

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.

December 8, 2011

Room T-1734

1. ROLL CALL

2. MINUTES

A. November 10, 2011

3. UNFINISHED BUSINESS

4. CORRESPONDENCE

A. San Jose/Santa Clara Water Pollution Control Plant-Odor Study Update

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.

B. Tributaries Agencies Available Plant Capacity – 2011

6. AGREEMENTS

A. Action Item - TPAC Recommendation for approval:

The following action item was considered by the San Jose City Council on November 29, 2011 subject to the concurrence of Treatment Plant Advisory Committee:

Report on Request for Proposal (RFP) for Citywide Janitorial Services and adoption of a resolution authorizing the City Manager to:

1. Execute four separate agreements with GCA Services Group Inc. (Alviso, CA) for Janitorial Services, with an initial three year term ending October 31, 2014 for each agreement, and a cumulative total amount not to exceed \$18,009,454 as follows:

Department	Maximum Compensation (three years)
Public Works	\$8,853,696
Airport	\$7,728,377
Parks, Recreation & Neighborhood Services	\$1,387,790
Office of Cultural Affairs	\$39,591
Total	\$18,009,454

2. Subject to approval by the Treatment Plant Advisory Committee, execute an agreement with GCA Services Group Inc. (Alviso, CA) for Janitorial Services, with an initial three year term ending October 31, 2014 for the Environmental Services Department Water Pollution Control Plant (WPCP), and a total amount not to exceed \$1,109,154.
3. Execute amendments as required to add or delete facilities, or change service levels due to seasonal changes or budget constraints, subject to appropriation of funds.

Execute five one-year options to renew each of the agreements subject to the appropriation of funds.

B. Action Item - TPAC Recommendation for approval:

The following action items are scheduled to be considered by the San José City Council on December 13, 2011:

Adopt a resolution authorizing the City Manager:

- (a) To negotiate and execute a Second Amendment to the Wholesaler-Retailer Agreement for Supply of Recycled Water between the City of San Jose and San Jose Water Company (SJWC);
- (b) To permit SJWC to connect recycled water pipeline, to be built, operated and maintained by SJWC, to the South Bay Water Recycling (SBWR) System; to permit SJWC to issue a temporary recycled water meter for construction purposes to a SBWR authorized contractor for use at a recycled water access point (RWAP) within the Retailer's service area;
- (c) To accept funding for the right to connect the new recycled water pipelines constructed by SJWC to the SBWR System;
- (d) And to require insurance to be maintained by SJWC for the duration of the agreement.

C. Acton Item - TPAC Recommendation for approval:

The following action items are scheduled to be considered by the San José City Council on December 13, 2011:

Adopt a resolution authorizing the City Manager to negotiate and execute an agreement with the Santa Clara Valley Water District (District) for cost sharing of water conservation and wastewater flow reduction programs, for the period of January 1, 2012 through June 30, 2013, under which the City will pay the District an amount not to exceed \$500,000 and the City will receive an amount not to exceed \$180,000.

D. Acton Item - TPAC Recommendation for approval:

The following action items are scheduled to be considered by the San José City Council on December 13, 2011:

Authorize the City Manager to:

1. Exercise the second of three one-year options to renew an Open Purchase Order with Jeffco Painting & Coating, Inc. (Vallejo, CA) for the period November 1, 2011 through October 31, 2012, with total compensation not to exceed \$400,000, for plant-wide sand blasting and painting services at the Water Pollution Control Plant (WPCP).
2. Exercise the remaining option to renew the purchase order, not to exceed \$400,000, subject to the appropriation of funds.

Desired Outcome: To complete scheduled sandblasting and painting projects at the Water Pollution Control Plant in accordance with their maintenance plan.

E. Acton Item - TPAC Recommendation for approval:

The following action items are scheduled to be considered by the San José City Council on December 13, 2011:

Authorize the City Manager to Amend the existing Open Purchase Order 45620 with Trendtec Inc. (San José, CA), to encumber an additional \$435,000 for a revised total amount not to exceed \$560,000 for continued temporary employment services of up to six Environmental Inspectors and to extend the term through June 30, 2012.

Desired Outcome: To provide ongoing environmental inspection services as required for compliance with the San Jose/Santa Clara Water Pollution Control Plant National Pollutant Discharge Elimination System (NPDES) permit, the City's stormwater NPDE permit, and/or federal regulations. Additionally, inadequate inspection coverage increases the risk of pollutants entering the storm and sanitary sewer systems and the Bay.

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

A. **The following action items were approved by the San José City Council on, November 15, 2011:**

Adopt a resolution authorizing the City Manager to:

1. Adopt a resolution authorizing the City Manager to execute an Amended Memorandum of Agreement among the cities of San José, Mountain View, Palo Alto, Hayward, Pleasanton and Redwood City, Town of Yountville, Central Contra Costa Sanitary District, Delta Diablo Sanitation District, Dublin San Ramon Services District, Ironhouse Sanitary District, Zone 7 Water Agency, North Coast County Water District, Coastside County Water District, Santa Clara Valley Water District and the Bay Area Clean Water Agencies to implement a regional approach to obtaining and allocating federal funding for water recycling projects, at a cost for 2011-12 not to exceed \$20,000, with future year funding to be subject to appropriation by the City Council.

B. **The following action items were approved by the San José City Council on, November 15, 2011:**

1. Award the construction contract for the Handrail Replacement Re-Bid Phase IV Project to the low bidder, B Side Inc., in the amount of \$398,900.
2. Approve a contingency in the amount of \$79,780.

8. **MISCELLANEOUS**

- A. The next TPAC meeting will be January 12, 2012, at 4:30 p.m. City Hall, City Manager's 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 JOSE/SANTA CLARA
TREATMENT PLANT ADVISORY COMMITTEE
City Hall, City Manager's Office, 17th Floor, Room 1734
Thursday, November 10, 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: Pete McHugh, John Gatto, Jamie Matthews, Kevin Moore, Madison Nguyen, Ed Shikada, Ken Yeager, Chuck Reed

Staff present: Monica Perras, Anthony Thompson, Mike O'Connell, Dave Tucker, Jo Zientek, Mollie Dent, Jon Newby, Linda Charfauros

Others present: Chris de Groot (City of Santa Clara), Kathleen Phalen (City of Milpitas), Steve Machida (Cupertino Sanitary District), Avi Yotam, Joe Rios, (City of San Jose Auditors Office).

