



COUNCIL AGENDA: 4-26-05

ITEM:

2.9

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Carl W. Mosher

SUBJECT: SEE BELOW

DATE: 4-6-05

Approved

Kay Winer

Date

4/7/05

SUBJECT: APPROVAL OF SECOND AMENDMENT TO THE AGREEMENT WITH YEI ENGINEERS INC.

RECOMMENDATION

Approval of a second amendment to the agreement with YEI Engineers Inc., for consultant services for the project entitled, "San Jose/Santa Clara Water Pollution Control Plant: WPCP Electrical Systems Improvement Study," amending the scope of services to include study, design, bid period services, and construction support services for the Switchgear M3/M4 Current Limiter Project, the Switchgear S2/S2A Current Limiter/Replacement Project, the Medium Voltage Cable Replacement Project, increasing the compensation by \$396,000 from \$391,268 for a total amount of \$787,268; and extending the term of agreement for sixty-four (64) months from June 30, 2005 to October 30, 2010.

BACKGROUND

On April 8, 2003 Council approved the agreement with YEI Engineers in an amount of \$314,068, for engineering consultant services for the San Jose/Santa Clara Water Pollution Control Plant (Plant). The scope of work included professional studies to ascertain and prioritize rehabilitation needs and improvements to the Plant's electrical distribution and generation system. The study for this project was completed during October 2004.

On February 17, 2004, Council approved the first amendment to the agreement increasing the compensation by \$77,200 to a total of \$391,268, extending the original term of the agreement by nine months to June 30, 2005; and expanding the scope to include detailed design, bid period services, and construction support services for the Filter Influent Pump 1-4 Controller Replacement Project. The design for this project has been completed and the construction of this project is currently taking place.

ANALYSIS

The intended product of YEI's Electrical Systems Improvement Study was a significant list of a multi-year, multi-phase improvement projects intended to upgrade and replace the Plant's aging electrical distribution system. The first two phases of the YEI list of projects resulting from the study were entered into the City's Five-Year Capital Improvement Program as the Plant Electrical Reliability Improvement Project.

Shortly after adoption of the 2004-2005 CIP, the WPCP (Wet Weather) Reliability Improvements Project went to bid and was awarded by Council on February 15, 2005. The award for this project exceeded the budgeted appropriation and forced a re-analysis of current year projects in regards to funding for remaining CIP projects. As a result of this review, and the subsequent re-prioritizing of projects, many CIP projects were dropped, delayed or re-scoped; and all of the projects recommended by YEI's Electrical Systems Improvement Study will be significantly delayed. Some of these electrical projects, however, have been prioritized as being so critical that they will be funded with the use of reserves and re-appropriated funds. The remaining elements contained within the Plant Electrical Reliability Improvement Project will be budgeted in subsequent CIP years.

Within the projects that have been deemed most critical is the replacement of numerous electrical cabling systems. The majority of the medium-voltage cables within the Plant are aging and experiencing shorter than expected design life due to the environmental conditions at the Plant. Most of the cables are either submerged in groundwater and/or subject to other extreme conditions. This has resulted in corrosion problems as well as cable insulation breakdowns. In addition to this, certain 4160-Volt switchgears within the Plant have reached their design life and are also subject to current overload. Failure of these cables and switchgears could result in problems that range from severe (inability to treat sewage) to catastrophic (loss of pumping and resultant flooding of the facility).

A competitive qualification-based selection process was previously utilized to select YEI Engineers to assist City staff with the WPCP Electrical Systems Improvement Study. YEI Engineers was selected based on their extensive planning and design experience with medium and high voltage electrical systems. In addition, YEI Engineers has also provided excellent engineering services to City staff and has demonstrated competency in providing the necessary expertise required to perform the work. YEI Engineers is also very familiar with and has in-depth knowledge of the Plant's existing electrical distribution system, as a result of their involvement in the WPCP Electrical Systems Improvement Study. It is City staff's opinion that in order to ensure the most efficient execution of this project, it is advantageous to continue with the expert services of the consultant that is already providing related services.

OUTCOME

A feasibility study and design-build approach will be implemented to upgrade or replace Plant switchgears and electrical cabling systems.

PUBLIC OUTREACH

No public outreach was necessary for this recommendation.

The plant is exempt from the Local Preference Policy per Ordinance No. 27136, Section I, 4.06.050 B.

COORDINATION

The project and memorandum have been coordinated with the Department of Finance Risk Management, the City Attorney's Office and the City Manager's Budget Office; and scheduled to be heard at the April 14, 2005 Treatment Plant Advisory Committee (TPAC) meeting.

This recommendation has been reviewed by QUEST Partnership to evaluate if in-house expertise can be used in lieu of contracting services to an outside vendor. Analysis confirms that, at present, there is no in-house expertise and it remains more cost effective to contract out this service.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$396,000
2. COST OF PROJECT:

Original Agreement	\$314,068
Amendment No. 1	\$77,200
Amendment No. 2	\$396,000
TOTAL	<hr style="width: 100%; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> \$787,268
3. SOURCE OF FUNDING: 512 – San Jose/Santa Clara Treatment Plant Capital Fund
4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it meets the expressed principles by focusing on the protection of a vital core city service, emphasizing expenditures that reduce costs, and accelerating a capital improvement project that provides positive externalities.

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The cost of this amendment is a total amount not to exceed amount of \$396,000, which includes \$360,000 for study, design and construction support and \$36,000 for additional services.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2004-2005 Adopted Capital Budget	Last Budget Action (Date, Ord. No.)
512	4341	Plant Electrical Reliability	071133	\$3,000,000	\$396,000	Page V-255	

NONDISCRIMINATION

The City of San Jose Non-discrimination Requirements are included in this project as required in Chapter 4.08 of the San Jose Municipal Code.

CEQA

Not a project.



CARL W. MOSHER

Director, Environmental Services Department