

SAN JOSÉ/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE

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

KEN YEAGER, MEMBER
JOHN GATTO, MEMBER
ED SHIKADA, MEMBER
KANSEN CHU, MEMBER

AGENDA/TPAC

4:30p.m.

August 11, 2011

Room T-1734

1. ROLL CALL

2. MINUTES

A. June 16, 2011

3. UNFINISHED BUSINESS

4. CORRESPONDENCE

A. Information Memorandum: Status of Working with Stakeholders on Analysis of Biosolids Transition Timing.

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 items are scheduled to be considered by the San José City Council on August 16, 2011:

Approval of consultant master agreements with the following firms for Environmental Health and Safety support for the Environmental Services Department:

1. BenTyler Enterprises, Inc. for a variety of on-call Environmental Health & Safety consulting services from the date of execution through June 30, 2014 in an amount not to exceed \$250,000 annually.
2. Environmental Resources Management-West, Inc. for a variety of on-call Environmental Health & Safety consulting services from the date of execution through June 30, 2014 in an amount not to exceed \$250,000 annually.

B. Action Item - TPAC Recommendation for approval:

The following action item is scheduled to be considered by the San José City Council on August 16, 2011:

Approval to reject all bids received for the San José/Santa Clara Water Pollution Control Plant, Secondary Air Plenum Filtration Project, and authorization for the Director of Public Works to re-advertise and re-bid the project.

C. Action Item - TPAC Recommendation for approval:

The following action items are scheduled to be considered by the San José City Council on August 16, 2011:

1. Award the construction contract for the Facilities Roof Replacement Project – Phase I to the low bidder, Andy’s Roofing Company Inc., in the amount of \$600,770.
2. Approve a contingency in the amount of \$60,000.

D. Action Item - TPAC Recommendation for approval:

The following action item is scheduled to be considered by the San José City Council on August 16, 2011:

Report on bids and award of contract for the Residual Sludge Management - Supernatant Ammonia Management Project to the sole bidder, Anderson Pacific Engineering Construction, Inc., in the amount of \$298,900, and approval of a contingency in the amount of \$44,000.

E. Action Item - TPAC Recommendation for approval:

The following action item is scheduled to be considered by the San José City Council on August 16, 2011:

Approval to reject all bids received for the San José/Santa Clara Water Pollution Control Plant, Handrail Replacement – Phase IV Project, and authorization for the Director of Public Works to re-advertise and re-bid the project.

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

A. **The following action item was approved by the San José City Council on, June 21, 2011:**

Appoint Santa Clara Mayor Jaime Matthews with Santa Clara Vice Mayor Patricia Mahan as alternate to serve on the joint Recycled Water Policy Advisory Committee established in the Recycled Water Facilities and Program Integration Agreement between the City of San José and the Santa Clara Valley Water District.

- B. The following action item was approved by the San José City Council on, June 21, 2011:**
Approve a master agreement with GHD Inc., for Asset Management Consultant Services in an amount not to exceed \$300,000, for a term of July 1, 2011 date to June 30, 2014.
- C. The following action item was approved by the San José City Council on, June 21, 2011:**
Approval of Continuation Agreement with Westin Engineering, Inc., for Implementation of a Computerized Maintenance Management System at the San Jose/ Santa Clara Water Pollution Control Plant for ten additional months to expire on June 30, 2012.
- D. The following action items were approved by the San José City Council on, June 21, 2011:**
1. Adoption of a resolution to adopt the Mitigated Negative Declaration prepared for the Dry-Fermentation Anaerobic Digestion Facility Project, File No. SP09-057, as having been completed in compliance with the California Environmental Quality Act and reflecting the City's independent judgment and analysis, and to adopt a related mitigation monitoring and reporting program. Council District: 4 (Planning, Building and Code Enforcement)
 2. Adopt a resolution to authorize the City Manager to execute a ground lease in the form proposed, with Zero Waste Energy Development Company (ZWED) for the construction and operation of a dry anaerobic digestion facility on Water Pollution Control Plant land, for a 30 year term, with an annual base rent equivalent to \$850,000 on Phase I, and potential additional rent payments of \$4.35 per organic ton processed in Phases II and III, subject to annual adjustment directly tied to Consumer Price Index increases.

8. MISCELLANEOUS

- A. The next TPAC meeting will be September 8, 2011, at 4:30 p.m. City Hall, City Managers 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
Special Meeting
Thursday, June 16, 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: John Gatto, Jamie Matthews, Kevin Moore, Madison Nguyen, Ed Shikada, Ken Yeager, Chuck Reed, Kansan Chu.

Staff present: Monica Perras, Anthony Thompson, Mollie Dent, John Stufflebean, Jon Newby, Bhavani Yerrapotu, Matt Krupp, Napp Fukuda, Jo Zientek, Nanci Klein.

Others present: Mike O'Connell, Linda Charfauros, Chris Burton, Christina Fernandez, (City of San Jose), Shani Kleinhaus, (Santa Clara Valley Audubon), Chris de Groot, Bob Wilson (City of Santa Clara), Steve Machida(Cupertino Sanitary District), Emily Hanson(ZeroWaste), Erik Schoennauer (The Schoennauer Company), Eileen McLaughlin(NWRS Advocacy), David Wall(San José City Resident).

2. APPROVAL OF MINUTES

A. May 19, 2011.

The minutes for May 19, 2011 were approved to note and file.

David Wall presented a speaker card for Item 2.A.

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.

6. **AGREEMENTS**

A. Action Item – TPAC Recommendation for approval:

The following action item is scheduled to be considered by the San José City Council on, June 21, 2011:

Appoint Santa Clara Mayor Jaime Matthews with Santa Clara Vice Mayor Patricia Mahan as alternate to serve on the joint Recycled Water Policy Advisory Committee established in the Recycled Water Facilities and Program Integration Agreement between the City of San José and the Santa Clara Valley Water District.

