



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: July 25, 2012

Approved

Date

7/25/12

SUBJECT: MASTER CONSULTANT AGREEMENT WITH RMC WATER AND ENVIRONMENT TO DEVELOP A MASTER PLAN FOR THE SOUTH BAY WATER RECYCLING PROGRAM

RECOMMENDATION

Approval of a master agreement with RMC Water and Environment to develop a Master Plan (Plan) for the South Bay Water Recycling (SBWR) Program for a total compensation not-to exceed amount of \$2,400,000, and for a term upon execution of the agreement through June 30, 2014.

OUTCOME

The recommended action will enable the City of San José, as administering agency for the San José/Santa Clara Water Pollution Control Plant (Plant), to move forward on the development of a Master Plan for SBWR. The Plan will include current system needs, as well as options for expansion and external stakeholders in the Plant's service area.

BACKGROUND

The Plan will identify the purpose and future for SBWR, and how water recycling will continue to support the regulatory needs of the Plant as well as regional water needs. The majority of the SBWR system was constructed in the late 1990s and has now been in service between 10 and 15 years. In general, system facilities are well-maintained and in good condition, but components of SBWR, such as the control system and the majority of the valves in the distribution system will reach the end of their useful life in the next 3-5 years.

SBWR currently serves the cities of San José, Santa Clara, and Milpitas, but could potentially be expanded to serve other Plant tributary agency service areas, other areas of Santa Clara County, and beyond.

On September 13, 2011, Council authorized the City Manager to negotiate and execute an agreement with the United States Bureau of Reclamation (Reclamation) allowing the City to

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receive up to \$1,200,000 towards the reimbursement of a \$2,400,000 feasibility study to develop a strategic and master plan for SBWR. The grant agreement was subsequently executed on September 30, 2011.

On June 19, 2012, Council authorized the City Manager to negotiate and execute a cost sharing agreement with the SCVWD to share in the cost of developing a strategic master plan for the SBWR Program, estimated to cost up to \$2,400,000 with each party to contribute up to \$1,200,000, and to share in reimbursements from the Reclamation Grant of up to \$1,200,000 for costs associated with developing the Plan. In consideration for the SCVWD's share in the cost, the City will work closely with SCVWD to develop the scope of services for RMC Water and Environment (RMC), and to approve deliverables.

ANALYSIS

The master planning project Request for Proposals (RFP) was advertised on April 4, 2012, and a mandatory pre-proposal conference was held at the Plant on April 19, 2012. The pre-proposal conference was well attended with over 40 participants. Staff presented an overview of the RFP and answered questions from participants. Four written proposals were received and opened on May 7, 2012. A six member selection panel representing the Environmental Services Department, the Plant's Tributary Agencies, and the SCVWD evaluated the written proposals. Two prospective consultants were invited to participate in oral interviews. The results from the written and oral reviews were combined, including the local and small business preference points. The table below provides a summary of the evaluation by category.

	RMC	Kennedy-Jenks	Carollo	Black & Veatch
A- Recycled Water System Plans	27.55	24.67	22.00	15.17
B- Utility Governance	14.11	11.82	10.67	5.67
C- Economic Analysis	14.25	10.65	9.17	5.83
D- Project Approach	18.10	15.83	14.17	9.17
E- Corporate Sustainability	3.83	4.00	2.67	2.00
F- Project Samples	4.83	4.17	3.50	2.33
Local Business Enterprise	0	0	0	0
Small Business Enterprise	0	0	0	0
Total:	82.67	71.14	62.18	40.17

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RMC obtained the top score in both the written submittal and the oral presentation. Based on the above process and scoring, staff recommends that Council award the contract to RMC whose bid has been reviewed, analyzed, and found acceptable.

EVALUATION AND FOLLOW-UP

Staff will present an update on the SBWR Master Planning process to the Transportation and Environment Committee in January 2013.

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)**

COORDINATION

This project and memorandum have been coordinated with Risk Management, Equality Assurance, Purchasing, the City Manager's Budget Office, and the City Attorney's Office. This item is scheduled to be heard at the August 2, 2012 Treatment Plant Advisory Committee meeting.

COST SUMMARY/IMPLICATIONS

- 1. COST OF STRATEGIC AND MASTER PLANNING: \$2,400,000

- 2. SOURCE OF FUNDING:
Fund 512- SBWR Master Plan

Funding Available:	
SBWR Master Plan Appropriation	<u>\$2,304,000*</u>
Total Funding Available:	\$2,304,000

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Currently, \$2,304,000 is available for this project in the San José/Santa Clara Treatment Plant Capital Fund (Fund 512) SBWR Master Plan Appropriation. Any expenditures within this Master Agreement beyond \$2,304,000 will be subject to City Council appropriation of funds. Funding up to \$1,200,000 will be reimbursed by the Santa Clara Valley Water District, as described in a memorandum to the City Council on June 19, 2012. Grant Funding approved through Council Resolution No. 79587 will reimburse San José 50 percent of total project costs up to \$1,200,000, and the City will pass on to the SCVWD 50 percent of the SCVWD's share of expenses.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amount for Agreement	Proposed 2012-2013 Budget Page**	Last Budget Action (Date, Ord. No.)
512	7364	SBWR Master Plan	\$2,304,000	\$2,400,000*	V-174	06/19/2012, Ord. No. 29102
Total Funding Available				\$2,400,000		

*This contract will be encumbered by service order. Any expenditures beyond \$2,304,000 will be subject to City Council appropriation of funds.

** The 2012-2013 Proposed Operating Budget was approved by the City Council on June 19, 2012, and the Adopted Budget will be published in fall 2012.

CEQA

Not a Project, File No.PP10-066 (a), Agreements and Contracts for purchase of professional services.

/s/
KERRIE ROMANOW
Acting Director, Environmental Services

For questions please contact René Eyerly, Manager, Sustainability and Compliance at (408) 975-2594.