

SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE

CHUCK REED, CHAIR
PETE McHUGH, MEMBER
KEVIN MOORE, MEMBER
JAMIE MATHEWS, MEMBER
MADISON NGUYEN, MEMBER

KEN YEAGER, MEMBER
JOHN GATTO, MEMBER
ED SHIKADA, MEMBER
SAN JOSE-VACANT

AGENDA

4:30 p.m.

February 10, 2011

Room T-1734

1. ROLL CALL

2. MINUTES

A. January 13, 2011

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.

6. AGREEMENTS

A. Action Item – TPAC Recommendation for approval:

The following action item was considered by the San Jose City Council on February 8, 2011 subject to the concurrence of Treatment Plant Advisory Committee:

1. Adopt a resolution authorizing the City Manager to submit an application to the US Bureau of Reclamation for a federal WaterSMART grant through the Title XVI Water Reclamation and Reuse Program (Funding Opportunity Announcement No. R11SF80311), in the amount of \$2,000,000 for the construction of recycled water infrastructure, subject to the concurrence of the Treatment Plant Advisory Committee.

B. Action Item – TPAC Recommendation for approval:

The following action item is scheduled to be considered by the San Jose City Council on February 15, 2011:

Approval of consultant MSA with the following firms for various City projects:

1. Cornerstone Earth Group for a variety of on-call environmental consulting services from the date of execution through December 31, 2013 in an amount not to exceed \$250,000
2. URS Corporation for a variety of on-call environmental consulting services from the date of execution through December 31, 2013 in an amount not to exceed \$250,000
3. Environmental Resource Management, Inc. for a variety of on-call environmental consulting services from the date of execution through December 31, 2013 in an amount not to exceed \$250,000
4. Kleinfelder, Inc. for a variety of on-call environmental consulting services from the date of execution through December 31, 2013 in an amount not to exceed \$250,000

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

A. **The following action items were approved by the San Jose City Council on January 25, 2010:**

1. Report on bids and award of contract for Installation of Potable and Non-Potable Water Services and Mains: 2010-2011 to the lowest responsive bidder, West Valley Construction, for the estimated term of March 2011 to April 2012, in an amount not to exceed \$627,925.

8. **MISCELLANEOUS**

- A. The next TPAC meeting will be March 10, 2011, at 4:30 p.m. City Hall, City Mangers Office, 17th Floor, Room 1734.

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, City Manager's Office, 17th Floor, Room 1734
Thursday, January 13, 2011 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, John Gatto, Ken Yeager, Pete McHugh.

Staff present: Sharona Rozario, Beth Gonzales, Dale Ihrke, Mollie Dent, Kirsten Struve,.

Others present: Bob Wilson (City of Santa Clara), Kathleen Phalen (City of Milpitas), David Wall (San José City Resident), Christina Fernandez, (City of San Jose).

2. APPROVAL OF MINUTES

A. December 9, 2010.

The minutes for December 9, 2010 were approved to note and file.

3. UNFINISHED BUSINESS

4. CORRESPONDENCE

A. Tributary Agencies Available Plant Capacity – 2010

Item 4.B was approved to note and file.

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.

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 January 13, 2010:

1. Report on bids and award of contract for Installation of Potable and Non-Potable Water Services and Mains: 2010-2011 to the lowest responsive bidder, West Valley Construction, for the estimated term of March 2011 to April 2012, in an amount not to exceed \$627,925.

Item 6.A.1 was approved unanimously.

7. STATUS OF ITEMS PREVIOUSLY APPROVED BY TPAC

The items that were approved by the San Jose City Council on December 14, 2010 were accepted to note and file.

8. MISCELLANEOUS

- A. The next TPAC meeting will be February 10, 2011, at 4:30 p.m., City Hall, City Managers Office, 17th Floor, Room 1734

PUBLIC COMMENT

- A. David Wall submitted 2 speaker cards regarding varied topics.

10. ADJOURNMENT

- A. The Treatment Plant Advisory Committee adjourned at 4:40 p.m.