2. APPROVAL OF MINUTES

A. October 13, 2011.

The minutes for October 13, 2011 were approved to note and file.

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 approved 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 November 15, 2011:

Adopt a resolution authorizing the City Manager to execute an Amended Memorandum of Agreement among the cities of San José, Mountain View, Palo Alto, Hayward, Pleasanton and Redwood City, Town of Yountville, Central Contra

Costa Sanitary District, Delta Diablo Sanitation District, Dublin San Ramon Services District, Ironhouse Sanitary District, Zone 7 Water Agency, North Coast County Water District, Coastside County Water District, Santa Clara Valley Water District and the Bay Area Clean Water Agencies to implement a regional approach to obtaining and allocating federal funding for water recycling projects, at a cost for 2011-12 not to exceed \$20,000, with future year funding to be subject to appropriation by the City Council.

Items 6.A was approved unanimously.

B. Acton Item - TPAC Recommendation for approval:

The following action items are scheduled to be considered by the San José City Council on November 15, 2011:

- 1) Award the construction contract for the Handrail Replacement Re-Bid Phase IV Project to the low bidder, B Side Inc., in the amount of \$398,900.
- 2) Approve a contingency in the amount of \$79,780.

Items 6.B.1 & 2 were approved unanimously.

7. STATUS OF ITEMS PREVIOUSLY APPROVED BY TPAC

The items that were approved by the San José City Council on October 18, 2011 were accepted to note and file.

8. MISCELLANEOUS

- A. The next TPAC meeting will be December 8, 2011, at 4:30p.m., City Hall, City Manager's Office, 17th Floor, Room 1734.

PUBLIC COMMENT

10. ADJOURNMENT

- A. The Treatment Plant Advisory Committee adjourned at 4:35 p.m.

Chuck Reed, Chair
Treatment Plant Advisory Committee



Memorandum

TO: TRANSPORTATION &
ENVIRONMENT COMMITTEE

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: November 15, 2011

Approved

Date

11/18/2011

SUBJECT: SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL
PLANT – ODOR STUDY UPDATE

RECOMMENDATION

Accept the status report on the San Jose/Santa Clara Water Pollution Control Plant's odor study.

OUTCOME

Acceptance of the report will update the Council on the progress of the odor study at the San Jose/Santa Clara Water Pollution Control Plant (Plant).

BACKGROUND

In April 2011 as part of the approval of the Plant Master Plan preferred alternative, 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 (the link to the April 19, 2011 memorandum from Mayor Reed, Vice Mayor Nguyen, and Council members Chu, Rocha, and Liccardo is below);

http://www.sanjoseca.gov/clerk/Agenda/20110419/20110419_0704att.pdf

After additional coordination with stakeholders, Council approved the odor status report in September 2011 (link below).

http://www.sanjoseca.gov/clerk/Agenda/20110913/20110913_0701sup.pdf

The September 2011 memo included the following direction to staff:

- Develop a stakeholder process including the other possible odor generating facilities and the Plant's tributary agencies;

- Develop a funding plan to include a portion of the funding from sources other than the Sewer Service and Use Charges;
- Complete development of a scope and engage consultant services; and
- Provide a status report in the fall of 2011 on progress made.

This report provides the status on progress made to date.

ANALYSIS

Complete scope development and engage consultant services

During August 2011, staff developed a scope for a Plant Odor Assessment Study and engaged a consulting firm, CH2M Hill, to complete the work. CH2M Hill employs internationally recognized odor experts and has performed similar studies for large wastewater treatment plants in the Bay Area and internationally.

The purpose of the study is to provide a better understanding of how nearby communities are currently impacted by Plant and potential other sources of odors. In addition, the study will inform City staff, the Treatment Plant Advisory Committee (TPAC), and Council, by helping to determine the appropriate phasing and level of investment needed for odor control identified in the Plant Master Plan for the specific operational areas of the Plant. The scope of the study includes:

- Development of a sampling plan that included (1) determining sampling locations that represent all potential odor generating processes at the Plant; (2) determining locations for ambient odor monitoring and sampling in the community around the Plant; and (3) determining methods for sampling odors.
- Three sampling events (two in summer; one in winter), capturing air from the Plant odor generating processes and control samples for analysis by a specialized laboratory. The lab conducts two types of analyses: (1) types of sulfide compounds; and (2) odor panel analysis where trained panelists characterize the intensity and characteristics of odorous air obtained from the selected Plant process locations. Ambient air sampling is conducted around the perimeter of the Plant, including in Milpitas and Alviso.
- Dispersion modeling to predict how Plant odors disperse off-site based on local topographical and climate conditions. This modeling will be used to identify Plant odor reduction necessary, if any, to meet the Plant's odor goals and to prioritize projects. The model will also be validated against the ambient monitoring data to understand the contribution of the Plant to odors in the region. The American Meteorological Society Environmental Protection Agency Regulatory Model (AERMOD) will be used, which is a U.S. Environmental Protection Agency-approved model that conforms to industry best-practices.

The first Plant summer sampling event coincided with the annual hauling of biosolids from the Plant to Newby Island Landfill at the end of September 2011 and included 30 sampling locations. Ambient neighborhood odor monitoring occurred in early October at 15 locations in the surrounding community, including Alviso and Milpitas. The data obtained from the Plant and surrounding community will be evaluated to define future sampling events to provide sufficient data for the dispersion modeling. This will allow the City to better understand the Plant's contribution to off-site odors and to make decisions on odor reduction efforts and their impacts on benefits to the surrounding community.

Develop a stakeholder process including the other possible odor generating facilities and the Plant's Tributary Agencies and develop a funding plan

Staff has updated the Plant's Co-Owner and Tributary Agencies on the status of the odor study during monthly meetings. In September staff met with representatives from Republic Services, who operate Newby Island landfill, and provided a description of the odor study as well as preliminary cost estimates to include landfill and compost operation sampling and modeling. Based on the information provided, Republic Services recently agreed to participate and contribute financially to expand the Plant's odor study into a regional odor assessment study. City and Newby Island staff will finalize the logistics and funding plan and engage additional stakeholders in the area, including the City of Milpitas.

