



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 05-27-08

Approved

Date

5-29-08

SUBJECT: ELECTRICAL ENGINEERING SERVICES MASTER AGREEMENTS WITH WINZLER & KELLY, CAMP DRESSER & MCKEE, AND BLACK & VEATCH FOR SAN JOSÉ/SANTA CLARA WATER POLLUTION CONTROL PLANT CAPITAL IMPROVEMENT PROGRAM

RECOMMENDATION

Approval of consultant master agreements with the following firms for various electrical capital improvement projects at the San José/Santa Clara Water Pollution Control Plant for a term commencing upon approval of the agreement and continuing through June 30, 2013, for the amounts stated below, and provisions in the agreements to allow the City to increase the amounts payable in such amounts as may be approved by Council:

1. Winzler & Kelly in an amount not-to-exceed \$1.5 million.
2. Camp Dresser & McKee in an amount not-to-exceed \$1.5 million.
3. Black & Veatch in an amount not-to-exceed \$1.5 million.

OUTCOME

Approval of these master agreements will provide the City with the ability to obtain electrical engineering services for various capital improvement projects at the San José/Santa Clara Water Pollution Control Plant (Plant) on an as-needed basis. These consultant services are needed to assist City staff in addressing and delivering highly technical and specialized electrical projects at the Plant, including upgrading or replacing switchgears, engine-generator sets, motor control centers, and cables, and providing new power generation technologies utilizing renewable energy resources.

These master agreements will include the option to allow the City to increase the amounts payable as may be approved by Council. The consultants will continue to bill at the rates

specified in the original agreement. It is anticipated that an additional amount totaling \$3 million will need to be approved for the agreements to complete the capital projects that will be budgeted in the Plant's five year CIP.

EXECUTIVE SUMMARY

Staff recommends the approval of three master agreements for electrical engineering consultant services at the Plant. Selection of these consultant firms was carried out in accordance with Department of Public Works' Qualifications Based Consultant Selection Policy. Under these agreements, consultant services will be initiated by authorized service orders specifying the services to be performed, the schedule, and the compensation. Services will be tailored to meet the requirements of each Capital Improvement Program (CIP) project and to complement City staff's expertise.

BACKGROUND

In March 2008, Council approved master agreements with five engineering consultants who will provide engineering services for various capital improvement projects at the Plant. The consultants who were selected for those agreements were specifically selected for non-electrical projects, such as digester upgrades, structural rehabilitation and equipment replacement/upgrades. Those projects are budgeted at \$120 million of the \$178 million of the 5-year CIP Budget. The remaining \$58 million is budgeted towards electrical reliability improvement projects. These projects are based upon a 2004 study entitled, "San José/Santa Clara Water Pollution Control Plant Electrical System Improvement Study", which evaluated the Plant's electrical system reliability. The study recommended upgrading or replacing aging switchgears, engine generators, and the power distribution system to improve the Plant's electrical system reliability. The electrical work will be implemented in multiple phases.

The first phase, consisting of various critical projects, such as the Switchgear S2 upgrade, Substation 1 upgrade, and Switchgear M5, Ring Bus, and Cable upgrades, are currently in various stages of design and construction. A brief summary of the type work in the remaining phases include:

4.16kV Switchgears

The switchgears with inadequate short circuit current ratings and those near obsolescence will be replaced.

4.16kV Engine-Generator Sets

Of the 8 engine-generator sets being used in the Plant, 5 will need to be replaced because they are over 40 years old and are nearing the end of their useful lives. With these 5 engine-generator sets, it is becoming more difficult to meet the air pollution requirements as they are becoming

more stringent. Also, the manufacturers for these old engine-generator sets have gone out of the engine-generator business, making the acquisition of spare parts for repairs more challenging.

4.16kV Motors

Provide soft-start controls for all large horsepower motors to reduce the voltage dips caused by starting large motors.

480V Motor Control Centers

Replace the older motor control centers which have been operating passed their useful life and are becoming more of a challenge to finding spare parts and make repairs.

4.16kV Ring Bus

Provide the designs needed to complete the 4.16kV ring bus. These works includes replacement in phases of each the remaining four 4.16kV switchgears and upgrading each of their existing interconnecting cable duct banks.

4.16kV Cables

Replacing existing 4.16kV cables that are near or past the end of their useful life and reliability. Upgrade cables that are overloaded beyond their ampacity ratings.

