

SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE

CHUCK REED, CHAIR
BOB LIVENGOOD, VICE-CHAIR
KEVIN MOORE, MEMBER
PATRICIA MAHAN, MEMBER
MADISON NGUYEN, MEMBER

KEN YEAGER, MEMBER
JOHN GATTO, MEMBER
ED SHIKADA, MEMBER
NORA CAMPOS, MEMBER

AGENDA

4:30 p.m.

October 14, 2010

Room T-1047

1. ROLL CALL

2. MINUTES

A. September 9, 2010

3. UNFINISHED BUSINESS

4. CORRESPONDENCE

A. Milpitas City Council Resolution No. 8025 Defining Guiding Principles for the San Jose/Santa Clara Water Pollution Control Plant Master Plan Reconstruction and Land Use Alternatives.

B. Letter date October 7, 2010 from Cupertino Sanitary District Board and Resolution No. 1221, Proposing Goals and Workshops regarding the Plant Master Plan Reconstruction and Land Use Alternatives.

5. REPORTS

A. Open Purchase Orders Greater Than \$100,000
The attached monthly Procurement and Contract Activity Report summarizes the purchase and contracting of goods with an estimated value between \$100,000 and \$1 million and of services between \$100,000 and \$250,000.

6. AGREEMENTS

A. Action Item – TPAC Recommendation for approval:

The following action item is scheduled to be considered by the San Jose City Council on October 19, 2010:

1. Authorizing the Director of Environmental Services to award the contract for the McCarthy House Demolition Project to the lowest responsive and

responsible bidder in an amount not to exceed \$126,200, and approve a construction contingency with a maximum value of \$46,680.

2. To decide any timely bid protest(s), to make the City's final determination as to lowest responsive and responsible bidder, or to reject all bids and re-bid the project.

B. Action Item – TPAC Recommendation for approval:

The following action item is scheduled to be considered by the San Jose City Council on October 19, 2010:

1. Award of construction contract for the Waste Heat Recovery Silencer EG-1 Replacement Project at the San Jose/Santa Clara Water Pollution Control Plant to the low bidder, Environmental Systems Inc., in the amount of \$252,000
2. Approve a 10%contingency in the amount of \$25,200.

C. Action Item – TPAC Recommendation for approval:

The following action item is scheduled to be considered by the San Jose City Council on October 19, 2010:

1. Award the construction contract for the Handrail Phase 3 Project at the San Jose/Santa Clara Water Pollution Control Plant to the low bidder, Bugler Construction, Inc., in the amount of \$289,000.
2. Approve a 15% contingency in the amount of \$43,350

D. Action Item – TPAC Recommendation for approval:

The following action item is scheduled to be considered by the San Jose City Council on October 19, 2010

1. It is recommended that the City Council accept the report on the Request for Proposals for a Power Purchase and Site Lease Agreement for Fuel Cell System Power Production and adopt a resolution authorizing the Director of Finance to execute a Power Purchase Agreement, Site Lease and other necessary documents, with UTS SJ-1, LLC (UTS) (Encinitas, CA) to purchase fuel cell energy at the Plant for a 20 year term.

7. **STATUS OF ITEMS PREVIOUSLY RECOMMENDED FOR APPROVAL BY TPAC**

A. **The following action items were approved by the San Jose City Council on September 14, 2010:**

1. 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 million 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.

A. The following action items were approved by the San Jose City Council on September 21, 2010:

1. Appoint San Jose City Councilmembers Kansen Chu and Pierluigi Oliverio and City of Santa Clara Mayor Patricia Mahan to serve on the joint Recycled Water Policy Advisory Committee established in the recent Recycled Water Facilities and Program Integration Agreement between the City of San Jose and the Santa Clara Valley Water District.
2. Report on bids and award of contract for the SJ-25 Recycled Water San Jose School Extensions – Phase B project to the low bidder, Northern Underground Construction, Inc., in the amount of \$301,322 and approval of a budget contingency of 15% of the contract amount (\$45,198).
3. Report on bids and award of a contract for the construction of Guadalupe Regional Park and Gardens Community Garden Expansion Project to the lowest bidder, Blossom Valley Construction, Inc., to include the base bid and both add alternates in the amount of \$329,832, and approval of a budget contingency of 10% of the contract amount.

8. MISCELLANEOUS

- A. Discussion of date for November TPAC meeting.

9. OPEN FORUM

10. ADJOURNMENT

NOTE: If you have any changes or questions, please contact Monica Perras, Environmental Services, 408-975-2515.

To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please call Monica Perras at (408) 975-2515 or (408) 294-9337 (TTY) as soon as possible, but at least three business days before the meeting/event.

Availability of Public Records. All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at San Jose City Hall, 200 East Santa Clara Street, 10th Floor, Environmental Services at the same time that the public records are distributed or made available to the legislative body.

DRAFT
MINUTES OF THE
SAN JOSÉ/SANTA CLARA
TREATMENT PLANT ADVISORY COMMITTEE
City Hall, Environmental Services, 10th Floor, Room 1047
Thursday, September 9, 2010 at 4:30 p.m.