EVALUATION AND FOLLOW-UP

An update on progress made to develop a timeline for the transition to the new biosolids process is scheduled to be presented to the T&E committee in January 2012. The Committee, Council, and Treatment Plant Advisory Committee will receive regular updates on both the odor study and the biosolids transition process.

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)**

11-15-11

Subject: Plant Odor Study Update

Page 4

This report does not meet the criteria above. Direct engagement with the public and the Plant's many stakeholder groups has been an essential component to developing the Plant Master Plan over the past three years. When staff presented questions to the public at community meetings on the speed to both better treat odors at the Plant and change the biosolids dewatering and drying process, the public has consistently responded by saying that the Plant should begin the development of these processes but make sure not to overburden ratepayers. These results can be found in the Plant Master Plan public opinion summaries.

COORDINATION

This report has been coordinated with the City Attorney's Office and will be presented to the Treatment Plant Advisory Committee at its December 8, 2011 meeting.

CEQA

Not a Project, File No. PP10-069 (a) Staff Reports.

/s/

KERRIE ROMANOW

Acting Director, Environmental Services

For questions, please contact Bhavani Yerrapotu, Deputy Director at 945-5321.

SAN JOSE/SANTA CLARA WATER
POLLUTION CONTROL PLANT

ODOR STUDY UPDATE

Transportation and
Environment Committee

December 5, 2011



Plant Master Plan





COUNCIL DIRECTION

- Develop a stakeholder process including the other possible odor generating facilities and the Plant's tributary agencies;
- Develop a funding plan to include a portion of the funding from sources other than the Sewer Service and Use Charges;
- Complete development of a scope and engage consultant services; and
- Provide a status report in the fall of 2011 on progress made.

POTENTIAL ODOR SOURCES

San Francisco Bay
Marshes and Creeks

Republic Newby
Landfill

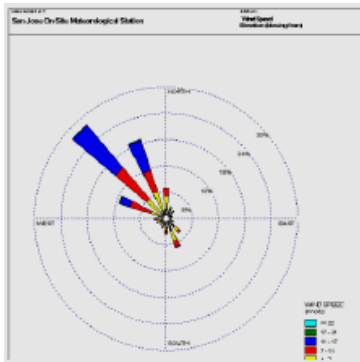
Zanker Materials
Recovery Facility

Milpitas Pump
Station

WPCP

Collection System

Plant Wind Data



AIR SAMPLING TECHNIQUES



FLUX CHAMBER



NASAL RANGER

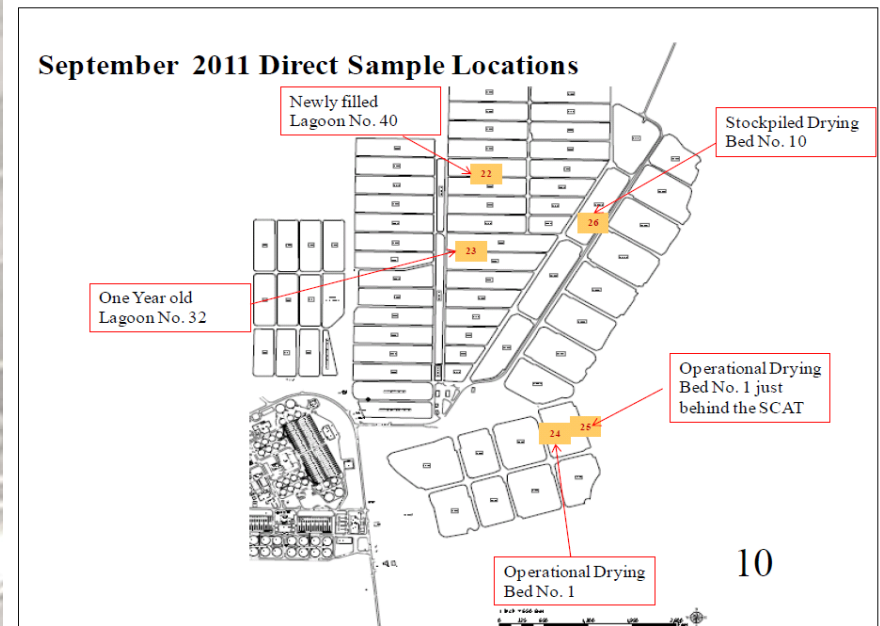
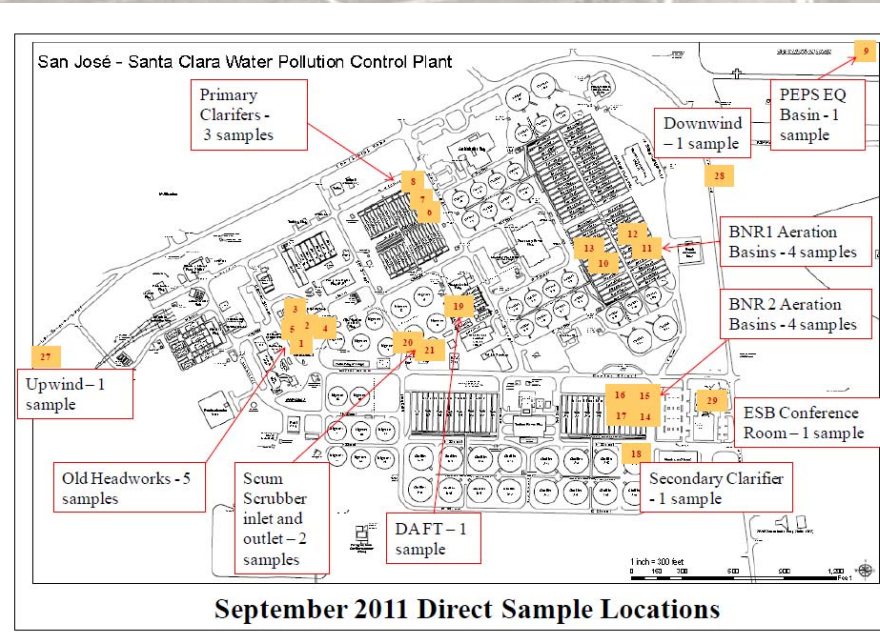
Testing for:

- Odor Intensity and Characterization
- Odor Causing Compounds

Using:

- Capturing Air in Bags and Flux Chambers
- Handheld Nasal Rangers

BEGAN ODOR STUDY – Sept 2011



- 30 Locations Sampled (Plant only)
- Follow up Plant sampling events in the winter and summer 2012
- Data will inform the EPA AERMOD dispersion model

AMBIENT AIR SAMPLE LOCATIONS





NEXT STEPS

- Analyze first round of odor samples
- Formalize partner sampling agreements
- Plan and complete winter odor sampling program with regional partners
- Complete summer odor sampling with regional partners
- Document regional odor sources and odor action plan for the Plant

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

November 28, 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:										
ONGOING:										
CLEANING OF THREE (3) ANAEROBIC DIGESTERS AT WPCP	FY11-12	13966	46788	PROVEN MANAGEMENT, INC	\$250,000	11/1/11	10/31/12			
OVERHAUL OF TPS & FLOWAY PUMPS	FY11-12	14065		CONHAGEN, ALFRED INC	\$200,000					
SERVICEGRID PROGRAM - MAINT SERV & SUPPORT SERV	FY11-12	15076		ABB INC	\$248,674					

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)

November 29, 2011

TO: Treatment Plant Advisory Committee

SJ: Tributary Agencies Available Plant Capacity - 2011

The Master Agreements require that the Treatment Plant Advisory Committee file annually with the legislative bodies of San Jose, Santa Clara and member agencies a report on plant capacity. The attached report, Tributary Agencies Available Plant Capacity - 2011, has been prepared to satisfy this requirement and to identify each agency's 2011 plant capacity as well as available (unused) capacity.

It is recommended that the Treatment Plant Advisory Committee approve the attached report.

Sincerely,



Kerrie Romanow
Acting Director
Environmental Services Department

Attachment

**CITY OF SAN JOSE
ENVIRONMENTAL SERVICES DEPARTMENT**

**SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT
TRIBUTARY AGENCIES' AVAILABLE PLANT CAPACITY - 2011**

November 2011

**CITY OF SAN JOSE
ENVIRONMENTAL SERVICES DEPARTMENT
SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT**

TRIBUTARY AGENCIES' AVAILABLE PLANT CAPACITY - 2011

This analysis was prepared to comply with the terms of the Master Agreements which require that the operational capacity and productive use of the treatment plant be determined annually. Tables I through IV contain the Plant Capacity, the 2011 Peak Week (5-day average) Flow, and the Remaining Available Capacity for the entire plant and for each individual member for 2011.

2011 PLANT CAPACITY

The nominal capacity of the treatment plant during the 2011 peak week is 167 MGD. The agencies' capacity rights in the 167 MGD plant are shown on Tables I through IV and were determined in accordance with the provisions of the Master Agreements.

2011 PEAK WEEK FLOW

The 2011 peak dry weather flow of 112.97 MGD occurred during the week of June 6 - 10. Tables I through IV contain the agencies' flow and loadings for the 2011 peak week which were obtained from the following sources:

- WEST VALLEY SANITATION DISTRICT - Wastewater Flow Report dated 8/18/11, submitted by the District.
- CUPERTINO SANITARY DISTRICT - Metered Flow Reports.
- CITY OF MILPITAS - Metered Flow Reports.
- COUNTY SANITATION DISTRICT 2-3 - 2011-2012 Revenue Program.
- BURBANK SANITARY DISTRICT - 2011-2012 Revenue Program.
- CITY of SAN JOSE and CITY of SANTA CLARA - The 2011 Peak Week flow and loadings remaining after subtracting the other agencies' reported flows and loadings are attributed to San Jose and Santa Clara as joint owners of the facilities. These were allocated, in accordance with the 1959 Agreement, to the two cities based on current assessed valuation ratios of 82.816% for San Jose and 17.184% for Santa Clara.

2011 AVAILABLE CAPACITY

The Agencies' peak week flows and loadings were subtracted from their capacities in the 167 MGD plant to obtain their 2011 available capacities.

TABLE I

**CITY OF SAN JOSE
ENVIRONMENTAL SERVICES DEPARTMENT
SAN JOSE/SANTA CLARA WATER POLLUTION PLANT
TRIBUTARY AGENCIES' AVAILABLE PLANT CAPACITY - 2011**

FLOW

Agency		2011 Plant Capacity MGD	2011 Peak Week Flow MGD	Available Capacity MGD
San Jose	82.816%	108.798	73.869	34.929
Santa Clara	17.184%	22.575	15.327	7.248
Subtotal	100.000%	131.373	89.196	42.177
West Valley Sanitation District (1) (3)		12.052	10.224	1.828
Cupertino Sanitary District (4)		7.850	4.381	3.469
City of Milpitas (3) (4)		14.250	7.804	6.446
County Sanitation District 2-3 (2)		1.075	1.075	0.000
Burbank Sanitary District		0.400	0.290	0.110
Subtotal		35.627	23.774	11.853
Total		167.000	112.970	54.030

(1) Reflects transfer of capacity from West Valley Sanitation District to San Jose/Santa Clara resulting from annexations as of June 2011.

(2) In January 1985, County Sanitation District 2-3 entered into an agreement with the Cities of San Jose and Santa Clara, as joint owners of the plant, electing not to participate in a fixed capacity. Capacity is determined annually in accordance with the methods and restrictions prescribed in the agreement.

(3) Reflects transfer of capacity from West Valley Sanitation District to Milpitas in July 2006.

(4) Reflects transfer of capacity from Cupertino to Milpitas in January 2009.

TABLE II

CITY OF SAN JOSE
ENVIRONMENTAL SERVICES DEPARTMENT
SAN JOSE/SANTA CLARA WATER POLLUTION PLANT
TRIBUTARY AGENCIES' AVAILABLE PLANT CAPACITY - 2011

Agency	BOD	2011 Plant Capacity KLBS/D	2011 Peak Week Flow KLBS/D	Available Capacity KLBS/D
San Jose	82.816%	385.113	203.493	181.620
Santa Clara	17.184%	79.909	42.224	37.685
Subtotal	100.000%	465.022	245.717	219.305
West Valley Sanitation District (1) (3)		29.283	22.506	6.777
Cupertino Sanitary District (4)		16.419	10.979	5.440
City of Milpitas (3) (4)		27.249	18.473	8.776
County Sanitation District 2-3 (2)		2.212	2.212	.000
Burbank Sanitary District		.815	.593	.222
Subtotal		75.978	54.763	21.215
Total		541.000	300.480	240.520

(1) Reflects transfer of capacity from West Valley Sanitation District to San Jose/Santa Clara resulting from annexations as of June 2011.

