



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Stufflebean

**SUBJECT:** SEE BELOW

**DATE:** 10-29-07

Approved

Date

10/29/07

**COUNCIL DISTRICT:** City-Wide

**SUBJECT: CONSULTANT AGREEMENT WITH CAROLLO ENGINEERS FOR DEVELOPING A MASTER PLAN FOR THE SAN JOSÉ/SANTA CLARA WATER POLLUTION CONTROL PLANT**

## RECOMMENDATION

1. Approval of an agreement with Carollo Engineers to develop a Master Plan for the San José/Santa Clara Water Pollution Control Plant for an initial not-to exceed amount of \$2.5 million and for a term commencing upon approval of the agreement and extending through June 30, 2011.
2. Adoption of a resolution authorizing the City Manager to execute the following options to increase the amount of compensation: Option 1 to be exercised on or after July 1, 2008, to increase compensation to \$5 million; Option 2 to be exercised on or after July 1, 2009 and to increase compensation to \$6 million.

## OUTCOME

Approval and award of this agreement will secure consultant services for preparing a Master Plan for the San José/Santa Clara Water Pollution Control Plant (Plant). This effort will result in a Master Plan document that will integrate existing plans and efforts underway, create a common set of goals with multiple objectives and multiple benefits for the future, prioritize future projects, and provide an innovative and clear plan for what facilities the Plant will need in the short-, medium-, and long-term. The Master Plan will address issues currently facing the Plant, including aging infrastructure, population growth, flood control, odor control, new regulations, habitat protection, land uses, and energy management to allow the Plant to become a community asset that can operate sustainably to meet future needs over the next 30 years.

## **BACKGROUND**

The Plant is owned jointly by the cities of San José and Santa Clara and provides wastewater treatment services to 1.4 million residents in the tributary area. The tributary agencies include the City of Milpitas, West Valley Sanitary District (Cities of Campbell, Los Gatos, Monte Sereno and Saratoga), Burbank Sanitary District, Cupertino Sanitary District (City of Cupertino), Sunol Sanitary District, and Country Sanitation Districts #2 and #3.

On March 27, 2007, the Council accepted staff's report analyzing the infrastructure, planning, and financing needs of the City's sewer collection and wastewater treatment facilities and provided direction to staff to proceed with the development of a Master Plan for the Plant. As a result, a Request for Proposal (RFP) document was developed to solicit consultant proposals to develop a Master Plan. The RFP was developed based on benchmarking with other large wastewater treatment facilities in Sacramento and San Francisco, that have developed master plans for their treatment plants, as well as the results of a Request for Information completed in December 2006, through which consultants provided information on master planning efforts nation-wide. In addition, the RFP received extensive input from the Plant Master Plan steering committee, which consists of representatives from Environmental Services, Public Works, and tributary agency staff, as well as the Development Cabinet, which served as the Executive Advisory Group to this effort.

## **ANALYSIS**

The RFP was posted on the Environmental Services Department website and on the City's bidline on June 22, 2007. A pre-proposal conference was held at the Plant on July 10, 2007. The pre-proposal conference was well attended and reiterated the City's goals for the Master Plan process, including the need for innovative approaches to the issues facing the Plant. Proposals were due on August 20, 2007. Three proposals were received by the due date:

- Carollo Engineers teamed with Brown & Caldwell and Skidmore, Owings, and Merrill (SOM)
- RMC teamed with CH2M Hill and H.T. Harvey and Associates
- Metcalf & Eddy teamed with MWH and EDAW

The initial proposal review consisted of a pass/fail assessment of proposals to ensure that all minimum qualifications were met and that all proposals were complete. Staff then used a Qualifications Based Selection process and employed the Public Works CIP RFP process as well as the Finance Department RFP requirements. The scores were weighted with 60 percent for the written submittal and 40 percent for the oral presentation.

The scores for both the written and oral ratings were based on the following criteria:

- Consulting team project experience on similar projects
- Master Plan approach and workplan
- Innovative approaches
- Local and Small business enterprise

Five panel members representing Environmental Services and the Tributary Agencies scored the written proposals. A panel of five reviewers representing Environmental Services, the City Manager’s Office, Public Works, the Tributary Agencies, and the San Francisco Public Utilities Commission, interviewed the three consultant teams who submitted proposals. The results from the written and oral reviews were combined, including the local business preference points. The Carollo Engineers team obtained the top score in both the written submittal and the oral presentation.