1. ROLL CALL

Minutes of the Treatment Plant Advisory Committee convened this date at 4:30 p.m. Roll call was then taken, with the following members in attendance:

Committee members: Chuck Reed, Kevin Moore, Patricia Mahan, Madison Nguyen, Bob Livengood, Nora Campos, John Gatto, Ed Shikada.

Staff present: Monica Perras, Dale Ihrke, Bhavani Yerrapotu, Kirsten Struve, John Stufflebean, Kristen Yasukawa, Cheryl Wessling, Dave Sykes, Mollie Dent, Mansour Nasser,

Others present: Alan Kurotori (City of Santa Clara), Jeff Janssen, Sharona Rozario, Javier Gonzales. (City of San Jose), Steve Machida (Cupertino Sanitary District), Kathleen Phalen (City of Milpitas), David Wall (San José City Resident), Michael Hobbs (SJSU Student), Jim Foley, Joe McCarthy, Joey McCarthy (McCarthy Ranch), Jerry Strangis (Strangis Properties), Larry Hottenstein (Environmental Resource Management).

2. APPROVAL OF MINUTES

A. Minutes of August 12, 2010.

Motion by Committee Member Mahan, second by Committee Member Livengood to approve Item 2.A. Committee member Gatto abstained. Committee members Shikada and Nguyen were not present.

3. UNFINISHED BUSINESS

4. CORRESPONDENCE

5. REPORTS

A. Open Purchase Orders Greater Than \$100,000
The attached monthly Procurement and Contract Activity Report summarizes the purchase and contracting of goods with an estimated value between \$100,000 and \$1 million and of services between \$100,000 and \$250,000.

Item 5.A was accepted to note and file.

Committee Members Shikada and Nguyen arrive.

6. **AGREEMENTS**

- A. Action Item – TPAC Recommendation: Approval of the consultant agreement with Environmental Science Associates and Jones & Stokes Associates, Inc.

The following action item is scheduled to be considered by the San Jose City Council on September 14, 2010:

1. 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 million 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

The Treatment Plant Advisory Committee recommended approval of Item 6.A.1 subject to the understanding that between this contract and the existing Carollo contract for the Plant Master Plan, that further information regarding the impact of odors from the Plant on surrounding land uses along with information about costs and rate implications of odor mitigation options would be presented prior to selection of the preferred Plant Master Plan alternative for CEQA clearance.

- B. Action Item – TPAC Recommendation for Approval: Appointment of Councilmembers Kansen Chu and Pierluigi Oliverio and City of Santa Clara Mayor Patricia Mahan to the Recycled Water Policy Advisory Committee

The following action item is scheduled to be considered by the San Jose City Council on September 21, 2010:

1. Appoint San Jose City Councilmembers Kansen Chu and Pierluigi Oliverio and City of Santa Clara Mayor Patricia Mahan to serve on the joint Recycled Water Policy Advisory Committee established in the recent Recycled Water Facilities and Program Integration Agreement between the City of San Jose and the Santa Clara Valley Water District.

- C. Action Item – TPAC Recommendation for Approval: Report on bids and award of contract for the SJ-25 Recycled Water San Jose Extensions Phase B

The following action item is scheduled to be considered by the San Jose City Council on September 21, 2010:

1. Report on bids and award of contract for the SJ-25 Recycled Water San Jose School Extensions – Phase B project to the low bidder, Northern Underground Construction, Inc., in the amount of \$301,322 and approval of a budget contingency of 15% of the contract amount (\$45,198).

- D. Action Item – TPAC Recommendation for Approval: Report on bids and award of contract for the construction of Guadalupe Regional Park and Gardens Community Garden Expansion Project

The following action item is scheduled to be considered by the San Jose City Council on September 21, 2010:

1. Report on bids and award of a contract for the construction of Guadalupe Regional Park and Gardens Community Garden Expansion Project to the lowest bidder, Blossom Valley Construction, Inc., to include the base bid and both add alternates in the amount of \$329,832, and approval of a budget contingency of 10% of the contract amount.

Items 6.B.1, 6.C.1 and 6.D.1 were approved unanimously.

7. **STATUS OF ITEMS PREVIOUSLY APPROVED BY TPAC**

The following items were approved by the San Jose City Council on August 17, 2010.

A. The following action items were approved by the San Jose City Council on August 17, 2010:

1. Report on bids and award of contract for the SJ-21 Recycled Water San Jose Schools Extension – Phase A project to the low bidder, Pacific Underground Construction, Inc., in the amount of \$254,560; and approval of a budget contingency of 15% of the contract amount (\$38,000)
2. Report on bids and award of contract for the SJ-20 Recycled Water San Jose Lateral and Garden Extensions– Phase A project to the low bidder, Pacific Underground Construction, Inc., in the amount of \$137,825; and approval of a budget contingency of 15% of the contract amount (\$21,000).
3. Approval of a change order No. 38 for the “San José/Santa Clara Water Pollution Control Plant, Fiscal Year 2007-2008 Capital Improvement Program, Alternative Disinfection Project,” to extend the project completion date by 109 working days to

allow for completion of additional work in the amount of \$41,660. This change order is funded by the existing contingency for this project, approved by the City Council on May 13, 2008

Items 7.A, 1-3 were accepted to note and file.