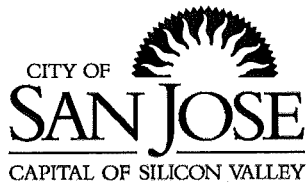
Chuck Reed, Chair
Treatment Plant Advisory Committee

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

January 2011

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				
FERRIC CHLORIDE (FECI3) - 38% CONCENTRATION	FY10-11	13480	PO75597	KEMIRA WATER SOLUTIONS INC	\$238,356	1/13/11			
10-11 OPO HYDROGEN PEROXIDE	FY10-11	13502	00000	US PEROXIDE LLC	\$450,000				

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

SUBJECT: APPLICATION FOR FEDERAL
WATERSMART GRANT

DATE: January 18, 2011

Approved

Date

1/26/11

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Adopt a resolution authorizing the City Manager to submit an application to the US Bureau of Reclamation for a federal WaterSMART grant through the Title XVI Water Reclamation and Reuse Program (Funding Opportunity Announcement No. R11SF80311), in the amount of \$2,000,000 for the construction of recycled water infrastructure, subject to the concurrence of the Treatment Plant Advisory Committee.

OUTCOME

Approval of this recommendation, if concurred in by the Treatment Plant Advisory Committee (TPAC), will authorize the City Manager to submit a grant application by the February 11, 2011 deadline, to the US Bureau of Reclamation (Reclamation), requesting funding of up to \$2,000,000 for construction of approximately \$3,000,000 in recycled water pipeline extensions and related infrastructure by the City of San José as administering agency of the San José/Santa Clara Water Pollution Control Plant (Plant).

BACKGROUND

In September 1993, the City of San José as administering agency of the Plant, authorized design and construction of South Bay Water Recycling (SBWR). The project was designed to divert up to 15 million gallons per day (mgd) of treated effluent from the south Bay during the summer by providing nonpotable recycled water to customers in Milpitas, Santa Clara and San José. Between 1993 and 2009 the City built SBWR Phase 1A and Phase 1B facilities at a cost of approximately \$223,000,000 including four pump stations, three reservoirs, and over 110 miles of pipeline. The City is also in the process of completing SBWR Phase 1C, a \$15,000,000 project to add nine miles of pipeline to the SBWR system and increase recycled water demand by up to 2,000 acre feet per year. Additional projects have been identified for construction by the tributary agencies of the Plant pending availability of funding.

In 1992, Congress passed the "Reclamation Projects Authorization and Adjustment Act of 1992" (PL102-575) which included Section 1607, "San José Area Reclamation and Reuse Program" which authorized the US Bureau of Reclamation to reimburse the City for up to 25% of all eligible costs related to "design and construction of demonstration and permanent facilities to reclaim and reuse water in the San José metropolitan service area." Subsequently, the City has executed three agreements with Reclamation to provide up to \$58,900,000 in reimbursement for construction of SBWR Phases 1A through 1C. Of this amount, the City has received appropriations of about \$39,000,000, leaving a balance of about \$20,000,000 in appropriated federal obligations. Additional federal funds are requested from Congress annually.

ANALYSIS

On December 17, 2010 Reclamation announced Funding Opportunity No. R11SF80311, the "WaterSMART Title XVI Water Reclamation and Reuse Program Construction Activities for Fiscal Year 2011." According to the program solicitation, the purpose of the grant program is "to invite sponsors of authorized Title XVI projects to propose (1) construction activities that can be commenced in FY 2011 and completed within 24 months or (2) construction activities that have been completed previously without Federal funding and that comply with all program requirements." The solicitation also states that "no more than \$2,000,000 in Federal funding will be awarded to any one applicant under the Title XVI Program in FY 2011."

During a project review process conducted last year, SBWR stakeholders including tributary agency representatives and the Santa Clara Valley Water District identified a number of projects that met the primary criteria of increasing revenues from the sale of recycled water and enhancing system reliability. Among these projects was the Santa Clara Industrial 3B project, which provided for construction of recycled water pipe to provide cooling water to industrial customers (including data centers) in north Santa Clara. In November 2009 Council awarded \$250,000 to the City of Santa Clara for design of the Industrial 3B extension, and in December 2010 Council increased the Santa Clara agreement by \$1,011,000 to fund construction of the first part of this project (Santa Clara Industrial 3B-1).

If the proposed application for grant funding is approved, Reclamation will allocate to the City an additional \$2,000,000 out of appropriated funds as reimbursement for construction of the Santa Clara Industrial 3B project. Of the \$2,000,000 in federal grant funding, the City will receive \$750,000 in new grant funds and will receive approximately \$1,250,000 in lieu of an equal amount of the \$20,700,000 in federal funds the City is authorized to receive as reimbursement for the \$83,000,000 SBWR Phase 1B program. Since the estimated cost of the entire Industrial 3B project is approximately \$3,000,000 (towards which the City has already allocated \$1,000,000 out of previous grant funds), the additional grant funds available through this program could allow the City to fund the remainder of the 3B project with little or no increase in local funding. Currently identified customers along the proposed pipeline will use up to 500,000 gallons per day of recycled water and provide up to \$100,000 in increased revenues at current water rates.