Items 6.A. was approved unanimously.

B. Action Item – TPAC Recommendation for approval:

The following action item is scheduled to be considered by the San José City Council on, June 21, 2011:

Approve a master agreement with GHD Inc., for Asset Management Consultant Services in an amount not to exceed \$300,000, for a term of July 1, 2011 date to June 30, 2014.

Item 6.B was approved unanimously.

C. Action Item – TPAC Recommendation for approval:

The following action item is scheduled to be considered by the San José City Council on, June 21, 2011:

Approval of Continuation Agreement with Westin Engineering, Inc., for Implementation of a Computerized Maintenance Management System at the San Jose/ Santa Clara Water Pollution Control Plant for ten additional months to expire on June 30, 2012.

Items 6. C was approved unanimously.

D. Action Item – TPAC Recommendation for approval:

The following action items are scheduled to be considered by the San José City Council on, June 21, 2011:

1. Adoption of a resolution to adopt the Mitigated Negative Declaration prepared for the Dry-Fermentation Anaerobic Digestion Facility Project, File No. SP09-057, as having been completed in compliance with the California Environmental Quality Act and reflecting the City's independent judgment and analysis, and to adopt a related mitigation monitoring and reporting program. Council District: 4 (Planning, Building and Code Enforcement)

2. Adopt a resolution to authorize the City Manager to execute a ground lease in the form proposed, with Zero Waste Energy Development Company (ZWED) for the construction and operation of a dry anaerobic digestion facility on Water Pollution Control Plant land, for a 30 year term, with an annual base rent equivalent to \$850,000 on Phase I, and potential additional rent payments of \$4.35 per organic ton processed in Phases II and III, subject to annual adjustment directly tied to Consumer Price Index increases.

Eileen McLaughlin submitted a speaker card for Items 6.D.1&2.

David Wall submitted a speaker card for Item 6.D.2

Shani Kleinhaus submitted a speaker card for Item 6.D.1

Motion by Committee Member Shikada and second by Committee Member Moore to approve Items 6.D.1&2. Committee Members Matthews and Gatto abstain.

7. STATUS OF ITEMS PREVIOUSLY APPROVED BY TPAC

The items that were approved by the San Jose City Council on May 24, 2011 were accepted to note and file.

8. MISCELLANEOUS

- A. The July 14, 2011 TPAC meeting was cancelled.
- B. The next TPAC meeting will be August 11, 2011, at 4:30p.m., City Hall, City Manager's Office, 17th Floor, Room 1734.

PUBLIC COMMENT

- A. David Wall presented a speaker card in Open Forum.

10. ADJOURNMENT

- A. The Treatment Plant Advisory Committee adjourned at 5:00 p.m.

Chuck Reed, Chair
Treatment Plant Advisory Committee

Memorandum

TO: TREATMENT PLANT ADVISORY
COMMITTEE

FROM: Kerrie Romanow
David Sykes

SUBJECT: SEE BELOW

DATE: 8-03-11

Approved



Date

8/4/11

INFORMATION

SUBJECT: SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT (PLANT) – STATUS OF WORKING WITH STAKEHOLDERS ON ANALYSIS OF BIOSOLIDS TRANSITION TIMING

BACKGROUND

The Preferred Alternative for the Plant Master Plan was approved by Council on April 19, 2011. The Preferred Alternative includes process changes that will reduce odors and shrink the Plant's footprint, thereby enabling new land uses along the South San Francisco Bay shoreline. Council directed staff to return in May 2011 with additional information on reducing odors from the Plant and an analysis of the feasibility to implement the transition to a new biosolids process in three to seven years.

At the May 14, 2011, Treatment Plant Advisory Committee (TPAC) meeting, staff was directed to meet with City of Milpitas and McCarthy Ranch technical consultants to discuss the timeline for the new biosolids process. A letter was submitted by the City of Milpitas to continue this item to allow staff to complete a more thorough analysis. In addition, McCarthy Ranch submitted additional information from their consultant.

The item was deferred to August to allow a meeting to be scheduled. The purpose of this information memorandum is to provide an update on the status of working with stakeholders in responding to TPAC direction from May 14 and June 16, 2011.

ANALYSIS

Staff contacted both Milpitas staff and McCarthy representatives to arrange a meeting of McCarthy's consultants with the Plant Master Plan staff prior to the June TPAC meeting as well as following that meeting. McCarthy Ranch requested to delay the meeting, as they were in the process of engaging additional experts. In early July, McCarthy representatives notified staff

they were positioned to meet. City staff, Milpitas staff and McCarthy representatives have been working collaboratively to calendar a meeting date to ensure that all, or most, relevant parties can participate. A meeting is scheduled for August 15, 2011. Staff will report back to TPAC following the meeting.

In June 2011, two public scoping meetings were held on the Plant Master Plan Environmental Impact Report (EIR) development. Based on a few of the comments received, the EIR will include additional analysis to describe the impacts related to accelerating the construction and implementation of the biosolids dewatering/drying and odor control elements of the Plan.

Staff is also continuing to work on developing a study of the Plant and offsite regional odor sources to better identify the relative contribution of each odor source on the neighboring communities of Milpitas and North San José. This study is expected to be a collaborative effort between the City of San Jose, Newby Island Landfill and the City of Milpitas.

Staff will report back in the Fall of 2011 with progress made on the analysis of the timeline for the biosolids project based on meetings with stakeholders as well as the status of the odor study.

COORDINATION

This report has been coordinated with the City Attorney's Office, the Office of Economic Development, and the Planning, Building, and Code Enforcement Department.

/s/

KERRIE ROMANOW

Acting Director, Environmental Services

/s/

DAVID SYKES

Acting Director of Public Works

For questions, please contact Bhavani Yerrapotu, Deputy Director, Water Pollution Control Plant (ESD) at 945-5321 or Michael O'Connell, Acting Deputy Director (PW) at 535-8300.