8. MISCELLANEOUS

- A. The next TPAC was announced for October 14, 2010 at 4:30 p.m. City Hall, Environmental Services, 10th Floor, Room 1047.

9. PUBLIC COMMENT

- A. David Wall submitted a speaker card supporting Prop 218 with reference to “rate increases”.

10. ADJOURNMENT

- A. The Treatment Plant Advisory Committee adjourned at 5:01 p.m.

Chuck Reed, Chair
Treatment Plant Advisory Committee

RESOLUTION NO. 8025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS DEFINING GUIDING PRINCIPLES FOR THE SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT MASTER PLAN RECONSTRUCTION AND LAND USE ALTERNATIVES

WHEREAS, the City of San Jose is the operator and co-owner of the San Jose/Santa Clara Water Pollution Control Plant, hereinafter known as the "Plant," constructed in 1956 at 700 Los Esteros Road, San Jose, and currently serving the sewage treatment needs of the 1,500,000 people and businesses of the South Bay; and

WHEREAS, the City of San Jose is completing a Plant Master Plan to rebuild this aging wastewater facility and define beneficial uses for the 2,600 acres of Plant lands; and

WHEREAS, the Plant Master Plan is evaluating \$1 billion to \$1.5 billion of improvements to modernize the treatment and waste handling processes; produce energy from waste conversion, solar, and wind facilities; and produce other usable products from waste conversion; and

WHEREAS, the Master Plan is evaluating opportunities to use sections of the 2,600 acres of Plant lands, including designated bufferlands, for economic development including retail, light industrial, office, and research and development; environmental restoration, owl habitat, wetlands, ponds, riparian habitat, and salt marsh habitat; and social uses including trails, parks and ballfields, and an education center or museum; and

WHEREAS, the City of Milpitas is a Tributary Agency to the San Jose/Santa Clara Water Pollution Control Plant, by the "Master Agreement for Wastewater Treatment between City of San Jose, City of Santa Clara, and City of Milpitas," dated March 1, 1983 and subsequently amended on December 17, 1985, November 21, 1995, July 14, 2006, and August 9, 2009; and

WHEREAS, as a Tributary Agency, the City of Milpitas participates in Plant land ownership in proportion to its purchased sewage treatment capacity rights and has interest in the beneficial uses developed for this land; and

WHEREAS, as a Tributary Agency, the City of Milpitas is responsible for Plant capital improvement and operations and maintenance expenses in proportion to its purchased sewage treatment capacity rights and, therefore, has interest in the economic feasibility of the Master Plan, development of Plant lands to provide Plant revenue, and implementation of efficient waste handling processes and energy production; and

WHEREAS, as the Plant is located at the City's western boundary, its waste treatment processes, storage ponds, and sludge drying beds can, and do, directly impact the quality of life of Milpitas residents and can restrict their enjoyment and use of their property; and

WHEREAS, the City of Milpitas supports San Jose's decision to be guided by the concept of sustainability, as defined as a balanced consideration of environment, economy, and equity, for this major regional public works project; and

WHEREAS, as a Tributary Agency sharing a boundary with the Plant, the City of Milpitas desires to define and make known its position concerning the Plant Master Plan by further defining sustainability principles relating to environment, economy, and equity.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. Decisions regarding Plant improvements, land use, environmental requirements, economic opportunities, and new Plant business opportunities shall always be based upon the premise that wastewater treatment is the primary business of the Plant and all other activities are secondary.

2. Decisions regarding Plant improvements, land use, environmental requirements, economic opportunities and new Plant business opportunities shall always be based on the philosophy of serving and benefiting the sewer customers throughout the Plant tributary area.
3. Upon completion of the Plant Master Plan, new agreements with the Plant Tributary Agencies will be needed to reflect the new realities and revenue centers conceived by the Plant Master Plan, including financing and financial benefits to the tributary agencies.
4. The outdated infrastructure and open air drying systems for the solids are public nuisances inappropriate to an urban area. These outdated systems should be replaced or retrofitted to incorporate the most current available technologies, to significantly reduce or eliminate environmental impacts such as odor, visual and energy consumption within the first phases of the Master Plan.
5. The Financial Plan for the Plant Master Plan should include the following:
 - a. Revenue from economic land uses should be reinvested into fulfilling and expediting the goals of the Master Plan and minimizing/eliminating debt financing for Plant improvements; and
 - b. Ongoing revenues from energy production should be used to help offset ongoing maintenance and operations costs, thereby reducing rate increases to all tributary agencies.
6. Economic land uses should be clustered along the north side of Highway 237 to maximize revenue for the Plant.
7. Social land uses should be clustered along the western side of Coyote Creek to improve performance of bufferlands and maximize environmental and recreational benefits.
8. Secondary access from the northeast of the project area should not be precluded.
9. City of San Jose social policies including, but not limited to, public art, should not be incorporated into the costs of the Master Plan improvements shared by the Tributary Agencies.