(2) In January 1985, County Sanitation District 2-3 entered into an agreement with the Cities of San Jose and Santa Clara, as joint owners of the plant, electing not to participate in a fixed capacity. Capacity is determined annually in accordance with the methods and restrictions prescribed in the agreement.

(3) Reflects transfer of capacity from West Valley Sanitation District to Milpitas in July 2006.

(4) Reflects transfer of capacity from Cupertino to Milpitas in January 2009.

TABLE III

**CITY OF SAN JOSE
ENVIRONMENTAL SERVICES DEPARTMENT
SAN JOSE/SANTA CLARA WATER POLLUTION PLANT
TRIBUTARY AGENCIES' AVAILABLE PLANT CAPACITY - 2011**

SUSPENDED SOLIDS

Agency		2011 Plant Capacity KLBS/D	2011 Peak Week Flow KLBS/D	Available Capacity KLBS/D
San Jose	82.816%	341.903	158.548	183.355
Santa Clara	17.184%	70.943	32.898	38.045
Subtotal	100.000%	412.846	191.446	221.400
West Valley Sanitation District (1) (3)		27.812	19.333	8.479
Cupertino Sanitary District (4)		16.299	8.918	7.381
City of Milpitas (3) (4)		25.990	13.219	12.771
County Sanitation District 2-3 (2)		2.200	2.200	.000
Burbank Sanitary District		.853	.584	.269
Subtotal		73.154	44.254	28.900
Total		486.000	235.700	250.300

(1) Reflects transfer of capacity from West Valley Sanitation District to San Jose/Santa Clara resulting from annexations as of June 2011.

(2) In January 1985, County Sanitation District 2-3 entered into an agreement with the Cities of San Jose and Santa Clara, as joint owners of the plant, electing not to participate in a fixed capacity. Capacity is determined annually in accordance with the methods and restrictions prescribed in the agreement.

(3) Reflects transfer of capacity from West Valley Sanitation District to Milpitas in July 2006.

(4) Reflects transfer of capacity from Cupertino to Milpitas in January 2009.

TABLE IV

**CITY OF SAN JOSE
ENVIRONMENTAL SERVICES DEPARTMENT
SAN JOSE/SANTA CLARA WATER POLLUTION PLANT
TRIBUTARY AGENCIES' AVAILABLE PLANT CAPACITY - 2011**

AMMONIA

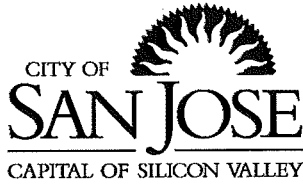
Agency		2011 Plant Capacity KLBS/D	2011 Peak Week Flow KLBS/D	Available Capacity KLBS/D
San Jose	82.816%	33.921	21.410	12.511
Santa Clara	17.184%	7.039	4.443	2.596
Subtotal	100.000%	40.960	25.853	15.107
West Valley Sanitation District (1) (3)		2.914	2.488	.426
Cupertino Sanitary District (4)		2.287	1.073	1.214
City of Milpitas (3) (4)		2.847	1.640	1.207
County Sanitation District 2-3 (2)		.295	.295	.000
Burbank Sanitary District		.297	.081	.216
Subtotal		8.640	5.577	3.063
Total		49.600	31.430	18.170

- (1) Reflects transfer of capacity from West Valley Sanitation District to San Jose/Santa Clara resulting from annexations as of June 2011.
- (2) In January 1985, County Sanitation District 2-3 entered into an agreement with the Cities of San Jose and Santa Clara, as joint owners of the plant, electing not to participate in a fixed capacity. Capacity is determined annually in accordance with the methods and restrictions prescribed in the agreement.
- (3) Reflects transfer of capacity from West Valley Sanitation District to Milpitas in July 2006.
- (4) Reflects transfer of capacity from Cupertino to Milpitas in January 2009.

REPLACEMENT

COUNCL AGENDA: 11/29/11

ITEM: 3.4



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: November 21, 2011

Approved

Date

11/22/11

SUBJECT: REPORT ON REQUEST FOR PROPOSAL FOR CITYWIDE JANITORIAL SERVICES

REASON FOR REPLACEMENT

Report has been updated to include an analysis and summary of actual verses projected cost savings.

RECOMMENDATION

Report on Request for Proposal (RFP) for Citywide Janitorial Services and adoption of a resolution authorizing the City Manager to:

1. Execute four separate agreements with GCA Services Group Inc. (Alviso, CA) for Janitorial Services, with an initial three year term ending October 31, 2014 for each agreement, and a cumulative total amount not to exceed \$18,009,454 as follows:

Department	Maximum Compensation (three years)
Public Works	\$8,853,696
Airport	\$7,728,377
Parks, Recreation & Neighborhood Services	\$1,387,790
Office of Cultural Affairs	\$39,591
Total	\$18,009,454

2. Subject to approval by the Treatment Plant Advisory Committee, execute an agreement with GCA Services Group Inc. (Alviso, CA) for Janitorial Services, with an initial three year term ending October 31, 2014 for the Environmental Services Department Water Pollution Control Plant (WPCP), and a total amount not to exceed \$1,109,154.
3. Execute amendments as required to add or delete facilities, or change service levels due to seasonal changes or budget constraints, subject to appropriation of funds.
4. Execute five one-year options to renew each of the agreements subject to the appropriation of funds.

OUTCOME

Provide quality and cost effective janitorial services to City of San José owned and operated facilities used by employees, residents and visitors.

BACKGROUND

As part of the approval of the 2010-2011 Adopted Budget and the 2011-2012 Adopted Budget, the City transitioned from a hybrid service model (City staff and contract employees) providing custodial services to a fully outsourced service delivery model. Prior to that transition, City employees provided custodial services at the Airport, City Hall for the daytime shift, Police Department and park restrooms, and vendors provided custodial services, at community centers, libraries, and backup at the Airport, the graveyard shift at City Hall, and certain facilities at the Water Pollution Control Plant. These services were performed under four separate agreements with two vendors.