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

JULY 31, 2011

Description of Contract Activity ¹	Fiscal Year	Req#/ RFP#	PO#	Vendor/Consultant	Original \$ Amount	Start Date	End Date	Additional \$ Amount	Total \$ Amount	Comments
NEW:										
REPAIR LEAKING AND MISSING EXPANSION JOINTS	FY11-12	13912	46342	TUCKER CONSTRUCTION	187,500	7/1/11	6/30/12			
APPROX. 33,000 GALLONS OF 25% SODIUM BISULFITE	FY11-12	13920	45960	UNIVAR USA INC	400,000	7/1/11	6/30/12			
PRODUCT: BADGER METERS	FY11-12	13923	45911	BADGER METER, INC	260,000	7/1/11	6/30/12			
PARTS, PARTS RECONDITIONING, MACHINE WORK, ETC.	FY11-12	13934		CAMERON	180,000					
CLEANING OF THREE (3) ANAEROBIC DIGESTERS AT WPCP	FY11-12	13966		NORTH AMERICAN DIGESTER	359,823					
REPAIR, RECONDITION ENGINE PARTS, ETC.	FY11-12	13967	46579	NRG ENERGY SERVICES LLC	150,000	7/1/11	6/30/12			
FUEL & PETROLEUM PRODUCTS, SPECIALIZED MOTOR OILS	FY11-12	13969	46191	COAST OIL CO	140,000	7/1/11	6/30/12			
BUILDING MAINTENANCE SUPPLIES	FY11-12	13973	46597	GRAINGER, W W INC	400,000	7/1/11	6/30/12			
AQUEOUS AMMONIA	FY11-12	13976	46038	HILL BROS CHEMICAL CO	150,000	7/1/11	6/30/12			
FUEL & PETROLEUM PRODUCTS FOR DELIVERY	FY11-12	13991	46207	VALLEY OIL CO	150,000	7/1/11	6/30/12			
FUEL & PETROLEUM PRODUCTS FOR DELIVERY	FY11-12	13993	46211	WESTERN STATES OIL CO	275,000	7/1/11	6/30/12			
ELECTRICAL PARTS AND SUPPLIES	FY11-12	13996	46041	BUCKLES SMITH ELECTRIC	400,000	9/1/11	8/31/12			
OVERHAUL OF TPS & FLOWWAY PUMPS	FY11-12	14065		CONHAGEN, ALFRED INC	200,000					
MISCELLANEOUS REPAIRS @ WPCP	FY11-12	14067	46283	NICHOLSON, D W	200,000	7/1/11	6/30/12			
BUILDING MAINTENANCE	FY11-12	14068	46033	MONTEREY MECHANICAL CO	200,000	7/1/11	6/30/12			
COATING REHABILITATION SERVICES	FY11-12	14070		JEFFCO PAINTING & COATING, INC	750,000					
PRODUCT: TAPPET ASSEMBLY for EG-3 ENGINE	FY11-12	14308		CAMERON	292,400					
CAMSHAFT ASSEMBLY FOR EG-3 ENGINE	FY11-12	14314		CAMERON	120,000					
PISTON AND PISTON CROWN FOR EG-3 ENGINE	FY11-12	14316		CAMERON	256,000					
CYLINDER HEADS REBUILD	FY11-12	14332		CAMERON	130,000					
REFURBISHED PISTON ASSEMBLY FOR EG-3 ENGINE	FY11-12	14364		CAMERON	1,000,000					
NEW & REPAIRED REPLACEMENT HARDWARE	FY11-12	14646	46273	ABB INC	250,000	7/1/11	6/30/12			
ON-SITE REPAIR & CALIBRATION OF INSTRUMENTS	FY11-12	14808		TELSTAR INSTRUMENTS INC	200,000					
TEST, TROUBLESHOOT, REPAIR SERVICE	FY11-12	14833		VINCENT ELECTRIC	120,000					
ONGOING:										
SCOOTER/CARTS	FY10-11	13984	75943	ELECTRIC MOVEMENT	\$145,824					

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: SEE BELOW

DATE: 7-25-11

Approved

Date

8/2/11

COUNCIL DISTRICT: Citywide

SUBJECT: MASTER SERVICE AGREEMENT(S) WITH BENTYLER ENTERPRISES, INC. AND ENVIRONMENTAL RESOURCES MANAGEMENT-WEST, INC. FOR ENVIRONMENTAL HEALTH & SAFETY CONSULTING SUPPORT FOR THE ENVIRONMENTAL SERVICES DEPARTMENT

RECOMMENDATION

Approval of consultant master agreements with the following firms for Environmental Health and Safety support for the Environmental Services Department:

1. BenTyler Enterprises, Inc. for a variety of on-call Environmental Health & Safety consulting services from the date of execution through June 30, 2014 in an amount not to exceed \$250,000 annually.
2. Environmental Resources Management-West, Inc. for a variety of on-call Environmental Health & Safety consulting services from the date of execution through June 30, 2014 in an amount not to exceed \$250,000 annually.

OUTCOME

Approval of these master service agreements with BenTyler Enterprises, Inc. (BenTyler), and Environmental Resources Management-West, Inc. (ERM) will provide the Environmental Services Department (ESD) with the ability to provide on-call Environmental Health & Safety (EH&S) consultant services for ESD operations and projects on an as-needed basis. These consultant services are needed to assist City staff in delivering EH&S services to maintain regulatory compliance and protect and maintain employee health and safety for all of ESD's operations, with a primary focus on the San Jose/Santa Clara Water Pollution Control Plant (Plant) and the San José Municipal Water System.