PASSED AND ADOPTED this 17TH day of August 2010, by the following vote:

AYES: (4) Mayor Livengood, Vice Mayor McHugh, and Councilmembers Giordano and Gomez

NOES: (0) None

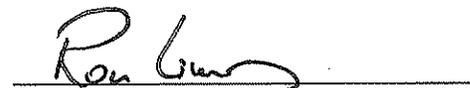
ABSENT: (1) Councilmember Planski

ABSTAIN: (0) None

ATTEST:


 Mary Lavelle, City Clerk

APPROVED:


 Robert Livengood, Mayor

APPROVED AS TO FORM:


 Michael J. Ogaz, City Attorney

DISTRICT MANAGER-ENGINEER
MARK THOMAS & COMPANY, INC.
RICHARD K. TANAKA

DISTRICT COUNSEL
ATKINSON • FARASYN, LLP.
HAROLD S. TOPPEL



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BOARD OF DIRECTORS
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CHRISTOPHER C. LEE
STEVE C. ANDREWS
JOHN M. GATTO
WILLIAM A. BOSWORTH

October 7, 2010

Mr. John Stufflebean, Director
Environmental Services Department
200 East Santa Clara Street, 5th Floor
San Jose, CA 95113

Re: Resolution of the Cupertino Sanitary District Board Proposing Goals and Workshops regarding the Plant Master Plan Reconstruction and Land Use Alternatives

Dear Mr. Stufflebean:

At the meeting held on October 6, 2010, the Cupertino Sanitary District (CuSD) Board of Directors adopted the attached Resolution No. 1221 that defines and makes known the Board's position concerning the efforts for the Plant Master Plan. The Board respectfully requests Resolution No. 1221 be placed on the October 14, 2010 Treatment Plant Advisory Committee (TPAC) Agenda for discussion.

The CuSD Board is in agreement that the Plant requires rehabilitation of its aging infrastructure and the Master Plan lays out the foundation and sequence of the rehabilitation program. As a Tributary Agency, the CuSD is responsible for funding the capital improvements, identified by the Master Plan, and operations and maintenance expenses in proportion to our capacity rights. As such, the CuSD would like additional clarity on the definition of the project alternatives that are being considered, the financing plan for the plant improvements, land use alternatives and the land use economic benefits for the Tributary Agencies. In addition, the Master Agreements for all Tributary Agencies should be amended to reflect the new realities and revenue centers conceived by the Plant Master Plan.

To accomplish the above goals, the CuSD suggests that a series of workshops be conducted with all of the Tributary Agencies and consultants being used to develop the Master Plan to discuss, evaluate and decide how to implement and finance the Master Plan improvements.

I respectfully request that Resolution No. 1221 be included on the October 14, 2010 TPAC meeting. Please call me at your convenience if you have any questions or require further clarification.

Sincerely,

Richard K. Tanaka
District Manager-Engineer

Resolution No. 1221

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CUPERTINO
SANITARY DISTRICT PROPOSING GOALS AND A WORKSHOP REGARDING
THE DEVELOPMENT OF THE SAN JOSE/SANTA CLARA WATER POLLUTION
CONTROL PLANT MASTER PLAN RECONSTRUCTION AND LAND USE
ALTERNATIVES

WHEREAS, the City of San Jose is the operator and co-owner of the San Jose/Santa Clara Water Pollution Control Plant, hereinafter known as the "Plant", constructed in 1956 at 700 Los Esteros Road, San Jose, and currently serving the sewage treatment needs of the 1,500,000 people and businesses of the South Bay; and

WHEREAS, the City of San Jose is completing a Plant Master Plan to rehabilitate and enhance this aging wastewater facility and to define beneficial uses for the 2,600 acres of Plant lands; and

WHEREAS, the Plant Master Plan is evaluating \$1 billion to \$1.5 billion of improvements to modernize the treatment and waste handling processes; produce energy from waste conversion, solar, and wind facilities; and produce other usable products from waste conversion; and

WHEREAS, the Master Plan is evaluating opportunities to use sections of the 2,600 acres of Plant lands, including designated bufferlands, for economic development including retail, light industrial, office and research and development; environmental restoration, owl habitat, wetlands, ponds, riparian habitat, and salt marsh habitat; and social uses including trails, parks and ballfields, and an education center or museum; and

WHEREAS, the Cupertino Sanitary District is a Tributary Agency to the San Jose/Santa Clara Water Pollution Control Plant; and

WHEREAS, as a Tributary Agency, the Cupertino Sanitary District participates in Plant land ownership in proportion to its purchased sewage treatment capacity rights and has an interest in the beneficial uses to be developed for this land; and

WHEREAS, as a Tributary Agency, the Cupertino Sanitary District is responsible for plant capital improvement and operations and maintenance expenses in proportion to its purchased sewage treatment capacity rights and, therefore, has an interest in the economic feasibility of the Master Plan, development of Plant lands to provide Plant revenue, and implementation of efficient waste handling processes and energy production; and

WHEREAS, the method by which the Plant improvements to be implemented by the final Master Plan are to be financed needs to be defined and explained; and

WHEREAS, the City of San Jose has decided to be guided by the concept of sustainability, as defined as a balanced consideration of environment, economy, and equity, for this major regional public works project; and

WHEREAS, as a Tributary Agency, the Cupertino Sanitary District desires to define and make known its position concerning the Plant Master Plan efforts; and

WHEREAS, sewage treatment facilities such as the Plant were historically viewed as designed only to protect the public health; and

WHEREAS, there is an increased emphasis being placed on sewage treatment facilities such as the Plant to achieve increased, if not total, re-use of the materials that are received by such facilities; and

WHEREAS, improvements to the Plant that would maximize its use as a recycling and re-use facility would have the following benefits; (1) it would allow the Plant to be considered for resource recovery funding sources that would not be available for traditional sewage treatment facilities, (2) recycled products produced by the Plant could be used to generate new revenue sources to offset the capital costs and operating expenses for the Plant, (3) power generation could be optimized, and (4) the value of any leased or sold excess Plant lands would be enhanced.