In July 2010 and March 2011, the City amended its existing agreements to outsource remaining custodial services that were performed by City Staff at all City facilities with the exception of restrooms located in City parks. In June 2011 an interim agreement was executed with GCA Services, Inc. to outsource custodial services in restrooms located in City parks.

All of the amendments were executed on an interim basis to allow sufficient time for staff to develop a consolidated scope for citywide custodial services and issue a competitive Request for Proposal (RFP) to provide the City with the best and most competitive rates and service.

Custodial services provided by GCA to date have been of a high quality and staff expects that this quality will be maintained or improved under the new agreements. A recent survey conducted at the Airport between August and September of 2011, shows a high level of customer satisfaction with over 90% of respondents indicating that the cleanliness of the restrooms and public areas of the airport was good or excellent. The Airport has also received numerous comment cards praising the condition of the airport and the customer service provided.

ANALYSIS

On March 8, 2011, the Finance Department released a Request for Proposal (RFP) for Citywide Janitorial Services on the City's e-procurement system. This comprehensive RFP included the diverse requirements of all of the City departments requiring custodial services. For example, the requirements for the Airport and Community Centers where there is a high degree of contact with the public are significantly different than the office environment at City Hall. Concerns were expressed that the size of a citywide agreement would exclude all but the largest vendors from the ability to compete, the RFP allowed contract award by City department. Independent teams from each department evaluated and recommended the highest ranked proposal for their respective departments.

A total of 160 companies viewed the RFP, and eleven proposals were received by the April, 25, 2011 deadline as follows:

- Able Building Maintenance, Inc, (Foster City, CA)
- ABM Services, Inc. (Irvine, CA)
- Clean Innovation, Inc. (Santa Clara, CA)
- GCA Services Group, Inc. (Alviso, CA)
- ISS Facility Services, Inc. (San Carlos, CA)
- OJS Systems, Inc. (Acworth, GA)
- Service by Medallion, Inc. (Mountain View, CA)
- Triangle Services, Inc. (Valley Stream, NY)
- T&T Janitorial, Inc. (San Diego, CA)
- Uniserve Facilities Services, Inc. (Los Angeles, CA)
- Universal Building Services and Supply, Inc. (Richmond, CA)

Evaluation Team

Five, three-member evaluation teams were named, one team for each department represented in the RFP: Public Works, Airport, Environmental Services, Parks, Recreation & Neighborhood Services and Office of Cultural Affairs. Proposals were independently evaluated and scored by each team.

Evaluation Criteria

- ***Minimum Qualifications:*** The initial review consisted of a pass/fail assessment to ensure that all minimum qualifications were met and that all proposals were complete. Two proposals were deemed non responsive for not meeting the minimum criteria.

Proposals submitted by T&T Janitorial and Service by Medallion did not provide one reference servicing at least one million square feet of cleanable floor space, and Service by Medallion did not provide one reference where employees were required to be in contact with the general public in the performance of their duties. Both companies were notified in writing that their proposals would not be subject to further evaluation.

- ***Technical Evaluation (55%):*** The technical evaluation consisted of a thorough review of each company's written proposal for company experience and technical capabilities.

- **Cost Proposals (30%):** Cost proposals were opened and scored at the conclusion of the technical proposal evaluation.
- **Environmental Stewardship (5%):** Proposers were required to specifically address how their proposals would support the goals and objectives of the City's EP3 program.
- **Local and Small Business Preference (10%):** Pursuant to City policy, ten percent of the total evaluation points were reserved for local and small business preference. Three Proposers requested consideration for the City's local business preference. The application of the local business preference had no effect on the recommendation of award.

Protest Period: The RFP process included a ten-day protest period in accordance with City purchasing rules. No protests were received.

Recommendation Summary: Proposal scores for each Department's evaluation committee are summarized in Attachment A to this memorandum. Each evaluation team independently recommended GCA Services Group as the most advantageous and "best value" solution based on the evaluation criteria set forth in the RFP. GCA's proposal met or exceeded all of the RFP requirements, provided the most detailed and comprehensive proposal, and demonstrated a superior understanding of the City's requirements. GCA's proposal was found to be superior in the following key areas:

- Demonstrated experience. GCA has provided a high level of quality service and professionalism for the City of San José. Currently, GCA provides custodial services for Public Works (through management of citywide facilities), PRNS, the Airport and OCA.
- A comprehensive staffing plan ensuring optimal cleaning levels and cost efficiencies.
- A complete training program to ensure that staff is well qualified and cross-trained.
- Incentives to retain employees and avert turnover and high absenteeism, such as recognition events that include group dinners, luncheons, and holiday celebrations.
- A transition plan that minimizes service interruptions.
- Provided the most cost effective and just-in-time delivery plan for saving the City money on usage of supplies, materials and consumables.

Wage Requirements: GCA will be required to pay the City's established prevailing wage rates for custodial services provided at City Hall, the Police Department, Libraries, Community Centers, Parks, Citywide public art locations and the Water Pollution Control Plant. GCA will be required to pay the City's established Airport living wage rates for custodial services provided at the Airport under the Airport's Living wage ordinance.

Labor Peace: GCA operates under a collective bargaining agreement with the Service Employees International Union (SEIU).

Worker Retention applies and Office Equality Assurance oversees these requirements. In this case, GCA is the incumbent service provider at all of the facilities, except the Water Pollution

Control Plant. The current contractor at the Plant will be requested to cooperate with the transition of its workers to GCA.

Summary of Agreement: The requirements and service levels are different for each department responsible for managing the custodial services under their purview. As a result, it was determined that it would be more efficient to enter into five separate agreements. Each agreement will have identical business and legal terms and conditions, but the scope of service and schedule of performance are department specific for each agreement.

Each agreement includes a detailed scope of services, schedule of performance and a fixed price compensation schedule contingent on the successful completion of work. Pricing shall be firm fixed for the initial three year period of the agreements. After the initial three year period, price adjustments may be considered if GCA can demonstrate to the satisfaction of the City that a price increase is justifiable. Any such increase shall not exceed 3% annually.