BACKGROUND

The San José/Santa Clara Water Pollution Control Plant (Plant), and the San José Municipal Water System (Muni) are industrial utility facilities with complex operations and maintenance, and an extensive capital improvement programs that inherently present extensive occupational safety hazards and high environmental compliance risks. Due to these work settings, the department's Environmental Health and Safety efforts are demanding, complex, and ongoing. Funding for service orders under these master agreements will be primarily drawn from the Water Pollution Control 2012-2016 Capital Improvement Program of \$426.7 million; the Environmental Services Non-Personal/Equipment appropriation in the San José/Santa Clara Treatment Plant Operating Fund, which totals approximately \$25.5 million in 2011-2012; and the Environmental Services Non-Personal/Equipment appropriation in the Water Utility Fund, which totals approximately \$19.8 million in 2011-2012.

City staff does not currently possess all the necessary technical expertise or capacity to meet all of the environmental health and safety needs of ESD. These Master Service Agreements provide the most efficient way to comply with all regulatory required obligations, allow more proactive risk management, and assist in reducing incident rates and worker's compensation expenditures. Anticipated projects include job hazard analyses for work activities that have been identified with higher injury rates, utilization of those analyses in the design and specification of new equipment and constructed facilities, equipment-specific lockout-tagout procedures, EH&S compliance audits to evaluate levels of compliance and risk, air permit evaluation and compliance program design at San José Municipal Water System, and other activities that help ESD maintain regulatory compliance and ensure worker safety.

ANALYSIS

Consultant Selection Process

A consultant selection process was initiated in March 2011 with a Request for Qualifications (RFQ) for EH&S support. Of the 10 firms who responded to the RFQ, the top four were selected for interviews. The selection criteria were based on the following:

- Qualifications of the firm and expertise of the lead personnel
- Service Approach
- Examples of Applicable and Exemplary EH&S Projects
- Classification as local/small firm per Council policy

The top four firms were interviewed on May 18, 2011, by staff from different divisions within Environmental Services. A combination of the written submittal and the interview scores were used to rank the firms. The panel rated BenTyler Enterprises and Environmental Resources Management as the most qualified to provide EH&S services, based on the qualifications presented in their Statement of Qualifications and final interview scores, with only three points separating them. Staff considers both firms equally qualified to provide EH&S services to ESD.

The top two ranked firms are recommended for contract negotiation.

1. BenTyler Enterprises, Inc.
2. Environmental Resources Management-West, Inc.
3. URS Corporation
4. Antea Group

The RFQ process encourages local consultant participation by awarding additional points to firms that are classified as local per Council policy. Both firms selected qualified as having local offices and have extensive experience in San José. BenTyler also qualified as a small business.

Scope of Work

Recent third-party assessments have identified multiple EH&S programmatic areas that need to be developed, refurbished, or maintained, particularly at the Water Pollution Control Plant. EH&S programmatic areas and regulatory requirements are becoming increasingly complex and specialty-oriented. They typically involve many diverse areas of professional expertise such as: safety design engineering, industrial hygiene, air quality and permitting, compliance permitting, job hazard assessments, hazardous waste characterization, and asbestos surveys. The work frequently requires specialized certification, testing, training, expertise, and regulatory knowledge, some of which are not available in-house. Examples of anticipated projects requiring support from these contracts include, but are not limited to:

Plant Fall Protection Analysis

No evaluation of existing roofs and roof access has been performed. The recent Roof replacement project identified the need to perform a Plant-wide assessment of the safety issues related to roof access and fall protection, and to identify standard protection measures that can be implemented on temporary or permanent basis as the roofs are replaced.

Process Hazard Analyses

Process Hazard Analysis (PHA) is a systematic methodology to review existing or new facilities to find consequences of potential equipment or human failure, determine the risk, and decide if design or operational changes should be implemented to reduce the risk or consequence. PHA's should be performed in each of the 12 subareas of the Plant at a feasible rate of approximately 3 PHAs annually, and may be performed at Muni as well.

Plant Lockout/Tagout Procedure and Training Review

CAL OSHA regulations and best practices require a comprehensive Lockout/Tagout process to protect staff and contractors during maintenance or construction and for specific pieces of powered equipment.

SB 14 – Hazardous Waste Source Reduction Requirements

Senate Bill 14 is the Hazardous Waste Source Reduction and Management Review Act of 1989. SB 14 requires hazardous waste generators to seriously consider source reduction as the preferred method of managing hazardous waste. The Plant currently generates a hazardous waste volume well over the law's threshold of approximately 5,500 pounds annually.

Aboveground Storage Tank (AST) Assessments

Certified Unified Program Authority (CUPA) will transfer from the San José Fire Department to the Santa Clara County Hazardous Materials Compliance Division, effective July 1, 2011. Plant ASTs need to be assessed for general safety purposes and to ensure compliance with the new permitting authority and avoid monetary penalties.

Water Pollution Control Plant Security Evaluation

The Plant's security situation (recorded entrance/exit of staff, contractors, vendors, and visitors) has not been reviewed in many years. During emergency situations, no system exists that can reliably establish who of the above named are on the site. The situation becomes potentially dire if there is lag time in emergency services response, should City staff or contractor staff become trapped or endangered with no immediate knowledge of their presence onsite.

Cost Control Measures

Staff will determine the award of individual service orders to each of the consultant firms based on their expertise, cost, and availability. Having more than one firm 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 individual project proposals, on a flat fee or not to exceed time and materials basis. When appropriate, ESD will obtain service order price quotations from both of the consultants to ensure project costs are efficiently managed.

EVALUATION AND FOLLOW-UP

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: The work would be done by City staff.

Cons: In-house staff does not possess the capacity or all of the required technical capability and specialized equipment across the broad range of expertise anticipated for the wide array of EH&S-related projects. Some of the anticipated work will require regulatory oversight and third-party reporting by registered EH&S experts in various technical specialties which, again, in-house staff may not have.

