



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 04-21-09

Approved

Jama Antua

Date

4/21/09

COUNCIL DISTRICT: City-Wide

SUBJECT: FIRST AMENDMENT TO MASTER AGREEMENT WITH DAVID J. POWERS & ASSOCIATES FOR ENVIRONMENTAL CONSULTANT SERVICES

RECOMMENDATION

Approve the first amendment to the agreement with David J. Powers & Associates for environmental consultant services for various Environmental Services Department (ESD) projects by increasing the total compensation by \$250,000, from \$250,000 to an amount not to exceed \$500,000.

OUTCOME

Approval of the first amendment to the agreement with David J. Powers & Associates would allow ESD to execute additional service orders for environmental consultant services required for projects potentially eligible for federal funding under the American Recovery and Reinvestment Act of 2009.

BACKGROUND

On February 17, 2009, President Barack Obama signed into law the American Recovery and Reinvestment Act of 2009 ("ARRA" or "Federal Economic Stimulus Package"). One of the stated purposes of the ARRA is to invest in environmental protection and other infrastructure that would provide long-term economic benefits. ESD has identified several candidate projects that could qualify for federal funding. Attachment A provides a list of potential projects as described in a March 13, 2009 Information Memo from the City Manager to the City Council entitled "Update on the American Recovery and Reinvestment Act (Federal Economic

Stimulus)". David J. Powers & Associates was selected in July 2008 to provide environmental consulting services for ESD through a competitive Request for Qualifications ("RFQ") process, for a term from September 19, 2008 through June 30, 2011. The City received proposals from eight firms in this RFQ process. David J. Powers & Associates was selected as the most qualified firm by an evaluation panel comprised of two ESD and one Planning staff.

ANALYSIS

When ESD developed the scope of environmental consultant services, staff budgeted the agreement to complete the anticipated projects for the remainder of the 2008-2009 fiscal year. With the passage of ARRA, the City has an unprecedented opportunity to secure federal funding for various candidate projects in Integrated Waste Management and Water Resources Divisions of ESD. These projects, however, must first complete the environmental review and documentation required by the National Environmental Protection Act (NEPA).

The agreement with David J. Powers & Associates was executed on September 19, 2008 for a term through June 30, 2011. The original maximum compensation is \$250,000. To date, three services orders have been issued to David J. Powers & Associates for various Integrated Waste Management projects for a total of \$59,152, leaving a balance of \$190,848. One of the service orders issued was for a NEPA study for construction of the Household Hazardous Waste Facility ("Las Plumas Phase II"). ESD is preparing three additional service orders, and two of these will be for NEPA studies for candidate projects in the Water Resources Division of ESD.

The Administration recommends amending the environmental consultant agreement with David J. Powers & Associates to increase the total compensation by \$250,000 to a maximum compensation of \$500,000. These additional funds would enable the City to pay for the preparation of Federal environmental documents for additional projects that are eligible for the ARRA. The qualifications of David J. Powers & Associates would also satisfy the expertise required to complete the NEPA review for these new projects. Alternatively, ESD could initiate another request for qualifications process, but this delay would not be in the public's best interest because it would compromise the City's ability to meet the accelerated timetable set by the Federal government.

EVALUATION AND FOLLOW-UP

This action does not address any performance measures.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- 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.

- 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.

This recommendation does not meet any of the criteria listed above. This memorandum will be posted on the City's Internet website for the May 19, 2009 Council agenda.

COORDINATION

This memorandum has been coordinated with the City Attorney and City Manager's Budget Offices. This memo is scheduled to be considered at the Treatment Plant Advisory Committee meeting on May 14, 2009.

COST SUMMARY/IMPLICATIONS

This recommendation would increase the compensation to David J. Powers & Associates for environmental consulting services for various ESD projects by increasing the total compensation by \$250,000, from \$250,000 to an amount not to exceed \$500,000. The funding will come from the non-personal operating budgets of the following funds:

- Integrated Waste Management Fund (423): \$100,000
- San Jose-Santa Clara Treatment Plant Operating Fund (513): \$100,000
- Water Utility Fund (515): \$50,000

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt. of Recommendation	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
Total Recommendation				\$250,000		
423	0762	Non-Personal/Equipment	\$5,739,092	\$100,000	XI-47	02/10/2009, Ord. No. 28492
513	0762	Non-Personal/Equipment	\$33,145,831	\$100,000	XI-78	02/10/2009, Ord. No. 28492
515	0762	Non-Personal/Equipment	\$19,231,517	\$50,000	XI-90	10/21/2008, Ord. No. 28422
Total Funding Available			\$58,116,440			

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CEQA

Not a project.



JOHN STUFFLEBEAN
Director, Environmental Services

For questions please contact Jo Zientek, Deputy Director, Integrated Waste Management Division, at (408) 535-8557.