Grant applications are due to Reclamation by February 11, 2011 at 2 pm Pacific Standard Time.

EVALUATION AND FOLLOW-UP

If Council authorizes the City manager to submit the recommended grant application and TPAC concurs in the submittal of the application the proposed grant, the results of the competition will be provided in a subsequent memo with an explanation of all relevant terms and conditions and an appropriate recommendation regarding acceptance of grant funds.

POLICY ALTERNATIVES

Alternative #1: Do not apply for the federal grant.

Pros: City staff will not have to dedicate time to the preparation of a grant proposal.

Cons: Federal funds may not be available to provide reimbursement for future construction projects.

Reason for not recommending:

Federal funds are currently available to the City through the present Reclamation grant program which will allow the City to increase revenues at a minimal cost to local ratepayers. There is no guarantee that additional funds may be made available in the future.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- 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. **(Required: E-mail and Website Posting)**
- 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. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

No public funds will be allocated at this time to the project identified in the proposed grant. If the City is selected to receive the grant, a memo requesting Council authorization of a contract to proceed with construction of the proposed project would be posted according to Criteria 1, Requires Council action on the use of public funds equal to \$1,000,000 or greater.

HONORABLE MAYOR AND CITY COUNCIL

01-18-11

Subject: Application for Federal WaterSMART Grant

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COORDINATION

This memo was coordinated with the City Attorney's Office and the City Manager's Budget Office. This recommendation is scheduled to be considered by the Treatment Plant Advisory Committee (TPAC) at its February 10, 2011 meeting.

FISCAL/POLICY ALIGNMENT

Authorization of the recommended action followed by successful application for grant funds and approval of construction funds will increase revenues to the City and the tributary agencies.

COST SUMMARY/IMPLICATIONS

There are no significant cost implications for applying for the present grant. Cost implications for participation in the grant program will be provided if the grant is awarded.

CEQA

Not a Project, File No. PP10-068 (a) Grant Application (where Council is not obligated to enter into an agreement at the time of application). If the grant application is successful, environmental documentation for the proposed project will be provided.

/s/

JOHN STUFFLEBEAN

Director, Environmental Services

For questions please contact Mansour Nasser, Deputy Director, at (408) 277-2558.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 01-24-11

Approved

Date 2/1/11

SUBJECT: MASTER SERVICE AGREEMENTS WITH CORNERSTONE EARTH GROUP, URS CORPORATION, ENVIRONMENTAL RESOURCES MANAGEMENT, INC. AND KLEINFELDER, INC. FOR ENVIRONMENTAL CONSULTING SUPPORT FOR VARIOUS CITY PROJECTS

RECOMMENDATION

Approval of consultant MSA with the following firms for various City projects:

1. Cornerstone Earth Group for a variety of on-call environmental consulting services from the date of execution through December 31, 2013 in an amount not to exceed \$250,000
2. URS Corporation for a variety of on-call environmental consulting services from the date of execution through December 31, 2013 in an amount not to exceed \$250,000
3. Environmental Resource Management, Inc. for a variety of on-call environmental consulting services from the date of execution through December 31, 2013 in an amount not to exceed \$250,000
4. Kleinfelder, Inc. for a variety of on-call environmental consulting services from the date of execution through December 31, 2013 in an amount not to exceed \$250,000

OUTCOME

Approval of these Master Service Agreements (MSA) with Cornerstone Earth Group, URS Corporation, Environmental Resources Management (ERM), Inc. and Kleinfelder, Inc. will provide the City with the ability to provide on-call environmental consultant services for City projects on an as-needed basis. These consultant services are needed to assist City staff in delivering highly technical services to maintain regulatory compliance and protect public health and safety at a variety of City-owned properties and for performing environmental due diligence

for prospective property acquisitions. Several large environmental projects are already anticipated within the next year, which will require the technical expertise provided by these consultants to complement City staff. By efficiently managing these on-call contracts, City staff can continue to successfully investigate and rehabilitate impaired City-owned impaired properties and maintain regulatory compliance.