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 including, but

not limited to: hazardous waste characterization, job hazard analysis, industrial hygiene, and asbestos surveys. Specialized equipment would need to be obtained or leased to perform duties and staff possibly trained and certified to use the equipment. Furthermore, with an extensive capital improvement plan expected to begin, resulting in increased engineering design and construction, existing staff resources will not be able to meet the demand.

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

Pros: The RFP selection process would focus on the specific needs of each project instead of the broader scope of work specified in the recent RFQ.

Cons: The RFP selection process typically takes six months or more to complete and involves a large amount of staff work to develop a project specific scope, solicit responses, interview consultants, negotiate contracts, and, if needed, obtain Council approval. All of the projects require more timely response due to upcoming regulatory and/or construction deadlines, and ultimately, the safety of departmental staff. By having consultants attached to specific projects, there will be less capacity to respond to unforeseen projects that require immediate response.

Reason for not recommending: This approach will limit the City's flexibility and response time for handling unforeseen EH&S projects, possibly leading to greater risk to workers, missing regulatory deadlines, and possibly subject the City to violations and/or fines. Multiple RFQ's for similar services will lead to much higher staff workloads for ESD and Council.

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 August 16, 2011 Council agenda. Also, a Request for Qualifications was advertised on the City's Internet Bid Line.

7-25-11

Subject: Master Agreements for Environmental Health & Safety Consulting for ESD

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COORDINATION

This memorandum was coordinated with the City Manager's Budget Office and the City Attorney's Office. This item is scheduled to be heard at the August 11, 2011 Treatment Plant Advisory Committee meeting.

COST SUMMARY/IMPLICATIONS

Funding for service orders issued under the Master Agreement will likely come from the San Jose- Santa Clara Treatment Plant Capital Fund (Fund 512), the San Jose-Santa Clara Treatment Plant Operating Fund (Fund 513), and/or the Water Utility Fund (Fund 515), depending on the specific service to be provided. Funds will be encumbered as needed from various project appropriations when service orders are developed, but in no case will total more than \$250,000 per contract per fiscal year. All encumbrances will be subject to the appropriation of funds.

CEQA

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, Sustainability and Compliance Division Manager at (408) 975-2594.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow
David Sykes

SUBJECT: SEE BELOW

DATE: 07-25-11

Approved

Date

8/2/11

COUNCIL DISTRICT: City-Wide

SUBJECT: REJECTION OF BIDS FOR THE SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT, SECONDARY AIR PLENUM FILTRATION PROJECT

RECOMMENDATION

Approval to reject all bids received for the San José/Santa Clara Water Pollution Control Plant, Secondary Air Plenum Filtration Project, and authorization for the Director of Public Works to re-advertise and re-bid the project.

OUTCOME

Approval of this recommendation will allow staff to reject all bids and rebid the project with a revised and reduced scope.

BACKGROUND

The existing air filtration system located on the mezzanine of the Secondary Blower Building was installed in 1961 to provide filtered air to the diffusers in the Secondary Aeration Basins. Over time, the system has experienced numerous operational deficiencies and challenges. When the process in the secondary aeration basins was changed to coarse bubble diffusers about 20 years ago, filtered air to the basins was no longer required. As a result, portions of the system were removed from service and the air filtration system has not been in use. The frame of the filtration units, which consists of steel estimated to weigh 150 tons, has been subjected to corrosion and is in disrepair. The mezzanine area, housing the filtration units including the ceiling, intake louvers, walkways, handrails and staircase all need to be cleaned and sand-blasted to remove the accumulation of dust, dirt, corrosion, and peeling paint. The remaining areas then need to be resurfaced and painted.

ANALYSIS

A recent analysis recommended a process change from coarse bubble diffusers to fine bubble diffusers to save energy. Fine bubble diffusers require filtered air with particulates measuring less than 2 microns. Since the current air supply was not being filtered, the fine bubble diffuser membranes were being clogged and required replacement more frequently than the recommended industry practice. The frequent need to replace the diffuser membranes and the need to shut down the aeration basins has increased the operation costs.

A consultant study, conducted in March 2010 to determine the cause of the diffuser membrane fouling and the condition of the existing air filtration system, identified the need to filter the air to the diffusers. The current scope of the project included demolition of the existing air filtration system, installation of new, more efficient pre-filters and post-filters, cleaning and repainting of the ceilings, walkways, air intake louvers, staircase and building structural members, and installation of new skylights. The skylights are being installed in openings cut to remove the existing air filtration steel members.

This project opened bids on May 5, 2011 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Engineer's Estimate	\$756,000	--	--
Blocka Construction, Inc (Fremont)	\$1,228,500	\$472,500	63
Monterey Mechanical Company (Oakland)	\$1,449,800	\$693,800	92

The low bid received from Blocka Construction is significantly higher than the Engineer's Estimate, which can be primarily attributed to the complexities associated with the demolition and removal of the existing filtration system. This was expressed by several bidders during the pre-bid meeting.

Staff considers the bid submitted by Blocka Construction to be reasonable; however the increased cost of the project will have a much longer period for return of investment, making the project not economically viable as designed. Staff's recommendation is to reject all bids and re-bid the project in the future with a revised and reduced scope.

EVALUATION AND FOLLOW-UP

This recommendation is to reject all bids. No additional follow up action with the Council is expected until after the project is re-scoped and re-bid as described above.

POLICY ALTERNATIVES

Alternative # 1: Award the project to low bidder, Blocka Construction.

Pros: Reduce frequency of replacement of the fine bubble diffuser membranes.

Cons: Increased cost for the project.

Reasons for not recommending: The increased cost of the project results in a negative return on investment for the overall fine bubble membrane replacement program.

Alternative #2: Re-bid the project with the same scope.

Pros: May get lower bid prices.