For many years, the Plant has been utilizing consultant services to assist City staff in providing design, design-build and construction management services for electrical projects. Typically, these services have been requested on a project by project basis, through a Request for Qualifications (RFQ) specific to the individual project. The process for acquiring consultant services for specific projects can take anywhere from 3 to 6 months for the award of the agreement, due to the rather lengthy process for advertising for services, evaluation of proposals, consultants interview, and award of the agreement. In an effort to streamline this process and address critical electrical needs, the department is adopting a method of establishing multiple master agreements, under which consultant services would be provided through authorized service orders, thus eliminating the need for successive consultant selection and agreement processing time. With the wide variety and magnitude of work related to the electrical projects, acquiring multiple consultant master agreements will allow for greater flexibility to augment staff resources, and better control of project delivery schedules.

ANALYSIS

Staff began a qualification based consultant selection process with an RFQ, which was advertised in the San José Post Record, on the City's Bid Hotline, and on Environmental Services Department's (ESD) RFPs & Bids website in January 2008. The RFQ specifically focused on CIP projects that are electrical reliability improvement projects. Nine companies responded to the RFQ and each submitted a Statement of Qualifications (SOQ). An ESD panel reviewed and rated the SOQs, and the six highest ranked companies were invited for interviews.

A separate panel consisting of representatives from ESD and a representative from the City of Santa Clara conducted an interview with each of the six firms.

The overall selection criteria were: the proposing firm's experience/expertise of proposed staff, project management experience, construction management experience, special relevant experiences or capabilities, and local and small business enterprise (LBE/SBE) preference.

The individual evaluations from the SOQ screening and interview were compiled using a scoring system of a maximum of 100 total points of which 40 points maximum were assigned to the SOQ and 60 points maximum to the interview. The total point and the final ranking of each firm are summarized below:

<u>Consultant Firm</u>	<u>Scores</u>	<u>Rank</u>
Winzler & Kelly	81.3	1
Camp Dresser & Mckee	78.7	2
Black & Veatch	76.9	3
YEI Engineers	75.1	4
AEPC Group	74.8	5
Ackerman-Practicon	65.2	6

The selection panels recommended that the three highest ranked firms be chosen for negotiations of master consultant agreements, as each of these firms offers unique technical expertise, and capitalizing upon their combined strengths would best benefit the Plant's capital project delivery needs.

Winzler & Kelly is a 300-person, multi-disciplinary firm with experience in waste water treatment plants. Their expertise includes high, medium, and low voltage equipment, and distribution systems, power generation utilizing renewable energy resources, and PG&E Power Purchase Agreements.

Camp Dresser & Mckee is a 4000-person, multi-disciplinary firm with experience in waste water treatment plants. Their expertise includes high, medium, and low voltage equipment, and distribution systems, and power generation utilizing renewable energy resources. They also have a construction division, Camp Dresser & Mckee Constructors Inc., which provides cost estimating, scheduling, constructability, and field condition assessing.

Black & Veatch is a 9600-person, multi-disciplinary firm with experience in waste water treatment plants. Their expertise includes high, medium, and low voltage equipment, and distribution systems, and power generation utilizing renewable energy resources.

Staff has obtained and negotiated the fee schedules to be included in these agreements that are comparable to the fees of existing contracts at the Plant and in the Public Works Department. The scope of services may include, but not be limited to engineering study, conceptual design,

detailed design, PG&E service agreements, contract documents, bid period services and engineering support during construction. These projects are typically related to electrical equipment and system reliability improvements, energy efficiency, and power generation utilizing renewable energy resources. Implementation of these projects typically involves a multi-phase and multi-year approach and may also require coordination with other Plant or City projects, such as the on-going Plant Master Plan, to ensure projects will be implemented for the long term needs of the Plant.

Under these agreements, consultant service will be initiated by Service Orders detailing the specific scope of work, schedule and compensation for individual projects or tasks. Staff will determine the award of individual service order to each of the consultant firms based on their expertise and availability. Having multiple 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.

City staff therefore recommends the approval of master agreements with these three firms for the electrical project needs in the 2008-2013 CIP.

EVALUATION AND FOLLOW UP

These master agreements will provide staff with the ability to engage the services of engineering consultants on an as-needed basis, thereby enabling a more cost effective and timely delivery of projects. Amendment to the agreements to increase the compensation payable, as needed, will be subject to Council approval at a later date. No additional follow up action with Council is expected at this time.

POLICY ALTERNATIVES

Alternative 1: City staff performs all work instead of engineering consultants.

Pros: The work would be done by City staff.

Cons: Lack of resources and/or lack of technical expertise in certain areas.

Reason for not recommending: The lack of expertise and resources in the various engineering disciplines will lead to ineffective, incomplete and delayed designs and implementation.