EXECUTIVE SUMMARY

Staff recommends the approval of four MSA for environmental consultant services for various City projects. The MSA with Cornerstone Earth Group, URS Corporation, ERM Inc., and Kleinfelder Inc. will provide a variety of environmental consultant support services for various City projects (e.g. City-owned closed landfills, municipal development projects, prospective property acquisitions). Selection of these consultant firms was carried out in accordance with Council approved policy for consultant services solicitation.

Under these agreements, consultant services will be initiated by authorized Service Orders specifying the services to be performed, the schedule, and the compensation. Services will be tailored to meet the requirements of each project and complement City staff expertise which will enable effective application of in-house resources in the most efficient and cost effective manner.

BACKGROUND

Environmental Services Department (ESD) is responsible for regulatory compliance for environmental issues at many City-owned properties. Properties of concern include various legacy contaminated sites such as closed landfills and leaking underground fuel tank sites as well as newly acquired properties with (potential and/or confirmed) environmental impairments and properties undergoing redevelopment. ESD also provides environmental due diligence (e.g. Phase I & II Environmental Site Assessments) as part of the City's property acquisition process; in some instances, environmental consultant services are necessary to perform work that is beyond in-house expertise and/or existing resources. These MSA will provide much needed technical expertise and support on an as-needed basis. It is already anticipated that several projects will require such support within the upcoming year. The anticipated projects include necessary remediation and monitoring of impacted groundwater at the San José Family Shelter which was recently required and associated to the City's Environmental Innovation Center; technical and regulatory consultation on disposal and/or reuse of legacy biosolids at the San José/Santa Clara Water Pollution Control Plant (WPCP); site investigation and oversight of the City soccer complex redevelopment of the former FMC property; investigation and potential remediation of a recent regulatory agency-referred historic fuel leak at 333 W. Santa Clara Street; and soil & groundwater remediation at the Las Plumas Warehouse property

ESD frequently collaborates with the WPCP and routinely provides support services with other City Departments such as Public Works and Parks, Recreation, & Neighborhood Services to

assist in environmental investigations and compliance. These MSA will be utilized to support ESD and other Departments to ensure timely and effective response.

ANALYSIS

Prior to 2008, staff relied on a project-by-project approach in acquiring consultant services for projects that required outside expertise and/or third-parties. This approach was inefficient and time consuming resulting in project delays and difficulties with remaining in environmental compliance. In 2008, following a model used by the Department Public Works (DPW), ESD conducted a Request for Qualifications (RFQ) process to enter into master service agreements for on-call environmental consultant services with three consulting firms for \$100,000 each. The contracts have been successful in allowing ESD to be more flexible and responsive. Projects completed with these MSAs include Phase I and Phase II environmental investigations for several properties considered for acquisition for park development; installation of a groundwater monitoring network at the closed Roberts Avenue Landfill; development of a Soil Management Plan for the former FMC property; and remedial investigation and Corrective Action Plan development for the San Jose Family Shelter.

While the 2008 RFQ was successful in assisting the City in meeting project and regulatory deadlines, the maximum \$100,000 contract limit has had some associated limitations: On at least one occasion, the scope of desired services for a larger scale project had to be scaled back to remain within the agreement limit; also, it is expected that the existing contracts will be fully expended by February 2011, prior to the expected full three year term. After discussions within ESD and other partner Departments, it became apparent that projects planned for the coming year (and likely carrying over into subsequent years) would require the specialty environmental consultant services these MSAs could provide. Furthermore, it was determined that the likely scope of work necessary to support these now anticipated projects would likely exceed the \$100,000 contract allowance many times over. Therefore, ESD is now recommending higher capacity MSA contracts to accommodate these anticipated projects and to still be able to address the continued need to promptly and effectively respond to unknown needs in the future.

The anticipated projects and respective estimated costs include:

San José/Santa Clara Water Pollution Control Plant Legacy Biosolids - The current Plant Master Plan proposals include the consolidation and relocation of the current biosolids management area. To make way for this, the WPCP needs to mitigate over 400,000 cubic yards of legacy biosolids generated during the 1960s and 1970s. An investigation is currently underway to characterize the content of the biosolids. Subsequent to this investigation, consultant services will continue to be required for the evaluation of the data to determine all possible mitigation options for the legacy biosolids material (e.g. disposal as non-hazardous/hazardous waste, treatment in place, and/or consolidate and cap in place). Consultant services will also be required for regulatory interaction and engineering assistance with preparing specifications, contracts and oversight of the resultant mitigation activity. Based on similar projects, these

services could cost \$250,000 or possibly more over the life of the project. A consultant evaluation of all remedial alternatives will be initiated through one of the subject MSAs in 2010-2011 and ongoing environmental consultant support for this particular project is anticipated to continue through the life of these agreements (three years) and possibly beyond.