Attachment A: Candidate Project List

Attachment A Candidate Project List

Program Area	Project Name	Project Description	Total Cost Estimate
AIRPORT	Airport – Installation of Solar Paneling on the Consolidated Rental Car Garage	This project would implement a renewable energy source by providing an estimated 1 million watts (1MW) of renewable solar panels installed on the roof of the new consolidated rental car garage. The garage is currently under construction. The roof should be constructed and available in the 2 nd quarter of 2009. The project will reduce grid energy use and associated emissions, resulting in reduced utility costs as well.	\$10,000,000
WATER	Enhanced Biogas Production Facility	This program will expand and enhance the existing anaerobic digestion biogas production facility at the San Jose/Santa Clara Water Pollution Control Plant. This program consists of 3 projects: Enhanced digestion improvements (\$60 M); FOG receiving/processing improvements (\$15 M); and Food waste receiving/processing improvements (\$30 M).	\$105,000,000
ENERGY	Energy Efficiency Retrofits of City Facilities	Capital construction projects to retrofit existing buildings to improve energy efficiency: Construct upgrades at existing city buildings and other city facilities with the goal to reduce heat gain/loss and other measures to reduce energy consumption	\$10,000,000
ENERGY	Energy Efficiency 1B2-- Programmable LED Streetlights (Clean Tech)	The City has established the goal to reduce per capita energy consumption by half and to obtain all of its electrical power from renewable sources by 2022. In a parallel and complementary effort, the city has also committed to converting all of its streetlights to smart, zero emissions (powered entirely by renewable energy) streetlights. Converting the City's streetlights to programmable, highly energy efficient lights would be the first step in that process. This funding would jump start that process.	\$20,000,000
ENERGY	Solar Energy Systems Installation on City Facilities	Install solar energy systems (photovoltaic panels generating electric power) on existing City facilities using the following purchase options: <ul style="list-style-type: none"> . Utilize Power Purchase Agreements with private enterprises to design, install and maintain their systems on city building and structures; or . Design and procure the installation of solar energy systems on city buildings and structures. 	\$10,000,000
WATER	South Bay Water Recycling Phase 1B	South Bay Water Recycling (SBWR) Phase 1B consists of sixty (60) miles of recycled water pipe as well as storage and reliability improvements. SWBR serves nearly 600 customers in the cities of Milpitas, Santa Clara and San Jose, conserving enough drinking water to supply 20,000 families. Stimulus funds used will completely fund the \$20 million authorized federal share (25%) and will be immediately reinvested to construct additional SBWR water recycling projects with an estimated job creation impact of 200 jobs during the first year alone.	\$80,000,000
WATER	Storm Sewer Rehabilitation Project	Project would indicate rehabilitation of aging storm sewer pump stations, cleaning and rehabilitation of sewer mains, reconstructing storm sewer outfalls in rivers and streams, decreasing neighborhood flooding and ponding, risk analysis of critical components of the system and rehabilitation of the system with trenchless technology and traditional rehabilitation method.	\$20,000,000
WATER	WPCP Electrical Reliability Improvements	This program includes design and construction of new equipment and modification of the Plant's existing electrical distribution system. The electrical infrastructure design will include redundant power feed to the switchgear to mitigate common mode failures such earthquake and fire	\$80,000,000
WATER	Water Main Replacement	Replace aging drinking water distribution infrastructure with new water mains to enhance water quality and improve water system reliability	\$15,000,000

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Attachment A: Candidate Project list

