

NOTICE OF EXERCISE OF OPTION

Agreement Title:	Agreement For Consultant Services Between The City Of San José And Environmental Science Associates And Jones & Stokes Associates, Inc. Doing Business As ESA+J&S Joint Venture
Name and Address:	ESA+J&S Joint Venture Attn: Ellen Cross 225 Bush Street, Suite 1700 San Francisco, CA. 94104
Date of Option Notice:	

Pursuant to Section 2 and 4 of the Agreement referenced above, the City of San José hereby exercises its option to extend the term of the Agreement increase the maximum compensation payable under the following provisions:

REVISED CONTRACT TERMINATION DATE:	December 31, 2013
MAXIMUM COMPENSATION INCREASED TO:	\$2,000,000
REVISED SCOPE OF SERVICES, SCHEDULE OF PERFORMANCE AND COMPENSATION RPOVISIONS	See Attachments A, B, and C.

All of the terms and conditions of the AGREEMENT not modified by this Exercise of Option shall remain in full force and effect.

APPROVED AS TO FORM: _____ MOLLIE J. DENT Senior Deputy City Attorney	CITY OF SAN JOSE a municipal corporation By _____ DENNIS HAWKINS, CMC City Clerk
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Consultants hereby accept the CITY's Notice of Exercise of Option as set forth above.

"CONSULTANT" By _____ Name: Title:	"CONSULTANT" By _____ Name: Title:
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ATTACHMENT A

SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT MASTER PLAN ENVIRONMENTAL SERVICES REVISED EXHIBIT B SCOPE OF WORK

CONSULTANTS shall support the CITY's environmental documentation for the Plant Master Plan project. This scope of work addresses preparation of an Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA) and related technical studies for the San José/Santa Clara Water Pollution Control Plant (WPCP) Master Plan. The City of San José will serve as the lead agency and the City of Santa Clara will serve as a responsible agency pursuant to CEQA. Additional responsible agencies may be identified.

Task 1A: Project Management

Project Management includes overall project coordination and controls that will occur throughout the duration of the project. CONSULTANTS will be responsible for all project management activities. CONSULTANTS will attend a kick-off meeting with the CITY to discuss the status of the proposed project, project schedule, communication and management protocols and project assumptions.

Project Schedule

CONSULTANTS will develop and maintain a Microsoft (MS) Project schedule for Phase 1 of the CEQA process. The schedule will identify the sequence and duration of tasks, including critical path tasks, key milestones and CITY review periods.

Project Coordination and Controls / Invoicing

CONSULTANTS will coordinate with the CITY and report on project progress, submitting monthly invoices and progress reports (electronic transmittal).

CONSULTANTS will manage the subconsultant team, including preparation of subconsultant agreements, budgets, scopes, and schedule. CONSULTANTS

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will maintain a secure project website that will allow the consultant team and the CITY to share documents. CONSULTANTS will also develop a work plan specifying communications protocols, roles and responsibilities, and sustainability practices for the project.

- *Meetings*: One kick-off meeting, assumed to occur as part of Task 1B
- *Deliverables*: 7 monthly progress reports and invoices, Draft and Final Work Plan

Task 1B: Meetings

CONSULTANTS will conduct regularly scheduled meetings and conference calls to monitor and report on progress to the CITY, and to conduct meetings to advance environmental documentation. Progress will be reported either at a scheduled meeting or via a conference call about every two weeks; however, the actual frequency may be adjusted based on work phase, level of activity, and meeting schedule. Meetings for all tasks other than Task 1H (public outreach meetings) are part of this task, as shown the table below.

- *Deliverables*: Draft and final meeting agendas, presentations, and minutes

Task 2: Project Description

CONSULTANTS will visit the WPCP lands, resolve outstanding issues related to the scope of the proposed action, review information provided by the CITY, and develop the EIR project description.

Project Description

The CITY will provide the draft Master Plan and related technical memoranda, overall implementation plan, additional background material, reports, details and supporting documentation needed to develop an adequate project description to support the CEQA impact analysis. CONSULTANTS will review the information developed by the CITY and its consultants and request additional materials from the CITY as needed. CONSULTANTS will work with CITY staff to develop the

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draft project description, identify and fill data gaps, and determine the appropriate level of detail for presenting information to be included in the EIR, as well as the need for and adequacy of supporting background documentation.