NOW, THEREFORE, the Board of Directors of the Cupertino Sanitary District hereby finds, determines and resolves, as follows:

1. The Plant Master Plan effort should include an alternative with the goal of achieving increased, if not total, re-use of the materials that are received, treated and processed by the Plant, so as to emphasize that the Plant is a RESOURCE RECOVERY FACILITY.
2. Upon completion of the Plant Master Plan, new agreements with the Plant Tributary Agencies will be needed to reflect the new realities and revenue centers conceived by the Plant Master Plan, including, but not limited to, the financial benefits to the tributary agencies resulting from the sharing of revenues generated by the development and private use of Plant lands such as increased real property taxes and sales taxes generated by leased Plant lands.
3. The Financial Plan for the Plant Master Plan should include the following:
 - a. Revenue from economic land uses should be reinvested into fulfilling and expediting the goals of the Master Plan and minimizing/eliminating debt financing for Plant improvements; and
 - b. Ongoing revenues from energy production should be used to help offset ongoing maintenance and operation costs, thereby reducing rate increases to all tributary agencies.
4. Economic land uses should be implemented to maximize revenue for the Plant to the benefit of all tributary agencies.
5. City of San Jose social policies including, but not limited to, public art, should not be incorporated into the costs of the Plant Master Plan improvements shared by the Tributary Agencies.
6. Prior to selection of the various alternatives to be considered, the agencies using the Plant (namely, the City of San Jose, the City of Santa Clara, the City of Milpitas, the Cupertino Sanitary District and the West Valley Sanitary District) and the consultants being used to develop the Plant Master Plan should hold one or more workshops to discuss, evaluate and decide how best to incorporate and implement each of the aforementioned goals, and to discuss how the eventual Plant Master Plan improvements are to be financed.

PASSED AND ADOPTED this 6th day of October 2010, by the following vote:

AYES: Kerr Jr., Bosworth, Gatto, Lee and Andrews

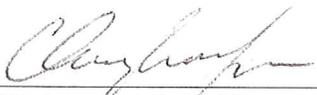
NOES: None

ABSENT: None

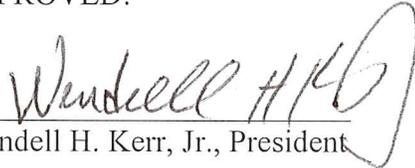
ABSTAIN: None

ATTEST: None

APPROVED:

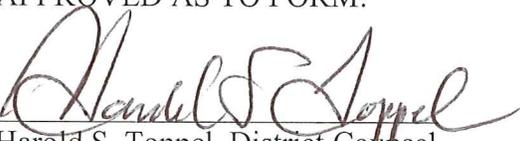


Christopher Lee, Secretary



Wendell H. Kerr, Jr., President

APPROVED AS TO FORM:



Harold S. Toppel, District Counsel

City Manager's Contract Approval Summary
For Procurement and Contract Activity between \$100,000 and \$1 Million for Goods and \$100,000 and \$250,000 for Services

September 2010

Description of Contract Activity ¹	Fiscal Year	Req#/RFP#	PO#	Vendor/Consultant	Original \$ Amount	Start Date	End Date	Additional \$ Amount	Total \$ Amount
CYLINDER HEADS RE-BUILD	FY10-11	12873	00000	CAMERON	\$130,000				
TAPPET ASSEMBLY, PARTS	FY10-11	12876	00000	CAMERON	\$146,200				
CAMSHAFT ASSEMBLY, HVA ENTERPRISE, 1A-7800	FY10-11	12877	00000	CAMERON	\$120,000				
PISTON RECONDITIONING	FY10-11	12885	00000	CAMERON	\$100,000				
LED LIGHTING FOR WPC	FY10-11	12951	PO75402	RUUD LIGHTING	\$119,825				
ELECTRICAL PARTS AND SUPPLIES	FY10-11	12992	OP45236	BUCKLES SMITH ELECTRIC	\$180,000	10/1/10	9/30/11		
LIQUID SODIUM HYPOCHLORITE 12.5%	FY10-11	13052	OP45236	OLIN CORPORATION	\$995,000	10/18/10	10/17/11		
REPAIR/OVERHAUL MECHANICAL EQUIPMENT	FY10-11	13127	OP45365	VINCENT ELETRIC	\$120,000	9/1/10	8/31/11		

¹ This report captures in process contract activity (Requisition Number or RFP Number) and completed contract activity (Purchase Order Number, Contract Term, and Contract Amount)



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean
Katy Allen

SUBJECT: SEE BELOW

DATE: 09-27-10

Approved

Date

10/4/10

Council District: N/A

**SUBJECT: AWARD OF PROJECT AND MCCARTHY HOUSE DEMOLITION-
APPROVAL OF PROJECT**

RECOMMENDATION

Adoption of a resolution:

1. Authorizing the Director of Environmental Services to award the contract for the McCarthy House Demolition Project to the lowest responsive and responsible bidder in an amount not to exceed \$126,200, and approve a construction contingency with a maximum value of \$46,680.
2. To decide any timely bid protest(s), to make the City's final determination as to lowest responsive and responsible bidder, or to reject all bids and re-bid the project.

