



COUNCIL AGENDA: 11-20-07
ITEM: 2.10

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SECOND AMENDMENT TO
THE AGREEMENT WITH
METCALF & EDDY, INC.

DATE: 10-29-07

Approved

Ray Wines

Date

10/24/07

COUNCIL DISTRICTS: City-Wide

RECOMMENDATION

Approve a Second Amendment to the Agreement with Metcalf & Eddy, Inc., to extend the term of the Agreement by six months to May 31, 2008, at no additional cost to the City.

OUTCOME

Council approval of the recommendation will allow staff to execute a Second Amendment to the existing Agreement, which would provide the additional time needed by the Consultant to complete the project.

BACKGROUND

On June 27, 2006, the City and O C consultants, Inc., entered into an "Agreement for Consultant Services," in an amount not to exceed \$450,420. The scope of the project includes the consolidation of hydraulic models for San Jose Municipal Water System's (SJMWS) potable system and the South Bay Water Recycling (SBWR) system into one, in-house operated software program, creation of a Capital Improvement Master Plan, updating of the schedule for Major Water Facilities Fees (MWFF) for the potable system, and evaluation of MWFF schedule options for recycled water service within the SJMWS service area. Work on the project began in August 2006, and was scheduled to be completed in May 2007.

On May 29, 2007, the City executed the "Consent to Assignment and Amendment to Agreement By and Among the City, O C Consultants, Inc. DBA Olivia Chen Consultants, Inc. and Metcalf & Eddy, Inc." This Amendment, approved by the City Manager's Office pursuant to Municipal Code Section 4.04.055, reflected the company merger between O C Consultants and Metcalf & Eddy, and extended the terms of the contract by six months to November 30, 2007, at no additional cost to the City.

ANALYSIS

SJMWS received a request from Metcalf & Eddy to extend the term of the contract, at no additional cost to the City. The additional extension requires Council approval. This request is primarily to accommodate a longer duration needed on tasks associated with the hydraulic modeling work. Additional time was required to complete the hydraulic modeling tasks on a water system which was more complex than originally anticipated by the Consultant.

As completion of the hydraulic models is required before progressing to the other tasks associated with the project, the Consultant was unable to proceed with other tasks.

EVALUATION AND FOLLOW-UP

This project is currently within budget, but the schedule has been delayed by approximately six months.

POLICY ALTERNATIVES

Alternative #1: Do not extend contract and drop the remaining uncompleted tasks.

Pros: None

Cons: The Capital Improvement Master Plans and fee schedules will not be completed.

Reason for not recommending: The remaining portion of the project will identify necessary future capital improvements, which will streamline the process for future project planning. The benefits of this increased efficiency would outweigh any negatives associated with delaying the current project schedule.

Alternative #2: Allow the current contract to expire, and go out to bid for the remaining project tasks.

Pros: Project will be fully completed.

Cons: Project costs will increase, and an additional delay will likely occur due to the transition of the project tasks if the project is awarded to a consultant other than Metcalf & Eddy.

Reason for not recommending: This alternative will likely add unnecessary project costs, and will delay the project completion by significantly longer than the recommended term extension of the current agreement.

PUBLIC OUTREACH/INTEREST

Although this action does not meet any of the criteria below, this memorandum is posted on the City's Council Agenda Website for the November 20, 2007 City Council Meeting.

- 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)**

COORDINATION

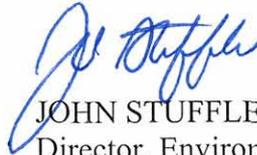
This memo has been coordinated with the City Attorney's Office. This item is scheduled to be heard at the November 8 Treatment Plant Advisory Committee (TPAC) meeting.

COST IMPLICATIONS

None.

CEQA

Not a project.



JOHN STUFFLEBEAN
Director, Environmental Services

For questions, please contact Bob Wilson, Division Manager, Environmental Services, at (408) 277-3671.