The ratings are as follows:

Consultant Team	Written (60%)	Oral (40%)	Total out of 10 (LBE, SBE factored in)
Carollo/B&C	7.69	8.32	<b>7.94</b>
RMC/CH2M HILL	7.14	7.41	<b>7.25</b>
M&E/MWH	5.46	5.37	<b>5.42</b>

Carollo Engineers was selected based on exceptional technical expertise and an outstanding innovative approach to combining the technical needs of the Plant with unique land use opportunities. The consultants presented a vision for a sustainable Plant that considers technical feasibility and the triple bottom line of sustainability – environment, economy, and social equity.

The contract is task order based and no work will be performed until detailed task orders have been issued. The general tasks for the Master Planning effort include:

- Refining the goals and developing measurable objectives
- Supporting staff efforts to involve stakeholders and the community
- Reviewing existing information
- Defining existing conditions and planning parameters
- Determining and evaluating current and future needs
- Identifying and developing project alternatives
- Screening and evaluating alternatives
- Preparing the Plant Master Plan documents
- Coordinating with other Plant and tributary agency projects

The initial contract amount of \$2.5 million will allow completion of all of the essential start-up work to pursue the master plan. Specifically the following tasks will be accomplished: refining the goals and developing measurable objectives, reviewing existing information and defining conditions and planning parameters and determining current and future needs. In addition, it will allow for stakeholder outreach support on these tasks, beginning coordination with other Plant projects, and beginning the development of alternatives.

Public and stakeholder outreach will be led by the Environmental Services Department’s Communication Division with support from the consultants. Developing environmental

documents for CEQA and NEPA clearance and a Financing Plan will be performed using separate contracts to be developed at a later date.

### EVALUATION AND FOLLOW-UP

Environmental Services Department staff will provide regular updates to the Executive Advisory Group (Development Cabinet) and annual updates to the Transportation and Environment Committee. In addition, staff will return to the Committee in January 2008 with an outreach strategy for the Master Plan. Staff will also present FY 2008-09 and 2009-10 budget requests to the Treatment Plant Advisory Committee (TPAC) and Council to request funding from the two options described in the recommendations.

### POLICY ALTERNATIVES

*Alternative #1: Reject the staff proposal and utilize City personnel to develop a Master Plan.*

**Pros:** Staff time as the only expense.

**Cons:** Lack of specialized experience and workload constraints would significantly delay the project.

**Reason for not recommending:** If this recommendation is not implemented, the Plant Master Plan would not be completed in a timely manner to address infrastructure needs and would not benefit from the availability of specialized expertise brought by the consultants.

### 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)**

This item meets Criterion 1. To outreach to potential vendors, this RFP was advertised on the City's Bidline and Environmental Services Department RFP list for two months. Email notifications were sent to engineering and environmental consultants. This memorandum will be posted on the City's website for the November 20, 2007 Council Agenda.

In October 2006, the Plant hosted an Open House for the community. Community members toured the Plant and participated in focus groups to provide input into the draft vision and goals for the Master Planning effort. As noted in the section on Evaluation and Follow-up, the Environmental Services Department's Communication Division is developing a communication and outreach plan that will be brought to the Transportation & Environment Committee in January 2008. Setting up a citizen advisory group and conducting stakeholder and community meetings will be considered as part of that plan.

**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 November 8, 2007 TPAC meeting.

**FISCAL/POLICY ALIGNMENT**

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, "We must focus on protecting our vital core City services."

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$2.5 million (initial)
2. SOURCE OF FUNDING: 512 – San José/Santa Clara Treatment Plant Capital Fund
3. FISCAL IMPACT: No additional funding is necessary to approve this agreement.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn	Amt. for Contract	2007-2008 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
512	4120	Bio-Solids/Plant Master Plan	144919	\$2.5 million	\$2.5 million	V-164	6/19/07

HONORABLE MAYOR AND CITY COUNCIL

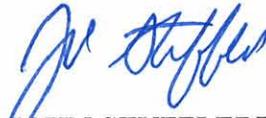
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CEQA

Not a project.



JOHN STUFFLEBEAN

Director, Environmental Services

For questions please contact Margaret Bruce, Program Manager, Environmental Services,  
at (408) 975-2605.