Alternative 2: Solicit consultant services for each individual projects.

Pros: Possibility of more competition and more proposals received.

Cons: Delay on project implementation as the process for each contract award could take up to 6-months. Significant contract process will be a heavy burden for engineering staff.

Reason for not recommending: With a significantly expanded CIP for the Plant, individual RFQ is not an efficient means for project delivery. With existing staff resources, this would divert staff away from design development and implementation to contract processing.

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 RFQ for consultant services was advertised in the San José Post Record, on the City's Bid Hotline, and on ESD's RFPs & Bids website in January 2008.

This award memo will be posted on the City's website for the 17 June 2008 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 resources required to implement this project within the City. This item is scheduled to be heard at the June 12, 2008 Treatment Plant Advisory Committee meeting.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council approved Budget Strategy to focus on rehabilitating aging Plant infrastructure, improve efficiency, and reduce operating costs. This project is also consistent with the budget strategy principle of focusing on protecting our vital core services.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$ 4.5 Million

2. COST OF AGREEMENT WITH EACH CONSULTANT:

Winzler & Kelly \$ 1.5 Million

Camp Dresser & Mckee \$ 1.5 Million

Black & Veatch \$ 1.5 Million

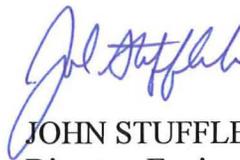
TOTAL AGREEMENT AMOUNT: \$ 4.5 Million

3. SOURCE OF FUNDING: 512 – San José/Santa Clara Treatment Plant Operating Fund.

4. FISCAL IMPACT: No additional funding is necessary to approve these master agreements. Funds have already or will be appropriated as needed for the various capital projects through the Plant Capital Improvement Program.

CEQA

Not a project.



JOHN STUFFLEBEAN

Director, Environmental Services Department

For questions, please contact Bhavani Yerrapotu, Division Manager, Environmental Services Department, at (408) 945-5321.



9 JOINT COUNCIL/
REDEVELOPMENT AGENCY



Memorandum

TO: HONORABLE MAYOR, CITY
COUNCIL, REDEVELOPMENT
AGENCY BOARD

FROM: Harry S. Mavrogenes
Executive Director

**SUBJECT: APPROVAL OF FY 2008-2009
OPERATING AND CAPITAL
BUDGET**

DATE: May 23, 2008

RECOMMENDATION

It is recommended that the Redevelopment Agency Board adopt resolutions:

- (a) Approving the Operating Budget for Fiscal Year 2008-2009 for the Redevelopment Agency of the City of San Jose; and,
- (b) Approving the Capital Budget for Fiscal Year 2008-2009 for the Redevelopment Agency of the City of San Jose.

OUTCOME

Approval will allow continued normal operations for the Redevelopment Agency and preparation of the Capital Improvement Program for submission in August 2008.

BACKGROUND

On May 1, 2008, the Redevelopment Agency released the Agency's Proposed FY 2008-2009 Operating and Capital/Program Budgets. The Proposed FY 08-09 Capital Budget contains unspent funds from the current fiscal year and limited funding to ensure that Agency projects and programs remain on schedule. The Agency is submitting a one-year budget pending the County Assessor's release of the annual tax roll scheduled to occur in July 2008. At that time, the Agency will know the amount of revenue generated from the 16 tax increment generating redevelopment project areas. On August 29, 2008, the Agency will release its Proposed Fiscal Year 2008-09 Capital Budget and 2009-13 Capital Improvement Program followed by a Redevelopment Agency Board study session, public hearings on the budget, and culminating with final adoption of the budget on September 23, 2008.

HONORABLE MAYOR, CITY COUNCIL, AND
REDEVELOPMENT AGENCY BOARD

5/23/08

Redevelopment Agency Budget Adoption

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ANALYSIS

Today's action requests the Agency Board approve the Agency's Proposed FY 2008-2009 Operating and Capital Budget with modifications proposed in the Mayor's Budget Message and approved by the Agency Board.

PUBLIC OUTREACH/INTEREST

A Public Hearing was held on May 13, 2008. The proposed action does not meet any of the criteria for added outreach efforts. This staff report will be posted on the Agency's website and made available for public review in the agency's public lobby area.

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criterion 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.
- Criterion 3:** Consideration of proposed changes to service delivery, programs, or staffing that may have impacts to community services and have been identified by staff, the Board or Council, or a community group that requires special outreach.

COORDINATION

This item has been coordinated with the Agency's General Counsel.



HARRY S. MAVROGENES
Executive Director