All of the agreements have provisions that allow staff to request additional non-scheduled services. In addition, staff will be able to add, delete and change scheduled services through a process similar to a change order, in order to meet the janitorial service needs of the organization.

Comparison of Actual versus Projected Cost Savings

The following information included in Table A is a comparison of actual cost savings versus projected cost savings that were estimated by various City Departments in their respective Alternate Service Delivery Proposals submitted to the City Council as part of the 2010-2011 and 2011-2012 budget processes.

With approval of this contract, total annual cost savings are \$6.24 million and \$18.72 million over the three-year term of the contract. It is important to note that the annual contract amounts depicted in Table A do not necessarily reconcile with the recommended annual three year maximum compensation contract amounts. Specifically, some of the agreements are inclusive of all restroom consumables such as hand towels and cleaning supplies, which have been netted out for purposes of this analysis because all such supplies under the in-house model were supplied by the City. Furthermore, some of the agreements are inclusive of services that were previously provided utilizing a combination of in-house and contracted-out labor. Thus, Table A identifies the cost and associated savings for services that were contracted-out.

As identified below in Table A, the annual cost for janitorial services is \$3.75 million compared to \$9.99 million under the hybrid model that was previously utilized, resulting in annual cost savings of \$6.24 million. Savings are about 10% less than projected during the 2010-2011 and 2011-2012 budget processes because the projections at that time were based on contracted labor rates from existing contracts that were subject to annual increases tied to the Consumer Price Index. The RFP required fixed pricing for the initial three year term; therefore initial labor rates for the new agreement are higher than at the time the projections were being calculated, primarily since the contractor had to assume certain living wage increases during the first three years of the contract. For example, during the last two years, the Living Wage (assuming that the contractor pays health benefits) increased by 5% for 2011-2012 and 1% for 2010-2011.

In summary, the actual costs of the recommended contract are generally consistent with the cost and savings estimates that were projected at the time the janitorial service delivery evaluation was conducted. In combination with the positive feedback received regarding the quality of service and a simplified management, this procurement validates the conclusion of prior analysis.

TABLE A

	Airport	Public Works (Police and Non-Police)	PRNS	WPCP	Total
In-house (Annual Cost)	\$5,245,591	\$1,646,853	\$2,798,000	\$301,139	\$9,991,583
Contracted-out (Annual Cost)	2,107,747	1,010,491	462,592	169,811	3,750,641
Annual Cost Savings	3,137,844	636,362	2,335,408	131,328	6,240,942
Projected Annual Cost Savings	<u>3,289,591</u>	<u>1,063,288</u>	<u>2,336,000</u>	<u>147,264</u>	<u>6,836,143</u>
Projected vs. Realized Cost Savings	(\$151,747)	(\$426,926)	(\$592)	(\$15,936)	(\$595,201)

EVALUATION AND FOLLOW-UP

No further evaluation or follow up for this contract is anticipated at this time.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criterion 1 and will be posted on the Council Agenda for November 29, 2011.

COORDINATION

This memorandum was coordinated with Public Works (including the Office of Equality Assurance), Airport, Environmental Services, and Parks, Recreation & Neighborhood Services Departments, the Office of Cultural Affairs, the City Manager’s Budget Office, and the City Attorney’s Office. This item will be scheduled for approval by the Treatment Plant Advisory Committee (TPAC) on December 8, 2011.

FISCAL/POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, “We must focus on protecting our vital core City services.”

COST SUMMARY/IMPLICATIONS

The following outlines the elements of the contract.

1. AMOUNT OF RECOMMENDATION/CONTRACT:

<u>Description</u>	<u>Year One Cost*</u>	<u>Three Year Max. Compensation*</u>
Public Works (Citywide Facilities)	\$2,951,232	\$8,853,696
Airport	2,576,126	7,728,377
Parks, Recreation & Neighborhood Services	462,597	1,387,790
Environmental Services	369,718	1,109,154
Office of Cultural Affairs	13,197	39,591
Total	\$6,372,870	\$19,118,608

* Includes base annual rate plus 10% for supplemental services (except for park services) to be directed by the City.

2. SOURCE OF FUNDING:

Public Works	Funds 001, 515, 290
Airport	Airport Maintenance and Operation Fund (523)
Parks, Recreation & Neighborhood Services	Fund 001
Environmental Services	San José-Santa Clara Treatment Plant Operating Fund (513)
Office of Cultural Affairs	Transient Occupancy Tax Fund (461)

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn.	Amount for Year One of Contract*	2011-2012 Proposed Budget Page**	Last Budget Action (Date, Ord. No.)
001	0572	PW non-personal	\$8,004,530	\$2,619,088	VIII-319	6/21/11, Ord. No. 28928
001	0722	Lib non-personal	\$4,212,139	\$302,927	VIII-218	6/21/11, Ord. No. 28928
515	0572	PW non-personal	\$32,184	\$22,134	XI-90	6/21/11, Ord. No. 28928
001	0512	DOT non-personal	\$9,956,815	\$7,083	VIII-365	6/21/11, Ord. No. 28928
523	0802	Airport Non-personal/Equip	\$37,581,440	\$2,576,126	XI-3	6/21/11, Ord. No. 28928
001	0642	PRNS non-personal	\$10,799,610	\$462,597	VIII-240	6/21/11, Ord. No. 28928
513	0762	ESD Non-personal/Equip	\$25,548,275	\$369,718	XI-77	6/21/11, Ord. No. 28928
461	0096	Transient Occupancy Tax	\$3,253,977	\$13,197	XI-87	06/21/11 Ord. No 28928
Total (Year One)				\$6,372,870		

* Year two and three of the contract are subject to the appropriation of funds.

** The 2011-2012 Proposed Operating Budget was adopted by the City Council on June 21, 2011.

HONORABLE MAYOR AND CITY COUNCIL
November 21, 2011
Subject: Report on RFP for Citywide Janitorial Services
Page 9

CEQA

Not a Public Project, File No. PP10-066 (e).

/s/
JULIA H. COOPER
Acting Finance Director

For questions please contact Mark Giovannetti, Purchasing Division Manager (408) 535-7052.