The project description will be prepared in sufficient detail to satisfy CEQA EIR standards, including tables and graphics, and will include the following:

- Identification of project objectives. Project objectives identified in the Master Plan development will be reviewed and amended as needed to ensure consistency with CEQA requirements.
- Identification and description of all Master Plan components that will be evaluated in the EIR.
- Determination of components to be analyzed at a program level of detail and components to be analyzed at a project level of detail.
- For program-level components, confirm with CITY the range of options to be evaluated, describing each option in sufficient detail to facilitate determination of the nature and scale of environmental impacts associated with the components.
- For components that will be analyzed at the project-level, describe the component in sufficient detail to allow detailed analysis of the environmental impacts. The CITY will provide sufficient detail on design and construction characteristics. Typical engineering information needed to support project-level environmental analysis of wastewater treatment facilities includes: facility size and location, design characteristics, construction techniques, facility capacity, truck-trips generated during construction and operation, and energy requirements.

Development of the project description will enable commencement of the CEQA process through publication of the Notice of Preparation (Task 5).

- *Meetings*: Up to 4, assumed to occur as part of Task 1B.

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- *Deliverables:* Draft Project Description (assumes 2 rounds of review) submitted electronically, with 5 hard copies for each submittal.

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Task 3: Environmental Investigations

CONSULTANTS will review environmental reports completed in support of the Master Plan and reports completed on WPCP lands to develop an understanding of the environmental setting. CONSULTANTS will also review applicable studies and data compiled for the surrounding area and region. Background reports collected during this task will be saved in the project library (to reside on the secure project website). CONSULTANTS will then prepare an existing conditions report that will summarize all environmental information relevant to evaluation of the project. This report will be organized by topic area and will serve to determine data gaps that may exist, and to guide the further collection of information in Phase 2. The existing conditions report will provide preliminary information for the setting sections of the EIR. The report will include text, tables and figures necessary to present the information gathered. CONSULTANTS assume one round of review by the CITY.

- Meetings: None.
- Deliverables: Draft and Final Existing Conditions Report (assumes 1 round of review).

Task 4: EIR Analysis Framework

CONSULTANTS will develop a memorandum describing the approach to analysis for the EIR as a whole and for specific technical investigations. CONSULTANTS will work with the CITY in a collaborative manner to document the CITY's expectations for environmental clearance for Master Plan components, to resolve issues that affect the analytical framework for the EIR in a timely manner, and to describe the analytical framework for the EIR.

- Meetings: Up to four, assumed to occur as part of Task 1B.
- Deliverables: Draft and Final memorandum (assumes 1 round of review).

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Task 5: Early Agency Consultation

The CITY must secure a number of environmental permits and approvals in order to implement various projects identified under the Master Plan. CONSULTANTS will develop an agency consultation and permit strategy handbook that identifies strategies for obtaining environmental permits and approvals and conducting consultation with responsible and trustee agencies. The handbook may describe:

- Regulatory agencies, authorities, permit requirements
- Agency consultation protocol and strategy
- Potential mitigation requirements and approach
- Permits/approvals requiring long-lead times and/or complex interagency consultation
- Schedule identifying timing/sequence of permit actions relative to CEQA and NEPA compliance and level of engineering required to support permit acquisition
- Opportunities for optimizing permitting timelines

For scoping purposes, CONSULTANTS assume that one coordination meeting will be held with regulatory and local agencies (i.e., U.S. Army Corps of Engineers) to identify issues and concerns for these agencies.

- Meetings: Up to 2 meetings, including one agency coordination meeting, assumed to occur as part of Task 1B.
- Deliverables: Strategy Handbook (assumes two rounds of review).

Task 6: Notice of Preparation

CONSULTANTS will develop the NOP, consisting of an abbreviated project description, a summary of potential environmental effects and other CEQA-required elements, for discussion with and review by the CITY. The project description provided in the NOP will be a summary of the project description developed in Task 1C. CONSULTANTS will work with the CITY to develop the

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mailing list for NOP distribution. The CITY will provide initial lists based on interested parties who participated in the Master Plan process or otherwise expressed interest in it. CONSULTANTS will expand the list with responsible and trustee agencies required to receive the NOP. In addition, CONSULTANTS will provide a summary of the NOP in formats suitable for publication in a newspaper of general circulation and web posting. The NOP will include notification of public scoping meetings to solicit public and agency input on the scope and content of the EIR. This list will be maintained by the CONSULTANTS team for subsequent mailings.