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WATER	Diesel Pump Replacement at Muni and Public Works	Replace antiquated diesel pumps with efficient, new generation diesel engines/pumps in portable water systems storm water pump stations.	\$9,000,000
ENERGY	Las Plumas Environmental Innovation Center	This project establishes a Santa Clara County center providing residential and conditionally exempt small quantity generators (CESQG) household hazardous waste drop-offs and other environmental services, including job training (on green building construction practices), Green Building Certification Training Area, an energy management demonstration and education area, and a recycled / re-use of construction materials retail operation.	\$16,000,000
AIRPORT	Airport - Terminal A Solar	This project would install a 280 kilowatt solar power system on the roofs of Terminal A and the Federal Inspection Service (FIS). The project includes the re-roofing of Terminal A prior to placement of the solar panels. The project will reduce the Airport's energy costs and will reduce demand on the power grid by utilizing a green power alternative.	\$3,700,000
WATER	Engine Generator Replacement Project	This project will include installation of two 3 megawatt (MW) engine generators or gas turbine generators to replace the electrical generation capacity of four 40-year old generators at the Plant.	\$20,000,000
WATER	Clean Biogas Fuel Cell Program	This program consists of 2 projects: installation of biogas cleaning facilities (\$8 M) and installation of 3 megawatts of fuel cells utilizing renewable biogas as the fuel (\$20 M) to replace existing low efficiency reciprocating engine generators.	\$30,000,000
ENERGY	Energy Efficiency 1B3: Electric vehicle infrastructure	A number of major auto manufacturers have announced they will be releasing plug-in electric vehicles in 2009 and 2010. But if the infrastructure is not in place for people to charge their cars when they are on the road, consumers will be reluctant to purchase these greener vehicles. The City would like to expand the number of charging stations installed in the city to help advance electric vehicles and the charging infrastructure necessary to support them.	\$70,000
ENERGY	Energy Efficiency 1A—Traffic Signal retrofits	The City has determined that it needs to redesign or install five new traffic signals but does not have the funds to do so. The City has completed the design work for two of the signals and can proceed to construction immediately. Construction would take four months. The remaining three signals must be designed before constructed. These three signals could be completed in one year.	\$2,000,000
WATER	South Bay Water Recycling Santa Clara Central Park	South Bay Water Recycling (SBWR) Santa Clara Central Park Extension provides recycled water to Santa Clara Central Park and additional schools and parks. Project consists of 12,000 LF of 8-in, 12-in and 16-in pipe. The project has been designed and approved for construction and is awaiting receipt of bids.	\$4,400,000
WATER	South Bay Water Recycling Airport Extension	South Bay Water Recycling (SBWR) Airport Extension provides recycled water to the Mineta-San Jose International Airport for landscape irrigation, industrial cooling and indoor use including car washing and toilet flushing. The project consists of two miles of 10-in and 12-inch diameter pipe both inside the airport loop and outside the airport to connect the pipeline to the SBWR system. Both segments of the pipeline have been designed and are ready for bid and construction.	\$4,400,000
WATER	South Bay Water Recycling Advanced Recycled Water Treatment Facility	The SBWR Advanced Recycled Water Treatment Facility (ARWTF) provides for design and construction of an advanced technology water treatment facility to produce 8 million gallons per day (mgd) of portable quality water standards through the use of innovative technologies including microfiltration (MF), reverse osmosis (RO), ultraviolet disinfection (UV) and advanced chemical oxidation (AOX). The water will be used to improve the quality of water distributed through the South Bay Water Recycling system to nearly 600 customers in the Silicon Valley area.	\$55,000,000

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Attachment A: Candidate Project list

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WATER	South Bay Water Recycling Milpitas Extensions	Four-mile extension of SBWR distribution system to provide recycled water to City of Milpitas schools, parks and industry. Project would be expedited through issuance of design/build (DB) contract.	\$12,000,000
WATER	South Bay Water Recycling Santa Clara Extensions	This six-mile extension of the SBWR distribution system will provide recycled water to City of Santa Clara schools, parks and industry, including four (4) data centers to support Silicon Valley high tech development. While the pipeline alignment conceptual design and environmental permitting are complete, the project would be expedited through issuance of design/build (DB) contracts for final design and project construction.	\$8,000,000
WATER	South Bay Water Recycling San Jose Extensions	The project consists of 25-miles of recycled water pipeline ranging between 24-inches to 6-inches in diameter to provide recycled water to schools, parks and industry in the City of San Jose. The project would provide up to 4000 acre-feet of water per year, or about 8 million gallons per day during the dry-weather period.	\$80,000,000
AIRPORT	Airport – Fuel Farm Clean-up	The existing fuel farm has contamination from the Chevron activity and the former, adjacent City fuel farm. Upon activation of the new fuel farm currently under construction, this fuel farm will be closed. Investigation and remediation of the comingled jet fuel plume will protect groundwater and the Guadalupe River, as well as provide opportunity for land development. This project will protect the environment and reduce emissions by cleaning up the comingled jet fuel plume at the existing fuel farm.	\$7,000,000
WATER	Sanitary Sewer Rehabilitation Project	Using design-build contracts, the City could initiate a sanitary sewer rehabilitation project to address the aging condition of the City's 2,200 mile sanitary sewer collection system within the 120 and 180 days. These contracts would include remote video inspection of the system, risk analysis of critical components of the system and rehabilitation of the system with trenchless technology and traditional rehabilitation methods. Project would be implemented via Design/Build contract.	\$50,000,000
WATER	Water Tank Rehabilitation	Invest in rehabilitating and upgrading drinking water tanks by restoring protective coatings, upgrading facilities, and enhancing structural integrity.	\$2,000,000
ENERGY	Diesel Emissions Retrofit—EPA "Other funds"	This project would provide modifications to 83 on-road and 100 off-road diesel powered vehicles to reduce emissions to comply with the State of California Air Resources Board mandate. The estimated cost to retrofit the on-road fleet is \$1.4M and the estimated cost to retrofit the off-road fleet is \$1.5M.	\$2,900,000
WATER	Water Efficiency Projects	Twelve small individual projects/initiatives with estimated total annual cost of \$4 million.	\$4,000,000