Coleman Avenue Soccer Fields (former FMC property) - The City is currently developing an RFP to construct 4 public soccer fields on the former FMC Test Track property on Coleman Avenue. A Soil Management Plan is currently being finalized to ensure the property is safe for construction workers and the public. Consultant services are needed to provide technical and regulatory assistance, contractor oversight, sampling and analysis and health & safety oversight during the design and construction phases of the project. DPW estimates the cost of this work at \$250,000 over the 2 year project timeline. Funding of \$198,000 is available for this project in the 2010-2011 Adopted Budget, with an additional \$14.9 million set aside in a reserve.

San Jose Family Shelter, 1600 Las Plumas Avenue - The City recently purchased this property to become part of the adjoining Environmental Innovation Center. The site has undergone some remediation of contaminated soil and groundwater from a historic underground fuel leak. A site specific remedial evaluation completed by an environmental consultant projects the cost for remediation at approximately \$450,000 over the life of remediation with an estimated \$250,000 in costs over the next three years. The City will assume responsibility of the cleanup, and the City is eligible to be reimbursed up to \$600,000 from the State Underground Storage Tank Cleanup Fund for the cleanup.

333 West Santa Clara Street - The City is currently planning for the investigation of a legacy fuel leak site located in the City sidewalk in front of 333 W. Santa Clara Street. The initial investigation is estimated to cost \$25,000 and is expected to be completed in 2011. Depending on the results, further investigation and/or cleanup (if needed) could add significant additional costs. It is anticipated that the initial investigation will be funded through existing operating budget.

Each of the aforementioned projects would be tasked amongst the four MSA's taking into consideration each of the consultant's technical specialty, institutional knowledge (i.e. consultants that may have a historical working knowledge of a particular site), and project load capacity. The aggregate total of the abovementioned anticipated projects are estimated to be \$775,000 over the next three years; leaving a remaining balance of \$225,000 to support unknown Citywide environmental projects as they arise.

Environmental issues are becoming increasingly complex and specialty-oriented. They typically involve many diverse areas of professional expertise such as: soil and groundwater contamination characterization and remediation, air quality and permitting, compliance permitting, health risk assessments, and asbestos and lead-based paint surveys. The work frequently requires specialized equipment and tools in addition to unique training, expertise, and regulatory knowledge. Furthermore, two of the consulting firms objectively selected through the RFQ process offer valuable site specific historical knowledge and perspective on ongoing

projects. URS Corporation had previously worked with FMC on the now City-owned property and is currently developing a Soil Management Plan for the site. Similarly, Kleinfelder Inc. is currently characterizing the legacy biosolids at the WPCP.

Experience has shown that successful delivery of projects requires a wide variety of expertise and effective management of time and resources. Consultant services provide the most efficient way to accomplish this diverse work.

Staff began a consultant selection process in July 2010 with a RFQ. Of the 26 firms who responded to the RFQ, the top seven were selected for interviews. The selection criteria were based on the following:

- Qualifications and expertise of the lead personnel of the firm.
- Project Approach.
- Technical Capabilities.
- Examples of Exemplary Projects.
- Classification as local/small firm per Council policy.

The top seven firms were interviewed on September 1 and 2 by staff from Environmental Services along with a panel member from the Redevelopment Agency. A combination of the written submittal and the interview scores were used to rank the firms. The top four ranked firms were selected for contract negotiation.

- 1 Cornerstone Earth Group
- 2 URS Corporation
- 3 Environmental Resource Management (ERM), Inc.
- 4 Kleinfelder, Inc.

The RFQ process encourages local consultant participation by awarding additional points to firms that are classified as local per Council policy. All four firms selected qualified as having local offices and have extensive experience in San José. One firm, Cornerstone Earth Group also qualified as a small business.