- Meetings: One meeting, assumed to occur as part of Task 1B.
- Deliverables: Administrative draft NOP, second administrative draft NOP; screen-check NOP; final NOP for printing and distribution; distribution list.

Task 7: Public Outreach

In coordination with the CITY, CONSULTANTS will assist in public outreach activities as required for CEQA scoping efforts. This scope of work assumes that the CITY will conduct two (2) scoping meetings, for which CONSULTANTS will provide technical support and materials. CONSULTANTS will collate all comments received and prepare a Scoping Report that will summarize comments. This task may include stakeholder briefings for public agencies and officials.

- Deliverables: Scoping Meeting Notification, Scoping Materials including PowerPoint presentation, Scoping Report (assumes one round of review).

Task 8: NEPA Compliance

In consultation with the CITY, CONSULTANTS will develop a NEPA compliance strategy. Based on expected federal approvals and funding for the Master Plan, CONSULTANTS will advise the CITY on NEPA requirements and assist in

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developing a strategy for NEPA compliance within the context of the CITY's schedule objectives. CONSULTANTS will conduct research on the necessary environmental review requirements of the federal agencies that may issue funding, approvals and permits for the project. Based on this research, CONSULTANTS will prepare a draft NEPA Strategy Memorandum that presents options for NEPA compliance. CONSULTANTS will then conduct a workshop with CITY staff to refine and finalize the NEPA strategy and determine whether a joint document will be prepared. CONSULTANTS will finalize the NEPA Strategy Memorandum based on CITY's input to serve as the work plan for NEPA compliance. Completion of NEPA documentation required for the project would occur under Option B.

- Meetings: One meeting, assumed to occur as part of Task 1B.
- Deliverables: Draft and Final NEPA Strategy Memorandums (assumes one round of review).

Task 9A: Project Management

Task 9A represents a continuation of Task 1B activities for the duration of Phase 2. CONSULTANT will regularly update the MS Project schedule for Phase 2 of the CEQA process that will identify the sequence and duration of tasks including critical path tasks, key milestones, and CITY review periods.

- *Deliverables:* Monthly progress reports and monthly invoices, regularly updated CEQA schedule

Task 9B: Meetings and Workshops

The Project Manager and other key staff will meet regularly with City staff. Similar to Task 1B, CONSULTANT will conduct regularly scheduled meetings and conference calls to monitor and report on progress to the CITY every two weeks, alternating between calls and meetings. In addition, for major deliverables, including the first and second administrative Draft EIRs and the administrative

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draft and screen-check draft 1st Amendment to the Draft EIR, CONSULTANT and CITY will engage in a review process that includes a pre-submittal meeting, and a workshop with City staff to gather comments on the submittal. To the extent practical, these meetings will supplant regularly scheduled progress meetings and briefly address schedule and budget performance as directed by CITY.

- *Meetings:*
 - Project meetings, consisting of conference calls and/or face-to-face team meetings, twice a month over the Phase 2 performance period
 - Other meetings as directed by CITY.
- *Deliverables:* meeting agendas, presentations, and notes as directed by CITY.

Task 10: CEQA Project Description

During Phase 2, CONSULTANT will finalize the project description developed in Phase 1. While all Master Plan components will be identified and described in Phase 1 (Task 2), some project components may require additional detail to fully meet CEQA requirements and support the technical evaluations. Based on the completion of any additional supporting background documentation identified during Task 2, CONSULTANT will work with City staff to identify and fill any remaining data gaps. This task will include any additional requests for information necessary to complete the EIR project description. CONSULTANT will prepare the final project description, including tables and graphics, for inclusion in the Draft EIR.

- *Deliverables:* Updated Project Description (to be reviewed as part of CITY review of the first administrative draft EIR)

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CONSULTANT will prepare the necessary environmental background studies in support of the environmental review process. Most of these investigations will occur under Task 12, preparation of the Administrative Draft EIR. However, it is anticipated that several stand-alone technical reports will be required. Examples of technical reports that may be warranted include a Phase 1 environmental assessment, toxic air contaminant emissions assessment, and report addressing impacts to transportation facilities. A detailed scope of Phase 2 tasks, including a list of specific technical studies needed, will be prepared by CONSULTANT's project management team towards the end of Phase 1.