Cons: Additional time, cost and staff resources to complete the rebid process.

Reason for not recommending: Cost of the rebid most likely will not result in overall savings for the project.

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)**

To solicit contractors, this project was listed on the City's Internet Bid Hotline, the *San José Post Record*, and various builders' exchanges in the Bay Area. This memorandum will be posted on the City's website for the August 16, 2011 Council agenda.

COORDINATION

This project and memorandum have been coordinated with the Planning, Building and Code Enforcement Department, City Manager's Budget Office, and City Attorney's Office. This item is scheduled to be heard at the August 11, 2011 Treatment Plant Advisory Committee meeting.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council approved Budget Strategy to focus on rehabilitating aging Plant infrastructure. This project is also consistent with the budget strategy principle of focusing on protecting our vital core services.

CEQA

Exempt, PP11-020.

/s/

DAVID SYKES
Acting Director, Public Works

/s/

KERRIE ROMANOW
Acting Director, Environmental Services


For questions please call Michael O'Connell, Acting Deputy Director, Public Works at (408) 535-8300 or Bhavani Yerrapotu, Deputy Director, Environmental Services at (408) 945-5321.



Subject: **REPORT ON BIDS AND AWARD OF CONTRACT FOR FACILITIES ROOF REPLACEMENT PROJECT – PHASE I**

**Council Agenda: 08-16-11
Item:**

City Council Action Request

Departments: Environmental Services, Public Works	CEQA: Exempt, PP11-004	Coordination: City Manager’s Budget Office, City Attorney’s Office, and the Treatment Plant Advisory Committee	CMO Approval:  8/2/11
			Dept. Approval: Kerrie Romanow /s/ David Sykes/s/

RECOMMENDED ACTION:

- 1) Award the construction contract for the Facilities Roof Replacement Project – Phase I to the low bidder, Andy’s Roofing Company Inc., in the amount of \$600,770.
- 2) Approve a contingency in the amount of \$60,000.

BASIS FOR RECOMMENDATION:

The San José/Santa Clara Water Pollution Control Plant (Plant) currently has a total of 25 major building facilities with a total roofing area of 287,000 square feet. These buildings were constructed at various time periods to meet the needs of Plant expansion. Most of the roofs are either built-up bituminous (BUB) or sprayed polyurethane foam (SPF), which are the two major types of roofs commonly used for industrial and institutional buildings. A third type, the acrylic coating roof (ACR) system, which is a fluid-applied layered roofing system consisting of a watertight blanket of elastomeric acrylic, encapsulating a tough stitch-bonded polyester fabric, can be applied over any existing roof and comes with a 20 year warranty. The acrylic material is locally made and environmentally safe.

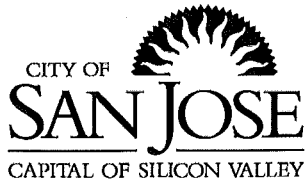
The majority of the roofs have exceeded their life expectancy of 20 to 30 years and show signs of deterioration. A condition assessment completed in 2008 by Lorenzo Roofing found most of the roofs are in need of various types of repairs and 8 of the roofs were identified for complete replacement. This project will completely rehabilitate 6 of the higher priority roofs. Staff developed cost estimates and analysis for repair, rehabilitation or replacement of 6 of the roofs and the results indicated that the cost of frequent maintenance of the existing roofs would far exceed that of replacement and/or rehabilitation. Rehabilitation of the roofs with an ACR system was determined to be most cost effective, especially considering the benefits of minimized disruption to building use during construction and no need to dispose of existing roofing and insulation material. In addition, the white reflective finish surface of the ACR will reduce building cooling costs during summer months.

This project was advertised in May 2011 with a total of 10 bidders submitting proposals. Andy’s Roofing Company Inc. from Milpitas, CA, submitted the low bid in the amount of \$600,770 which is 45% above the Engineer’s Estimate. The high bids may be attributed to the specialty nature of the project, the rise in material costs as a result of rising fuel costs and the lack of historical bid data for comparison during the development of the engineer’s estimate. The lowest 6 bids were within 10% of each other reflecting a highly competitive bidding environment and more likely the true cost of the project. The bid amount is considered acceptable for the work involved and a 10% contingency is appropriate for this project.

COST AND FUNDING SOURCE:

1.	AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$600,770
2.	COST OF PROJECT:	
	Project Delivery	\$210,000
	Construction	600,770
	Contingency	60,000
	TOTAL PROJECT COSTS	\$870,770
3.	SOURCE OF FUNDING: 512 – San José-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: Michael O'Connell, Acting Deputy Director, Public Works at (408) 535-8300 or Bhavani Yerrapotu, Deputy Director, Environmental Services at (408) 945-5321.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow
David Sykes

SUBJECT: SEE BELOW

DATE: 07-25-11

Approved

Date

8/2/11

COUNCIL DISTRICT: City-Wide

SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE RESIDUAL SLUDGE MANAGEMENT - SUPERNATANT AMMONIA MANAGEMENT PROJECT

RECOMMENDATION

Report on bids and award of contract for the Residual Sludge Management - Supernatant Ammonia Management Project to the sole bidder, Anderson Pacific Engineering Construction, Inc., in the amount of \$298,900, and approval of a contingency in the amount of \$44,000.

OUTCOME

Award of this construction contract will enable the construction and improve the efficiency in the monitoring and management of the supernatant flow from the Residual Sludge Management (RSM) area to the headworks of the San José/Santa Clara Water Pollution Control Plant (Plant). Approval of a 15 percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of this project.

BACKGROUND

The RSM facility at the Plant is an 800-acre biosolids processing area comprised of both inactive and active sludge lagoons, drying beds, a biosolids stockpiling area, a supernatant pump station, a primary effluent equalization basin, an emergency overflow storage basin, and an RSM Operations Center.