Staff has negotiated flat fee schedules and lower equipment, materials and sub-consultant mark-up costs with the four consultants in each of the 3-year contracts. Staff will determine the award of individual service orders to each of the consultant firms based on their expertise, cost and availability. Having multiple firms available will enable staff to issue a Service Order to the firm able to complement staff expertise in a specific technical discipline, ensuring the most cost effective and efficient use of staff and consultant resources. Staff will negotiate costs with the consultants on project proposals. When appropriate, ESD will obtain multiple bids from at least 3 of the consultants to ensure project costs are efficiently managed.

City staff therefore recommends the approval of MSA with these four firms.

EVALUATION AND FOLLOW-UP

These MSA will provide staff with the ability to engage the services of an environmental consultant on an as-needed basis, thereby enabling a more cost effective and timely delivery of projects. No additional follow up action with the Council is expected at this time. Amendment to the agreements to increase the compensation payable, as needed, will be subject to Council approval at a later date.

POLICY ALTERNATIVES

Alternative # 1: An alternative approach to accomplish this effort would be for all work to be performed by City staff in lieu of the proposed partnership effort with outside professional environmental consulting firms.

Pros: Some of the work would be done by City staff.

Cons: In-house staff does not possess all the required technical capability and specialized equipment across the broad range of expertise anticipated for these projects. Some of the anticipated work will require regulatory oversight and third-party reporting by registered engineers and/or geologists in various technical specialties.

Reason for not recommending: The City would need to hire several new staff members with the knowledge, expertise, and/or certification in a variety of environmental areas such as: hazardous waste investigations, air quality, health risk assessments, remediation system design, and asbestos and lead-based paint surveys. Specialized equipment would need to be obtained or leased to perform duties. Portions of the anticipated work would still need to be performed by third-party licensed engineers, geologists or other specialists to meet regulatory requirements.

Alternative # 2: An alternative approach to accomplish this effort would be to perform a separate RFQ process for each of the large projects described in the analysis section of this memo.

Pros: The RFQ selection process would focus on the specific needs of each project instead of the broader scope of work specified in the recent RFQ which could result in more project specific expertise and possibly lower negotiated costs

Cons: The RFQ selection process typically takes several months to complete and involves a large amount of staff work to develop project specific RFQs, solicit responses, interview consultants, negotiate contracts and obtain Council approval. The aforementioned large projects require more timely response due to upcoming regulatory and/or construction deadlines. Furthermore, by having consultants attached to specific projects only, there will be no ability to quickly respond to unforeseen projects that require immediate response. Potential project-specific advantages could be cancelled out by loss of reduced consultant overhead when dealing with multiple projects.

Reason for not recommending: This alternative will not allow the City prompt continuity in mitigating the aforementioned large projects and will limit the City's flexibility and response time for handling unforeseen environmental projects, possibly leading to missing regulatory deadlines and potentially subject the City to violations and/or fines. Pursuing multiple RFQs for

similar services will lead to much higher staff work loads to ESD, other City Departments, and Council. Low bid cost control measures can still be accomplished with multiple consultant MSAs by having each contracted consultant issue proposals, when necessary.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
(Required: Website Posting)
- 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. **(Required: E-mail and Website Posting)**
- 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. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This memorandum will be posted on the City's website for the February 15, 2011 Council agenda. Also, a Request for Qualifications was advertised on the City's Internet Bid Line.

COORDINATION

This memorandum was coordinated with the DPW, City Manager's Budget Office, and the City Attorney's Office. This item was heard at the February 10, 2011 Treatment Plant Advisory Committee meeting.

COST SUMMARY

No funding is needed to approve these MSAs. Funds will be appropriated as needed for the various City projects. However, funding for the some of the anticipated projects listed above has already been approved as follows:

Project	Project Amt	Fund	Appn #	Appn Name	Total Appn	2010-11 Adopted Capital Budget Pg	Last Budget Action
FMC Soccer Complex	\$250,000	471	6841	Soccer Complex	\$198,000	V-619	10/19/10, 28829
		471	8129	Reserve: Soccer Complex	\$14,883,000*	V-627	06/29/10, 28765
Legacy Biosolids	\$250,000	512	4931	Inactive Lagoons Bio-Solids Removal	\$875,000	V-164	06/29/10, 28765

*Funds for the Soccer Complex project will be brought to Council for appropriation from reserve funds along with the project award.

Any additional funding required will be brought forward for Council approval, as appropriate, as details of projects are finalized.

CEQA

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

/s/
 JOHN STUFFLEBEAN
 Director, Environmental Services

For questions please contact Napp Fukuda, Manager, Sustainability and Compliance Division at (408) 975-2594.