- *Deliverables:* Draft and Final technical studies as needed, potentially including Phase 1 environmental site assessment, toxic air contaminant emissions assessment, and impacts to transportation facilities (CITY will provide CONSULTANTS with one round of review; CITY will provide CONSULTANT with one set of consolidated comments in a timely manner for each).

Task 12: Administrative Draft EIR

The CONSULTANT team will perform necessary analyses and prepare the first Administrative Draft EIR for review by CITY staff. As described above, before preparing the first Administrative Draft EIR, the CONSULTANT team will work with the CITY, through an iterative process, to determine the CEQA coverage that the EIR will provide for the Master Plan preferred alternative and the project-specific elements. Based on comments received from the CITY, CONSULTANT will revise the first Administrative Draft EIR and submit a second administrative draft for CITY review. The CITY will coordinate EIR preparation among CITY departments and with the City of Santa Clara, and resolve any conflicting comments prior to submittal of consolidated comments to CONSULTANT.

Deliverables: First Administrative Draft EIR and Second Administrative Draft EIR (assumes one round of review for First Administrative Draft EIR and one round of

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review for Second Administrative Draft EIR; CITY will provide CONSULTANT with one set of consolidated comments in a timely manner for each). The number of hard copies to be submitted will be as directed by CITY.

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Task 13: Screencheck EIR and Mailing List

CONSULTANT will incorporate comments received from the CITY on the Second Administrative Draft EIR and prepare a Screencheck (prepublication) Draft EIR for final review by the CITY. CITY will direct CONSULTANT in development of a mailing list for distribution of hard copies of Draft EIR and/or notices of completion for the Draft EIR.

- *Deliverables:* Screencheck Draft EIR; revised mailing list (assumes one round of review; CITY will provide CONSULTANT with one set of consolidated comments in a timely manner). The number of hard copies to be submitted will be as directed by CITY.

Task 14: Draft EIR

The CONSULTANT team will incorporate final changes to the EIR, prepare and distribute a Notice of Completion and Notice of Availability, and publish the Draft EIR. The Draft EIR will then be circulated for public review and comment. CONSULTANT will prepare pdf files of the Draft EIR suitable for posting on project, CITY's websites.

- *Deliverables:* Draft EIR for public distribution; Notice of Completion; Notice of Availability. The number of hard copy reports to be produced by CONSULTANT will be as directed by CITY.

Task 15: 1st Amendment of Draft EIR

CONSULTANT will organize comments received during the public comment period and/or at public meetings, and submit to the CITY. CONSULTANT will prepare an administrative draft and screen-check 1st Amendment of Draft EIR, which will include responses to comments received on the Draft EIR. Following approval of the screen-check copy, CONSULTANT will publish the Final 1st Amendment of Draft EIR in advance of the certification hearing. For scoping purposes, it is assumed that the Final 1st Amendment of Draft EIR would not be a

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reproduction of the entire revised version of the Draft EIR. CITY will obtain comments from CITY attorney on Administrative draft 1st Amendment to the Draft EIR. CONSULTANT will prepare pdf files of the final 1st Amendment of the Draft EIR suitable for posting on project, CITY's websites.

- *Deliverables:* Administrative draft, Screencheck and Final 1st Amendment of Draft EIR (assumes one round of review of Administrative draft 1st Amendment of Draft EIR and one round of review for Screencheck 1st Amendment of Draft EIR; CITY will provide CONSULTANT with one set of consolidated comments in a timely manner for each). The number of hard copy reports to be produced by CONSULTANT will be as directed by CITY.

Task 16: Mitigation, Monitoring and Reporting Program

CONSULTANT will prepare the draft and final Mitigation, Monitoring and Reporting Program (MMRP) for the CITY. The MMRP will identify mitigation measures necessary to minimize or reduce potential significant environmental impacts to a less-than-significant level, including construction and post-construction monitoring actions needed to meet CEQA requirements and requirements of regulatory/approving agencies.

- *Deliverables:* Draft and Final MMRP (CITY will provide CONSULTANTS with one round of review; CITY will provide CONSULTANT with one set of consolidated comments in a timely manner).