OUTCOME

Approval of the delegation of authority for the Director of Environmental Services to award this construction contract will allow the demolition of the McCarthy House to proceed within the timeline specified by environmental clearance (CEQA) for the project. Approval of a construction contingency in the amount of \$46,680 will provide funding for unforeseen work necessary for the proper completion of the project.

BACKGROUND

The City of San José was granted the McCarthy House property, located at 565 N. McCarthy Ranch Boulevard in Milpitas, in August 2000 by Joseph McCarthy. The property is located adjacent to the San Jose Santa Clara Water Pollution Control Plant (Plant) and is currently considered to be part of the Plant buffer lands. The grant deed for the property specifies that the property shall be used solely for open space purposes, and that it shall be kept reasonably clean, orderly and free of litter and debris. The house, adjoining sheds, and related structures

are in a state of disrepair and have been used recently by transients. There is also miscellaneous other debris located on the property. The intent of the project is to remove the house and related structures in order facilitate the open space purpose of the property and to ensure that the property is kept clean and orderly consistent with the requirements of the grant deed and the Plant's Master Plan.

ANALYSIS

The purpose of the proposed project is to demolish and remove the structures which are located on less than one acre of the property. There are three structures on the property, as well as, several animal pens. Per the City's Planning Department, none of the structures are considered to be historically significant. As expected with older structures, several of them have either lead or asbestos contamination that will require remediation prior to demolition. Hazmat remediation will therefore be included in the scope of this proposed project.

Demolishing the structures, including removal of concrete foundation and paths, followed by hydro-seeding will return the property to a state similar to the other surrounding Plant buffer lands and will eliminate the unauthorized use of the structures by persons without permission. All healthy trees on site will be protected and preserved to the extent possible. Per the CEQA Exemption condition, all native trees, of which there are two, will be protected and preserved.

The Engineer's Estimate for this proposed project is \$126,200, which includes all hazmat remediation, demolition, rough grading, and hydro-seeding. Due to the limited nature of the project and associated environmental requirements, there are no suitable add-alternates for this project. Given the relatively low value of the base contract and the lack of any documentation regarding existing property conditions, staff considers the standard construction contingency for Building Renovation projects of 15% as potentially insufficient for this project. Therefore, staff is recommending that Council authorize a construction contingency of up to a maximum value of \$47,680 (or approximately 37.7 percent of the Engineer's Estimate). This will allow staff to address any unforeseen items in a timely manner and within the time constraints of the environmental requirements for the project.

With the exception of the hazmat remediation specifications, staff completed the plans and specifications for the project with in-house resources in the Department of Public Works. Construction is scheduled to begin in November 2010 with completion in mid-January 2010. As a condition of its CEQA Exemption status, the project's construction timing is based on the requirement to perform the work between September and January in order to avoid the nesting season for raptors and other birds.

For these reasons staff is asking Council to delegate authority to the Director of Environmental Services to decide any bid protests, to make the City's final determination as to the lowest responsive and responsible bidder, or to reject all bids and re-bid the project.

The specifications for the project will include the following process:

1. Bid results and Notification of Intent to Award contract to Apparent Low Bidder by the Director of Environmental Services will be posted on the Bid Hotline website.
2. All bidders will be emailed or faxed a copy of the Notification of Intent to Award contract and will have five days to file a formal written bid protest.
3. The Director of Environmental Services will then decide any timely bid protests and then award the contract or reject all bids and re-bid the project as appropriate.

EVALUATION AND FOLLOW UP

This project is currently in budget and on schedule. No additional follow up action with the Council is expected at this time.

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 project does not meet any of the above Criteria, but this memorandum will be posted on the City's website for the October 19, 2010 Council agenda.

COORDINATION

This project and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, the City Manager's Budget Office, and the City Attorney's Office. This project and memorandum are scheduled to be considered by the Treatment Plant Advisory Committee on October 14, 2010.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: (Engineer's Estimate) **\$126,200**

2. COST OF PROJECT:

Project Delivery	\$92,120
Construction *	131,200
Contingency	47,680
TOTAL	<hr/> \$271,000
Prior Year Expenditures**	<hr/> (29,100)
REMAINING PROJECT COSTS	\$241,900

- * Includes estimated costs of \$5000 for Utility fees that will not be part of the Contract.
- ** A total of approximately \$29,100 was expended and encumbered thru 2009-2010 for project delivery costs for this project.
- *** This represents estimated costs only. Actual costs will be available once a contractor has been selected.

