 2003 Amended 2020 General Plan.

The Phase I master plan recommends 37 sewer capacity improvement projects totaling over 135,000 feet of sewer pipelines ranging in size from 10 to 72 inches in diameter. Staff is in the process of integrating the estimated \$104 million in pipeline projects into the Capital Improvement Program. Additionally, the master plan recommends revisions to the Sanitary Sewer Level of Service Policy.

ANALYSIS

Since the completion of the Phase I study, the North San Jose Area Development Policy and many other amendments including midtown and downtown development and/or redevelopment have been incorporated into the General Plan. There is an urgent need to update the Phase I master plan to include the aforementioned amendments.

The Sanitary Sewer Level of Service Policy was adopted by the City Council in June 1982 with the primary purpose of ensuring that no sewage spills occur due to insufficient sewer capacity in the collection system. With recent State regulations increasing the emphasis on preventing overflows, a review of the policy for necessary revisions is prudent. In addition, clarification of the policy with respect to ambiguities in the definitions of the level of service and inconsistencies with the City's current sewer design guidelines and master planning criteria is necessary.

In planning for the Master Plan Phase II project, the City has recently executed three master agreements with GEOTivity, Inc., V&A Consulting Engineers, and ADS Environmental Services to conduct dry- and wet-weather flow monitoring for the entire City's sanitary sewer system. Extensive dry- and wet-weather flow monitoring of existing sewer system is essential to the success of the master plan Phase II and Phase I update effort by providing much needed flow and rainfall data for system hydraulic modeling calibration and verification.

In June 2006 staff issued a formal Request for Qualifications (RFQ) for sewer master planning consultant services in accordance to the consultant selection process per the 2004 Council-approved Qualifications Based Consultant Selection (QBCS) Policy; Section 3.3.3.b.5; Negotiations for Major Processes.

Six firms submitted a RFQ and the following four highly qualified firms were selected for the interview:

<u>Consultant Company</u>	<u>City of Business, State</u>
RMC Water and Environment	San Jose, CA
MWH Americas, Inc	Walnut Creek, CA
HDR Engineering, Inc.	Riverside, CA
Olivia Chen Consultants, Inc. / Metcalf & Eddy	San Francisco, CA

RMC was deemed the most qualified firm to conduct the Phase II Master Plan for the East and West Areas, and to update the Phase I studies based on changes in the 2020 General Plan.

RMC participated in the Phase I project and will provide experienced personnel to conduct the required capacity assessments for the Master Plan Phase II and Update project. Additional work products will include assistance in the flow monitoring data analysis, the update of the Sewer Level of Service Policy, the Downtown Facility Study, and training City staff in system modeling using InfoWorks Software.

This master agreement will be administered with individual service orders. Each service order will specify the scope of services that RMC must perform and the compensation to which it would be entitled upon delivery of all specified services. Each service order will be analyzed for estimated hours of work to determine that a fair price is negotiated.

Considering three separate Phase I agreements totaled \$2.4 million within a two-year period, staff estimates the sum not exceeding \$2.8 million will be necessary and is a fair price to complete all services described above under a master agreement within a four-year term. The Phase I agreements developed the master plan for three of the five master plan areas and modeled sewers of 12-inch and larger in diameter. However, this agreement not only will develop the master plan for the two remaining areas and update the Phase I master plan, but also will expand the model network to include all 10-inch and sometimes 8-inch sewers for the study. The potential Downtown Sewer Facility Study will include all the sewers in the downtown area. The extended sewer network will add approximately 25 percent of sewers to the model network and increase the complexity of the hydraulic analysis. In addition to the inclusion of the extended sewer network, this agreement increases the training budget significantly compared to the Phase I project for the consultant to train City staff in modeling and master planning. Lastly, an approximate 20 percent contingency amount is included in the estimated \$2.8 million for any potential sewer studies that may be required by the City or for compliance with regulatory requirements during the four-year master agreement term.

The Master Phase II is scheduled to be completed within two years and the update of Phase I in the year after. Due to limited in-house staff with master planning expertise and experience, and the magnitude and complexity of the City's sewer system, staff has determined that retaining a consultant with master planning expertise and experience is the best approach for the timely completion of the master plan and related studies.

The anticipated completion of the project is December 2011.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH

- ✓ **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)**

This item meets Criteria 1: Requires Council action on the use of public funds equal to \$1 million or greater. To solicit consultants the RFQ was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. This memorandum will be on the City's website for the April 24, 2007 Council Agenda.

COORDINATION

This agreement and memorandum were coordinated with the Departments of Transportation, Environmental Services, City Attorney's Office and the City Manager's Budget Office. This agreement has also been coordinated with the City's Contracting-In Committee.

FISCAL/POLICY ALIGNMENT

This agreement is consistent with the Council-approved Budget Strategy for Economic Recovery in that the master planning consultant retained under this master agreement will assist sewer master planning studies to identify capital improvement projects that will spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

1.	AMOUNT OF RECOMMENDATION: Not to exceed \$2,800,000	
	Agreement	\$2,800,000
	Management	<u> 388,000</u>
	TOTAL	\$3,188,000

2. COST ELEMENTS OF AGREEMENT: The master plan consultant services are reimbursed based on an hourly rate schedule in the master agreement for the involved consultant personnel.
3. SOURCE OF FUNDING: 540 – Sanitary Sewer Connection Fee Fund and 545 – Sewer Service and Use Charge Capital Improvement Fund.
4. OPERATING COSTS: The proposed operating and maintenance costs of this project have been reviewed, and staff has determined that the project will have no significant adverse impact on the General Fund operating budget.