Task 17: Assist in EIR Certification

CONSULTANTS will prepare the draft CEQA Findings and Statement of Overriding Considerations (if needed) in support of approval of the Master Plan. CONSULTANT, along with subconsultants as appropriate, will attend the San José Planning Commission certification hearing and will assist in responding to

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any questions by the Planning Commission or the public. *Deliverables:* Draft CEQA Findings and Statement of Overriding Considerations.

Task 18: Agency Consultation

The approach to Phase 2 consultation with resource and permitting agencies would be determined during Phase 1. This scope of work does not include acquisition of environmental permits and approvals beyond CEQA and NEPA; a supplemental permitting work scope could be developed at the request of the CITY.

- *Deliverables:* Agendas and minutes for meetings and conference calls with agency staff; addendum to permitting work scope (if requested by CITY).

Additional Services

If CITY requires additional work beyond that described above, the CITY's Director may issue a Task Order for such Additional Services to be performed by CONSULTANTS. CONSULTANTS shall not begin Additional Services until receiving a written Task Order describing the services.

**ATTACHMENT B
SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT MASTER
PLAN ENVIRONMENTAL SERVICES
REVISED EXHIBIT C
SCHEDULE OF PERFORMANCE**

Work shall commence immediately upon execution of this AGREEMENT. All work shall be completed by December 31, 2013.

Phase 1. Project Start-Up through Project Description and NOP

Notice to Proceed – Phase 1	September 2010
City provides data for project description	November 2010
CONSULTANT prepares project description	February 2011
CONSULTANT prepares EIR Work Plan	March 2011
CONSULTANT prepares Existing Conditions Report	April 2011
Agency Outreach	April 2011
Publish Notice of Preparation	May 2011
CONSULTANT prepares NEPA Strategy Memorandum	May 2011

Phase 2. Administrative Draft EIR through 1st Amendment of Draft EIR

Notice to Proceed – Phase 2	April 2011
ESA+J&Phase S prepares final project description	August 2011
Technical Studies prepared	January 2012
1 st Administrative Draft EIR	May 2012
2 nd Administrative & Screencheck Draft EIR	August 2012

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Circulate Draft EIR	September 2012
45-day review period	November 2012
1 st Amendment of Draft EIR	February 2013
Planning Commission Certification	March 2013

This Schedule of Performance may be adjusted by CITY's Director of Environmental, provided however, that all work shall be completed on or before December 31, 2013.

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**ATTACHMENT C
SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT MASTER
PLAN ENVIRONMENTAL SERVICES
REVISED EXHIBIT D COMPENSATION**

The maximum amount of compensation to be paid to CONSULTANTS under this AGREEMENT shall not exceed Two Million Dollars (\$2,000,000.00). Any hours worked for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to CITY.

The maximum compensation for professional services and reimbursable expenses shall not exceed the indicated amount for the following work items:

<i>Description</i>	<i>Not to Exceed</i>
Task 1A	\$28,890
Task 1B	\$87,350
Task 2	\$55,790
Task 3	\$140,696
Task 4	\$73,549
Task 5	\$37,900
Task 6	\$24,950
Task 7	\$30,790
Task 8	\$21,190
Task 9A	\$122,440
Task 9B	169,320
Task 10	61,580
Task 11	129,140
Task 12	548,725
Task 13	63,245
Task 14	55,390
Task 15	182,770
Task 16	25,230
Task 17	28,010
Task 18	14,150
Additional Services	\$98,895
TOTAL	\$2,000,000

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The Director, in the Director's sole discretion, may shift any portion of the amounts set forth above to another item so long as the total does not exceed the maximum amount of compensation to be paid under the AGREEMENT. Any such adjustment must be in writing to be effective.

Additional Services shall be performed only upon prior written authorization of CITY's Director. The procedure for authorizing Additional Services is as follows:

1. CITY defines, in writing, the scope of work to be performed.
2. CONSULTANTS provide written price proposal, either lump sum or time and materials, and schedule for completing work.
3. Following agreement on scope, schedule and fees, CITY provides authorization to proceed by way of a written work order.

Payment for professional services shall be made on the basis of actual time expended by CONSULTANTS to provide services under this AGREEMENT and the actual time billed to CONSULTANTS by CONSULTANTS' subconsultants plus 5%, in accordance with the hourly rates listed below:

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