3. SOURCE OF FUNDING: 513 – San Jose Santa Clara Treatment Plant Operating Fund

4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The proposed operating and maintenance costs of this project have been reviewed and will have no significant adverse impact on the General Fund operating budget.

BUDGET REFERENCE

Fund	Appn.	Appn. Name	RC	Total Appn.*	Amt. For Contract	2010-2011 Proposed Operating Budget Page*	Last Budget Action (Date, Ord.)
Total Remaining Project Costs				\$241,900			
Current Funding Available							
513	0762	Non-Personal/ Equipment	972872	\$25,058,118	\$126,200	XI-75	06/29/10 28765
Total Funding Available				\$25,058,118	\$126,200		

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

CEQA

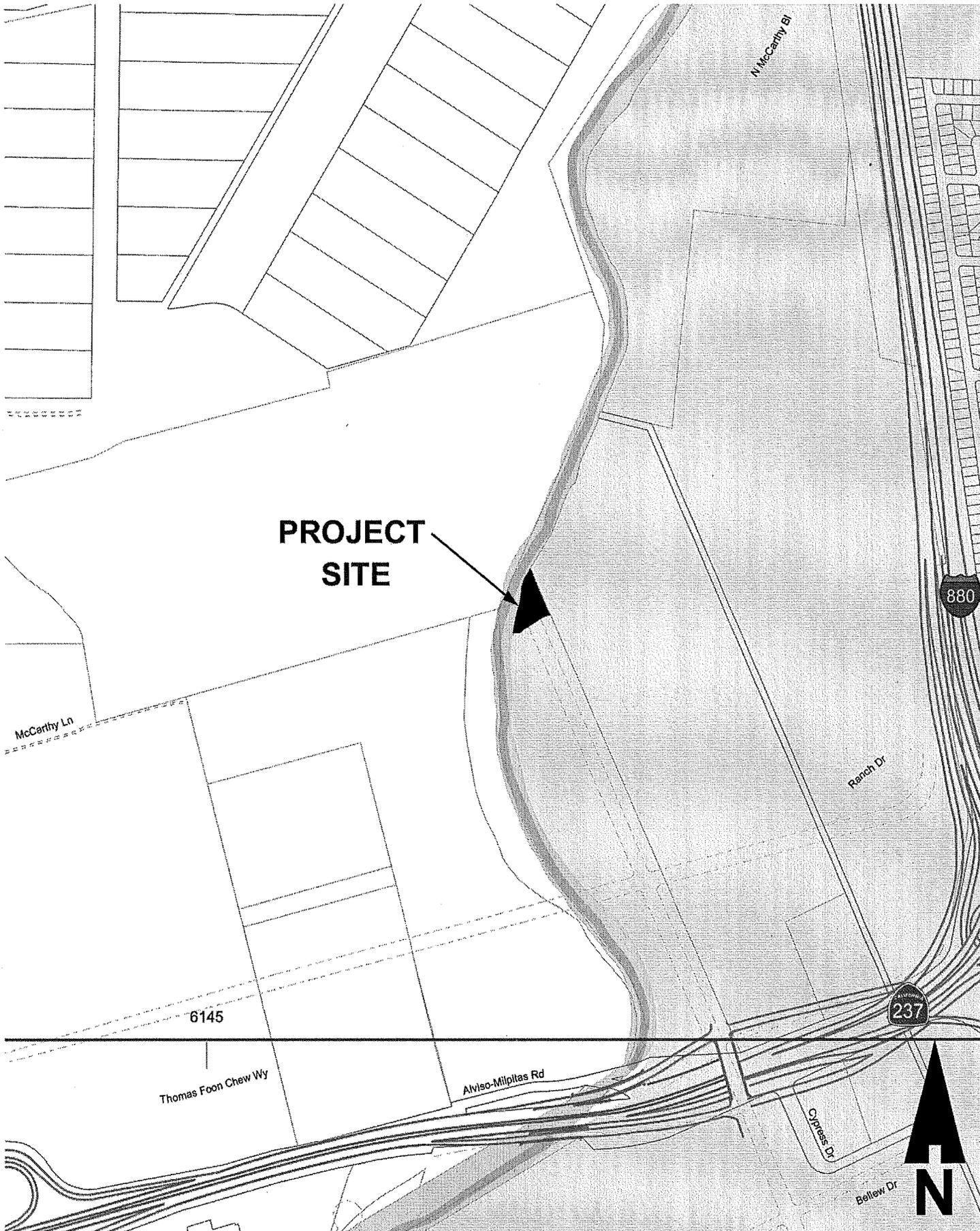
CEQA: Exemption, File No. PP09-154

/s/
KATY ALLEN
Director, Public Works

/s/
JOHN STUFFLEBEAN
Director, Environmental Services

For questions please contact Jon Newby, Mechanical Maintenance Division Manager, at (408) 945-5160, or Dave Sykes, Assistant Director of Public Works, at (408) 535-8300.

