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*Memorandum*

**TO: HONORABLE MAYOR  
AND CITY COUNCIL**

**FROM: Nadine Nader**

**SUBJECT: Early Council Packet**

**DATE: August 31, 2010**

Approved

Date

8/31/10

**EARLY DISTRIBUTION COUNCIL PACKET FOR  
SEPTEMBER 14, 2010**

Please find attached the Early Distribution Council Packet for the September 14, 2010 Council Meeting.

**7.x Agreement for the First Phase of Environmental Documentation Related to the San José/Santa Clara Water Pollution Control Plant Master Plan.**

**Recommendation:** Approve the consultant agreement with Environmental Science Associates and Jones & Stokes Associates, Inc. for:

- (a) The first phase of environmental documentation services (draft project description, review of environmental studies, existing conditions report and draft Notice of Preparation) related to the San José/Santa Clara Water Pollution Control Plant Master Plan for a term commencing upon approval of the agreement through June 30, 2011 and an amount not to exceed \$600,000; and
- (b) An option for the City to add services at fixed hourly rates, and increase the maximum amount of compensation up to \$2,000,000 and extend the term of the agreement when Council selects the preferred alternative for environmental clearance under the California Environmental Quality Act and pursue preparation of environmental compliance documents under the National Environmental Policy Act.

CEQA: Statutorily Exempt, File No. PP10-066 (d), CEQA Guidelines Section 15262, Feasibility and Planning Studies. (Environmental Services)

This item will also be included in the Council Agenda Packet with an item number.

NADINE NADER  
Assistant to the City Manager



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Stufflebean

**SUBJECT:** SEE BELOW

**DATE:** 08-23-10

Approved

Date

8/26/10

**SUBJECT: CONSULTANT AGREEMENT FOR WATER POLLUTION CONTROL PLANT MASTER PLAN ENVIRONMENTAL DOCUMENTATION SERVICES WITH ENVIRONMENTAL SCIENCE ASSOCIATES AND JONES & STOKES (ESA+J&S)**

## RECOMMENDATION

Approval of the consultant agreement with Environmental Science Associates and Jones & Stokes Associates, Inc. for the first phase of environmental documentation services (draft project description, review of environmental studies, existing conditions report and draft Notice of Preparation) related to the San José/Santa Clara Water Pollution Control Plant Master Plan for a term commencing upon approval of the agreement through June 30, 2011 and an amount not to exceed \$600,000; with an option for the City to add services at fixed hourly rates, and increase the maximum amount of compensation up to \$2,000,000 and extend the term of the agreement when Council selects the preferred alternative for environmental clearance under the California Environmental Quality Act and pursue preparation of environmental compliance documents under the National Environmental Policy Act.

## OUTCOME

Approval of the Environmental Science Associates and Jones & Stokes Associates, Inc (ESA+J&S) agreement will allow securing the environmental documentation necessary to present the San José/Santa Clara Water Pollution Control Plant (Plant) Master Plan to the San José and Santa Clara Councils for approval. The recommended agreement will provide for the completion of the first phase (project description, environmental studies, and Notice of Preparation) of the requirements and documentation mandated by California Environmental Quality Act (CEQA). The agreement will also provide the City with an option to be exercised at fixed hourly rates, to amend the agreement to complete the CEQA documentation for the Master Plan once Council has selected the preferred alternative and to have the consultants prepare National Environmental Policy Act (NEPA) documentation if approved by Council.

## **BACKGROUND**

On November 20, 2007, the Council awarded an agreement to Carollo Engineers to develop a Master Plan for the Plant. This has entailed a three-year planning process scheduled for completion by spring 2011. Once developed, the Plan will involve a 30-year implementation horizon. The Plant Master Plan addresses both the technical wastewater operations of the Plant and the land uses of the 2,600 acres of Plant lands. The Plan also includes a major outreach component to identify and incorporate the community and stakeholder comments.

The Plant Master Plan has released three land use alternatives for public comment (see [www.rebuildtheplant.org](http://www.rebuildtheplant.org) for details). Over the next few months, staff will be analyzing comments collected at the five community workshops in May and survey results from the website while working with the Community Advisory Group (CAG), stakeholders, and regulators, to develop a staff recommended alternative. A recommendation for a preferred alternative will be presented to the San José and Santa Clara Councils for comment in early 2011. Staff will solicit further comments and feedback from the community in spring 2011 and return to the San José and Santa Clara Councils in late spring of 2011 with a request to move forward on the environmental analysis of a recommended preferred alternative. Certification of the environmental documents and final approval of the Plan are anticipated to be completed by early 2013.

The completion of a program-level Environmental Impact Report (EIR) is required by the CEQA to consider implementing whole or part of the actions recommended in the Plant Master Plan. An Environmental Impact Statement (EIS) or Environmental Assessment (EA) may be required to comply with the NEPA if funds or partnerships for actions in the Plant Master Plan will utilize federal funding. The NEPA strategy will be developed over the next few months, but subsequent NEPA actions will be part of a later phase.

## **ANALYSIS**

On May 3, 2010, the City began a qualifications based selection process and issued a request for qualifications (RFQ# 091007 ESD) for environmental documentation services associated with CEQA and NEPA. The Request for Qualification (RFQ) was advertised on the City's Bidsync and Environmental Services Department (ESD) webpage. Two statements of qualifications were received by the City: one by ESA+J&S, and the other by David J. Powers & Associates (DJPA).