During the sludge stabilization process, a liquid layer called "supernatant" naturally forms over the sludge lagoons as the result of precipitation and settling of solids. This liquid waste stream, which contains a high concentration of ammonia, is collected and returned to the Plant headworks for treatment. Supernatant from RSM is by far the largest side waste stream accounting for about one percent of the Plant's influent flow and contributing between 15 and 20 percent of the ammonia loading to the secondary treatment process. This loading can cause a

substantial energy demand during the secondary aeration treatment process, especially when the timing of the supernatant return coincides with the arrival of the daily peak flow to the Plant.

In September 2009, the RSM Supernatant Return Project was implemented to better manage the supernatant return flow and the daily peak. This project installed new piping and manually operated sluice gates and stop gates to enable diversion of all supernatant flow to a flow equalization and ammonia treatment area. A night-time supernatant return schedule was then adopted to remove coinciding peak loading to the Plant headworks. After operating successfully under this scenario for over a year, staff determined that additional enhancements incorporating automatic ammonia and flow measurements would significantly ease this night time operation, enhancing staff safety, reducing sampling workload, and allowing better control over the treatment process.

This proposed project involves the following elements:

- Installation of flow measuring devices and level indicators in the flow stream
- Installation of City furnished ammonia sensors and solids monitoring instruments
- Installation of automatic flow control valves and associated control instrumentation
- Connecting all instrumentation and control elements to the Plant control room

These improvements are expected to eliminate the need for an operator to make multiple daily trips to the RSM area for manual diversion of collected supernatant to the Plant headworks, eliminate the need for weekly sampling and laboratory testing to obtain ammonia and suspended solids readings, and allow for an operator to remotely control the flow of supernatant to the Plant headworks. This allows for instantaneous control of the nitrogen loading to the Plant, which can cause secondary aeration treatment process upsets resulting in excessive ammonia or nitrites in the secondary effluent or a possible outbreak of soil bacteria-induced foaming problems.

ANALYSIS

Bids for this project were opened on May 5, 2011 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Anderson Pacific Engineering (Santa Clara)	\$298,900	\$122,535	69
Engineer's Estimate	\$176,365	--	--

Because of the specialty nature of the work involved, the specifications for this project required bidders to have wastewater treatment project experience involving electrical instrumentation within the last 3 years. Staff believes this is a likely reason for the single bid received for this project.

The low bid submitted by Anderson Pacific Engineering Construction, Inc. (APEC) is 69 percent above the Engineer's Estimate. Given this large discrepancy, staff has evaluated the contractor's bid and cost breakdown against the engineer's estimate and found the following to be possible reasons for the discrepancy:

- Cost of the electrical control panels: The engineer's estimate for this element was based on previous cost estimates for similar items on a project of much larger scope. Because of the specialty skills and experience required for constructing the electrical control panel, and the lack of the economies of scale associated with the prior project, the installation costs were much higher for this project than had been estimated.
- Concrete slab and stainless steel: Recent increases in concrete and steel costs and the increased cost of fuel for transportation appears to have caused pricing for this item to be higher than the engineer's estimate.

Based on the staff analysis of the bid, staff considers the bid acceptable for the work involved. In addition, APEC has experience working on several Plant projects and has successfully completed construction of the new liquid chlorine disinfection facilities at the Plant. Therefore, staff recommends award of this contract to APEC.

Council Policy allows for a standard contingency of 10 percent for utilities and building construction projects, however, due to the complex nature of constructing these improvements around existing structures and active process pipelines, staff is requesting approval of a 15 percent contingency for this project. Construction is scheduled to begin in September 2011 with substantial completion in February 2012.

EVALUATION AND FOLLOW-UP

There are sufficient funds available to complete the project with an anticipated completion date in February 2012. No additional follow up action with the Council is expected at this time.

POLICY ALTERNATIVES

Alternative # 1: Reject the sole bid and drop the project.

Pros: Ability to fund other capital projects.

Cons: The operation and management of supernatant flow from the RSM area to the plant would continue to be operated manually, requiring multiple daily trips by plant operators and lab personnel for sampling for ammonia and total suspended solids readings.

Reasons for not recommending: Inefficient response in managing spikes in ammonia level in the secondary treatment process and inability to remotely control the flow from the RSM area.

Alternative #2: Reject bid and re-bid the project with the same scope.

Pros: May get lower bid prices.

Cons: Additional time and staff resources to go through the re-bid process.

Reason for not recommending: Cost of re-bid most likely will not result in overall savings for the project.

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 action does not meet any of the criteria listed above. To solicit bids, this project was listed on the City's Internet Bid Hotline, the *San José Post Record*, and various builders' exchanges in the Bay Area. This memorandum will be posted on the City's website for the August 16, 2011 Council agenda.

COORDINATION

This project and memorandum have been coordinated with the Office of Risk Management, Planning, Building and Code Enforcement Department, City Manager's Budget Office, and the City Attorney's Office. This item is scheduled to be heard at the August 11, 2011 Treatment Plant Advisory Committee meeting.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council approved Budget Strategy to focus on rehabilitating aging Plant infrastructure, improve efficiency, and reduce operating costs. This project is also consistent with the budget strategy principle of focusing on protecting our vital core services.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$298,900

Project Delivery	\$152,000	
Construction	298,900	
Contingency	44,000	
City-furnished material	13,000	
TOTAL PROJECT COSTS	\$507,900	

2. SOURCE OF FUNDING: 512 – San José-Santa Clara Treatment Plant Capital Fund.
3. OPERATING COSTS: The proposed operating and maintenance costs of this project have been reviewed and will have no significant impact on the Plant operating budget.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract(s) recommended as part of this memo and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amount of Contract	Proposed CIP Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$507,900	\$298,900		
Current Funding Available							
512	5690	Plant Infrastructure Improvements	152655	\$13,102,000	\$298,900	V-167	06/21/11, Ord No. 28928
Total Current Funding Available				\$507,900	\$298,900		