Attachment – McCarthy Ranch Demolition Location Map



McCARTHY RANCH DEMOLITION
Location Map
PROJECT NO. 6004

City Council Action Request

Department: Environmental Services, Public Works	CEQA: Exempt, PP10-153	Coordination: Office of Risk Management, Equality Assurance, City Manager's Budget Office, City Attorney's Office, and the Treatment Plant Advisory Committee	CMO Approval:  10/1/10
			Dept. Approval: Katy Allen /s/ John Stufflebean /s/

RECOMMENDED ACTION:

- 1) Award of construction contract for the Waste Heat Recovery Silencer EG-1 Replacement Project at the San Jose/Santa Clara Water Pollution Control Plant to the low bidder, Environmental Systems Inc., in the amount of \$252,000
- 2) Approve a 10% contingency in the amount of \$25,200.

BASIS FOR RECOMMENDATION:

This project will replace an existing 35 year old non-functional heat recovery/silencer for one of the engine generator at the San Jose/Santa Clara Water Pollution Control Plant. These heat recovery units are being used to convert the waste energy to become a heat source for the Plant's heating water loop.

The project was advertised for bid and a total of six bids were received on August 19, 2010. Environmental Systems, Inc.'s bid of \$252,000.00 is the low bid. It is 16.0% less than the engineer's estimate. Staff has determined that the bid is responsive. Based on this contractor's experience with similar projects at the Plant, staff believes that Environment Systems Inc. possesses adequate knowledge and technical capabilities to implement this project. Council Policy provides for a standard contingency of 10% on public works projects involving utilities. Staff considers the standard contingency appropriate for this project.

This project also qualifies for a rebate from PG&E through their Customized Energy Efficiency Incentive Program. An application has been submitted to and accepted by PG&E for a rebate of \$126,000. The final rebate amount will be verified by PG&E based on energy saving at the completion of the project.

COST AND FUNDING SOURCE:

1.	AMOUNT OF RECOMMENDATION:	\$252,000
2.	COST OF PROJECT:	
	Project Delivery	\$68,656
	Construction	\$252,000
	Contingency	\$25,200
	TOTAL PROJECT COSTS	\$345,856
	REMAINING PROJECT COSTS	\$345,856
3.	SOURCE OF FUNDING: 512 – San Jose-Santa Clara Treatment Plant Capital Fund. Equipment Replacement appropriation	
4.	FISCAL IMPACT: Existing funds are available for this project. No additional appropriation action is required.	

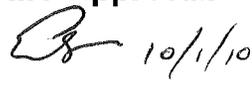
FOR QUESTIONS CONTACT: For questions please contact Harry Freitas, Public Works, Deputy Director at (408) 535-8488 or Bhavani Yerrapotu, Division Manager, Environmental Services Department at (408) 945-5321.



Subject: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE SAN JOSÉ/SANTA CLARA WATER POLLUTION CONTROL PLANT, HANDRAIL REPLACEMENT – PHASE III PROJECT

**Council Agenda: 10-19-10
Item:**

City Council Action Request

Departments: Environmental Services, Public Works	CEQA: Exempt, PP10-126	Coordination: Office of Risk Management, Equality Assurance, City Manager's Budget Office, City Attorney's Office, and the Treatment Plant Advisory Committee	CMO Approval:  10/1/10
			Dept. Approval: Katy Allen /s/ John Stufflebean /s/

RECOMMENDED ACTION:

- 1) Award the construction contract for the Handrail Phase 3 Project at the San Jose/Santa Clara Water Pollution Control Plant to the low bidder, Bugler Construction, Inc., in the amount of \$289,000.
- 2) Approve a 15% contingency in the amount of \$43,350

BASIS FOR RECOMMENDATION:

This project will enhance safety around the nitrification tanks and blower generation building staircases at the Plant by replacing existing aging, corroded, and non-compliant steel handrails with aluminum handrails. The nitrification tanks were constructed in the mid-seventies and the steel handrails around the structures have corroded and deteriorated. As part of this project, approximately 3,250 lineal feet of the existing two-rail steel handrail system will be replaced with a three-rail aluminum handrail system to meet the latest OSHA code requirement. In addition, 225 lineal feet of non-compliant stairwell handrails in the Blower Generator building will be replaced with code-compliant handrails.

The project was advertised for bid and a total of nine bids were received and opened on August 19, 2010. The low bid submitted by Bugler Construction, Inc. is 25 percent below the Engineer's Estimate of \$385,000. The bid is considered acceptable for the work involved in the project. The lower than estimated bid can be attributed to a competitive bidding environment. Council Policy provides for a standard contingency of 15 percent on Public Works renovation projects. The standard contingency is appropriate for this project.

COST AND FUNDING SOURCE:

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$289,000
2. COST OF PROJECT:

Project Delivery	\$101,150
Construction	289,000
Contingency	43,350
TOTAL PROJECT COSTS	\$433,500
Prior Year Expenditures	(68,109)
REMAINING PROJECT COSTS	\$365,391
3. SOURCE OF FUNDING: 512 – San Jose-Santa Clara Treatment Plant Capital Fund. Plant Infrastructure Improvements appropriation
4. FISCAL IMPACT: Existing funds are available for this project. No additional appropriation action is required..

FOR QUESTIONS CONTACT: For questions please contact Harry Freitas, Public Works, Deputy Director at (408) 535-8488 or Bhavani Yerrapotu, Division Manager, Environmental Services Department at (408) 945-5321.