The selections were based on the proposing firm and project manager's experience with major CEQA/NEPA wastewater and land use projects, the overall project approach, corporate sustainability efforts, and Local/Small Business Enterprise status (LBE/SBE). Both proposals qualified for the LBE preference and DJPA qualified for SBE. A five-person team made up of members from San Jose's ESD, San Jose's Planning Building and Code Enforcement (PBCE) Department, and City of Santa Clara Planning Division, scored the above criteria on a 100 point scale.

Scores:

ESA+J&S	83.7
David J. Powers and Associates	74.8

ESA+J&S provided superior project management experience, a greater understanding and specific work related to large wastewater treatment plants and master planning, and a clearer project approach. The ESA+J&S team also has extensive experience with local projects related to land use and environmental impacts, which include: preparation of the Santa Clara Valley Habitat Plan by Jones and Stokes, land use development plans completed by HMM, traffic and circulation analysis by Fehr & Peers, hazard analysis by Arcadis, water quality regulatory expertise from EOA, and hydrology, sea-level rise, and flood management analysis from Philip Williams & Associates.

The ESA+J&S team has completed similar environmental documentation projects for the Sacramento Regional County Sanitation District Master Plan and the San Francisco Public Utilities Commission Sewer System Master Plan. The team has also completed major environmental work for the East Bay Municipal Utility District and the Santa Clara Valley Habitat Plan. References on similar projects also gave positive marks to the consultant team and the project manager.

The environmental documentation included in this contract, to be completed prior to the summer of 2011, will focus on documenting existing conditions, identifying a federal NEPA responsible agency, and providing preliminary input to the Plant Master Plan consultant team on potential CEQA and NEPA issues pertaining to the land use alternatives. Staff has negotiated this scope of work for a not to exceed amount of \$600,000, and believe it is appropriate for the level of effort required to complete this phase. Final certification of the Plan as part of the contract option, however, requires a significantly larger effort which would involve, finalizing a CEQA compliant project description and Notice of Preparation, completing required technical studies, preparing a Draft EIR, responding to Draft EIR comments, and preparing a Final EIR. In addition, if the City elects, the consultants will also prepare NEPA documentation with this contract option. This work described in the contract option will commence after the Council approval of the preferred alternative, which is anticipated to be in spring 2011. Hence, staff is recommending the inclusion of an option to extend the contract beyond spring 2011 and increase the total contract amount to not to exceed \$2,000,000. The recommendation to Council on the preferred alternative will include the final negotiated not to exceed amount for the option and identification of the funds necessary to exercise the option.

## **POLICY ALTERNATIVES**

**Alternative #1:** Direct staff to complete the environmental documentation

**Pros:** May reduce overall contract costs

**Cons:** Limited City resources to complete the complex set of tasks. General lack of experience in handling large wastewater facilities environmental documentation.

**Reason for not recommending:** The complexity of the environmental documentation for the Plant Master Plan would likely include the use of many outside specialists. Individual contracting for the many specialists would yield a challenge for the contract manager, likely would result in less efficiency than a single contract manager with expertise in this area and a delay of this critical project.

### **PUBLIC OUTREACH/INTEREST**

- ✓ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- 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. **(Required: E-mail and Website Posting)**
- Criterion 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 recommendation meets criterion 1 above. The initial RFQ was posted on the city's website, Bidsync to solicit proposals.

### **COORDINATION**

This memorandum and scope of services for this contract has been coordinated with the City Manager's Budget Office, the City Attorney's Office, and PBCE. This item is scheduled to be heard by the Treatment Plant Advisory Committee (TPAC) on September 9, 2010.

### **EVALUATION AND FOLLOW-UP**

Staff will continue to provide verbal updates to the Transportation and Environment Committee until the Plant Master Plan is completed and approved by the San José and Santa Clara Councils. Updates on the environmental documentation scope of work will be a key component of these updates beginning early 2011. After the initial environmental documentation is complete, exercise of the option will be brought to Council.

### **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." The Plant Master Plan is also in

alignment with current Envision 2040 General Plan Update alternative approved by Council for environmental analysis.

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$600,000
2. SOURCE OF FUNDING: 512 – San José/Santa Clara Treatment Plant Capital Improvement Fund
3. FISCAL IMPACT: This will be funded through existing funds in the Environmental Services Department's 2010-2011 Adopted Operating Budget. No additional funding appropriation is necessary to approve this request.

**BUDGET REFERENCE**

Fund #	Appn. #	Appn. Name	RC.	Total Appn.	Amt. For This Recommendation	2010-2011 Proposed Capital Budget (Page)*	Last Budget Action (Date, Ord. No.)
512	4120	Plant Master Plan	162822	3,445,000	600,000	V-168	06/29/2010 28765

\*The 2010-2011 Adopted Capital Budget was approved by City Council on June 29, 2010, and will be published in late summer 2010.

**CEQA**

Statutorily Exempt, File No. PP10-066 (d), CEQA Guidelines Section 15262, Feasibility and Planning Studies.

/s/

JOHN STUFFLEBEAN

Director, Environmental Services

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