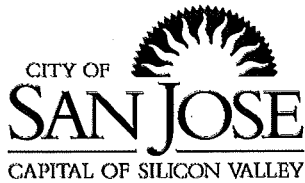
CEQA

Exempt, PP10-183

/s/
 DAVID SYKES
 Acting Director, Public Works

/s/
 KERRIE ROMANOW
 Acting Director, Environmental Services

For questions please call Michael O’Connell, Acting Deputy Director, Public Works at (408) 535-8300 or Bhavani Yerrapotu, Deputy Director, Environmental Services at (408) 945-5321.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow
David Sykes

SUBJECT: SEE BELOW

DATE: 08-02-11

Approved

Date

8/2/11

COUNCIL DISTRICT: City-Wide

SUBJECT: REJECTION OF BIDS FOR THE SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT, HANDRAIL REPLACEMENT - PHASE IV PROJECT

RECOMMENDATION

Approve the rejection of all bids received for the San José/Santa Clara Water Pollution Control Plant, Handrail Replacement – Phase IV Project, and authorization for the Director of Public Works to re-advertise and re-bid the project.

OUTCOME

Approval of this recommendation will allow staff to reject all bids and rebid the project with the same scope.

BACKGROUND

Handrails are a critical safety feature along all open tanks, stairways and elevated structures at the San Jose/Santa Clara Water Pollution Control Plant (Plant). Handrail systems provide workers with safety protection and are required by CAL/OSHA and California Building Code regulations. It is estimated that the Plant has over 14 miles of handrails and the 5-year Capital Improvement Program includes a recurring project every year to replace portions of the most degraded/unsafe handrails.

Over the last several years, staff has been evaluating the condition of the existing handrails and designing replacement and repair projects to bring them into compliance with current safety standards. This project is the fourth phase of the ongoing handrail replacement program. Phases I and II completed handrail repairs and replacements in the Grit Removal area, Dissolved Air Flotation Tanks and the Digesters. The Phase III project is currently under construction in the Nitrification Aeration area. This Phase IV project will replace handrails in the Secondary Aeration area of the Plant.

ANALYSIS

The majority of the existing handrails in the Secondary Aeration area are deteriorated due to age and corrosion from exposure to the various treatment processes at the Plant. Staff performed a thorough inspection of handrails in November 2010 and identified several deficiencies including unstable iron railings and posts due to concrete cracks at the base of the hand rails, disengaged railing connections and missing anchor bolts and nuts.

The Secondary Aeration area of the Plant contains approximately 17,000 linear feet of hand railing, including 2,500 feet along the Central Corridor and Central Passageway, where operations and maintenance staff travel daily to access this and other Plant areas.

The scope of this Phase IV project includes replacement of 2,800 linear feet of railing, numerous point repairs and adjustment of existing railing, cracked and spalling concrete repairs, light post replacement and concrete flooring repairs.

Bids for this project were opened on May 5, 2011 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Applegate Johnston, Inc. (Modesto)	\$1,299,000	\$879,000	209
B Side, Inc (Oakland)	\$557,000	\$137,000	33
Engineer's Estimate	\$420,000	--	--

Only two bids were received for the project and the low bid is significantly higher than the Engineer's Estimate. The previous phase of this project, with a similar scope, was advertised for bid last year and nine bids were received. The apparent low bid for that phase was 25 percent below the Engineer's Estimate.

Phase IV of this project required a mandatory pre-bid meeting because of the complexities associated with concrete repairs and installation of the handrail posts, whereas the previous phase did not include a mandatory pre-bid meeting. Follow-up discussions with prospective bidders revealed that some of them did not notice the change in the bid documents that indicated mandatory attendance at a pre-bid meeting and neglected to attend the meeting, therefore could not submit a bid. The two bidders who did submit bids had no prior experience with Plant construction projects, which could potentially explain the higher bids. Staff recommends rejecting all bids and rebidding the project with the same scope.

Staff will undertake targeted outreach to contractors with experience in this type of fabrication and construction to encourage additional bidders and to ensure that the project bid documents, scope, schedule and bidding requirements are clearly defined. Additionally, contractor licensing requirements will be revised to include General Engineering Contractors (Class A) and/or General Building Contractors (Class B).

EVALUATION AND FOLLOW-UP

This recommendation is to reject all bids. No additional follow up action with the Council is expected until after the project is re-bid as described above.

POLICY ALTERNATIVES

Alternative # 1: Award the project to low bidder, B Side Inc.

Pros: Project will be completed with the original schedule.

Cons: Increased project cost due to limited bids.

Reasons for not recommending: There are no seasonal constraints or treatment plant process impacts associated with the project, therefore the project can be constructed any time of the year. There is no benefit in implementing the project with a higher cost.

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 action does not meet any of the criteria listed above. To solicit contractors, this project was listed on the City's Internet Bid Hotline, the *San José Post Record*, and various builders' exchanges in the Bay Area. This memorandum will be posted on the City's website for the August 16, 2011 Council agenda.

COORDINATION

This project and memorandum have been coordinated with the Planning, Building and Code Enforcement Department, City Manager's Budget Office, and City Attorney's Office. This item is scheduled to be heard at the August 11, 2011 Treatment Plant Advisory Committee meeting.

HONORABLE MAYOR AND CITY COUNCIL

08-02-11

Subject: Handrail Phase IV

Page 4

CEQA

Exempt, PP11-028.

/s/

DAVID SYKES

Acting Director, Public Works

/s/

KERRIE ROMANOW

Acting Director, Environmental Services

For questions please call Michael O'Connell, Acting Deputy Director, Public Works at (408) 535-8300 or Bhavani Yerrapotu, Division Manager, Environmental Services at (408) 945-5321.