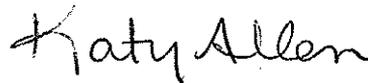
BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2006-2007 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
540	4964	Flow Monitoring Program (Master Planning)	138579	\$2,521,000	See below*	Capital V - 79	10/17/06, Ord. No. 27888
545	4696	Flow Monitoring Program (Master Planning)	138339	\$1,689,000	See below*	Capital V - 79	10/17/06, Ord. No. 27888

* Expenditures and encumbrances will be charged to the capital appropriation identified upon issuance of service orders under this Master Agreement.

CEQA

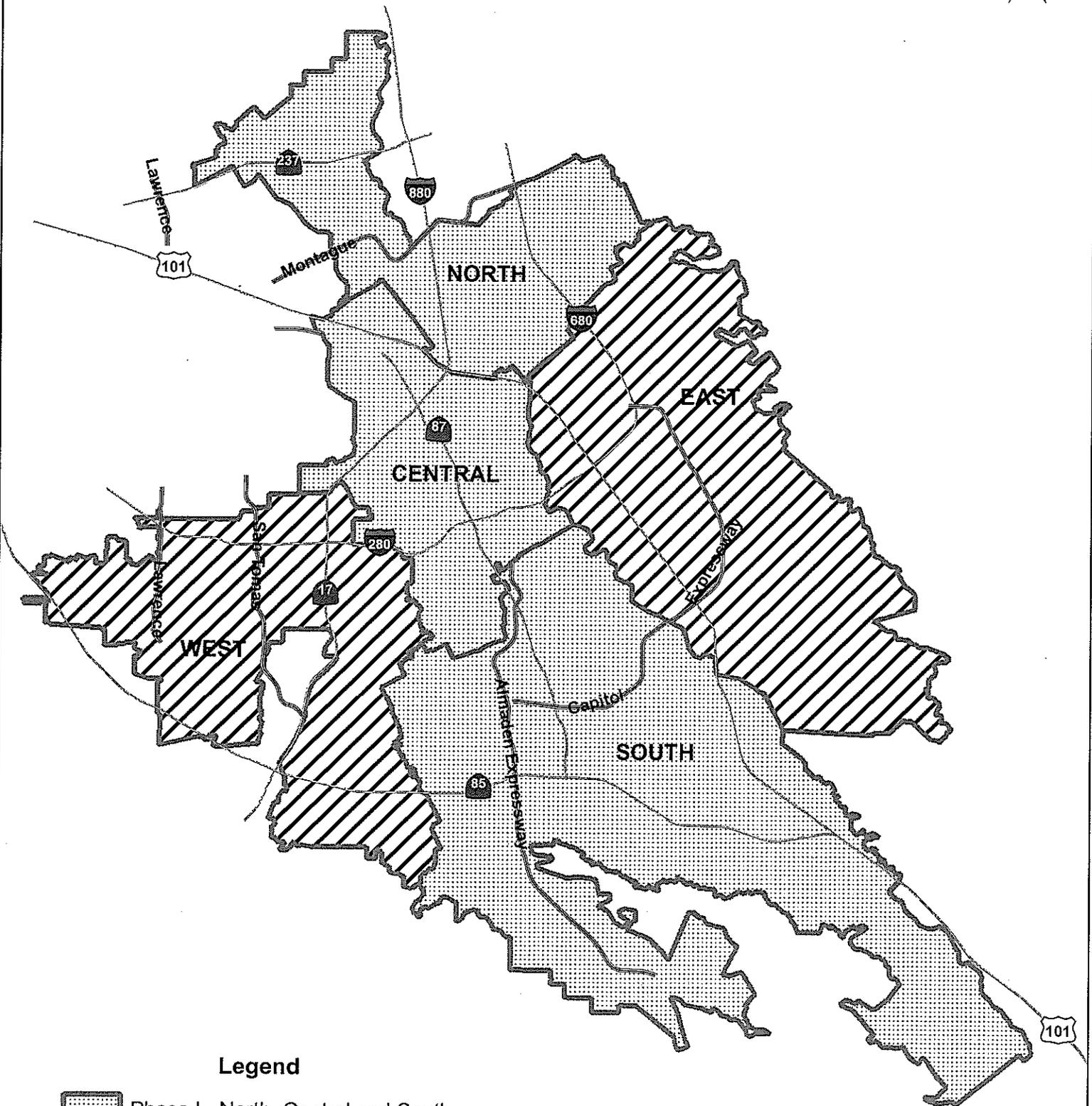
CEQA: Exempt, File No. PP06-195



KATY ALLEN
Director, Public Works Department

For questions please contact TIMM BORDEN, DEPUTY DIRECTOR, at 408-535-8300.

MASTER PLAN BASIN BOUNDARIES MAP



Legend

-  Phase I - North, Central and South
-  Phase II - West and East