Attachment A – Evaluation Summary by Department

Public Works

Evaluation Criteria (weight)	OJS	Clean	UBS	Uniserve	ABM	Able	Triangle	ISS	GCA
Experience (25%)	12	10	10	14	14	9	18	19	22
Technical Capabilities (30%)	13	10	12	17	17	12	16	20	25
Environmental Stewardship (5%)	1	1	1	2	2	1	2	2	2
Cost (30%)	24	26	26	24	28	25	15	26	30
Local (5%)	0	0	5	0	5	0	0	5	0
Small (5%)	0	0	0	0	0	0	0	0	0
TOTAL	50	47	54	57	66	47	51	72	79

Norman Y. Mineta San José International Airport (Airport):

Evaluation Criteria (weight)	OJS	Clean	UBS	Uniserve	ABM	Able	Triangle	ISS	GCA
Experience (25%)	16	13	19	18	22	11	21	22	22
Technical Capabilities (30%)	22	10	17	23	25	10	16	26	28
Environmental Stewardship (5%)	3	0	2	3	2	0	2	3	3
Cost (30%)	30	25	21	21	24	26	23	17	26
Local (5%)	0	0	5	0	5	0	0	5	0
Small (5%)	0	0	0	0	0	0	0	0	0
TOTAL	71	48	64	65	78	47	62	73	79

Environmental Services (Water Pollution Control Plant):

Evaluation Criteria (weight)	OJS	Clean	UBS	Uniserve	ABM	Able	Triangle	ISS	GCA
Experience (25%)	15	11	15	16	16	9	14	18	19
Technical Capabilities (30%)	18	13	17	22	23	14	19	21	24
Environmental Stewardship (5%)	2	1	2	2	2	2	2	2	2
Cost (30%)	30	27	26	23	25	18	14	20	27
Local (5%)	0	0	5	0	5	0	0	5	0
Small (5%)	0	0	0	0	0	0	0	0	0
TOTAL	65	52	65	63	71	43	49	66	72

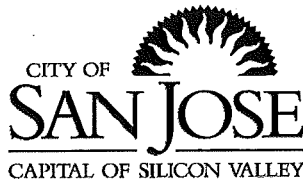
Parks Recreation & Neighborhood Services (PRNS):

Evaluation Criteria (weight)	OJS	Clean	UBS	Uniserve	ABM	Able	Triangle	ISS	GCA
Experience (25%)	17	17	23	20	23	24	23	23	24
Technical Capabilities (30%)	17	16	24	22	28	20	22	29	29
Environmental Stewardship (5%)	2	1	2	3	2	3	3	3	3
Cost (30%)	11	26	13	22	21	13	14	16	30
Local (5%)	0	0	5	0	5	0	0	5	0
Small (5%)	0	0	0	0	0	0	0	0	0
TOTAL	47	60	67	67	79	60	62	76	86

Office of Cultures Affairs (OCA):

Evaluation Criteria (weight)	OJS*	Clean	UBS	Uniserve	ABM	Able	Triangle	ISS	GCA
Experience (25%)	0	16	13	15	17	12	15	19	17
Technical Capabilities (30%)	0	16	18	19	20	17	13	22	24
Environmental Stewardship (5%)	0	1	1	0	1	1	2	2	2
Cost (30%)	0	18	18	30	7	9	3	12	23
Local (5%)	0	0	5	0	5	0	0	5	0
Small (5%)	0	0	0	0	0	0	0	0	0
TOTAL	0	51	55	64	50	39	33	60	66

*OJS did not submit a proposal for the cleaning of the City's public art collection.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: November 21, 2011

Approved

Date

11/30/11

SUBJECT: SECOND AMENDMENT TO AGREEMENT BETWEEN CITY OF SAN JOSÉ AND SAN JOSE WATER COMPANY FOR SUPPLY OF RECYCLED WATER

RECOMMENDATION

Adopt a resolution authorizing the City Manager:

- (a) To negotiate and execute a Second Amendment to the Wholesaler-Retailer Agreement for Supply of Recycled Water between the City of San José and San Jose Water Company (SJWC): to permit SJWC to connect recycled water pipeline, to be built, operated and maintained by SJWC, to the South Bay Water Recycling (SBWR) System;
- (b) To permit SJWC to issue a temporary recycled water meter for construction purposes to a SBWR authorized contractor for use at a recycled water access point (RWAP) within the Retailer's service area; and
- (c) To accept funding for the right to connect the new recycled water pipelines constructed by SJWC to the SBWR System; and to require insurance to be maintained by SJWC for the duration of the agreement.

OUTCOME

Approval of the Second Amendment to the Wholesaler-Retailer Agreement for Supply of Recycled Water between the City and SJWC will provide funding for the SBWR system to accommodate pipeline expansion constructed by SJWC, including the repayment of principal and interest on any bonds issued, loans or advances received and any engineering, direct, indirect and administrative costs incurred for such construction and reconstruction of the SBWR System and the acquisition of land. The amendment will allow SJWC to retail water to contractors for construction purposes through access points constructed by SBWR. Approval of the amendment will also clarify ownership of pipeline constructed by SJWC, and where such construction

includes a meter, the pipeline will be owned by SBWR. The amendment will clarify that SJWC must maintain insurance coverage for the duration of the agreement.

BACKGROUND

As administering agency for the San José/Santa Clara Water Pollution Control Plant (Plant), the City of San José serves as the wholesaler for recycled water produced and delivered by the SBWR system, and the City has agreements with water retailers in Santa Clara, Milpitas and San José (including SJWC) to deliver recycled water to their customer meters. The retailers in turn supply recycled water to their retail water customers, charging a markup on the wholesale cost of recycled water comparable to what they receive for selling potable water. However, unlike the retailers' potable systems, the City owns all recycled water distribution pipelines and is responsible for maintaining them, and also pays for all pipeline extensions, except for those funded by developers. Furthermore, the recycled water system was initially built by the Plant to reduce effluent discharge to San Francisco Bay, and since this objective has been largely achieved by means of the existing infrastructure, further system expansion has been limited to extensions justified by projected water revenues and developer-funded or grant-funded projects.

In 2008 SJWC proposed to begin funding recycled water pipeline extensions in their service area as a means of ensuring a more reliable local water supply. Their proposal was facilitated by a change in the policy of the California Public Utilities Commission (PUC) which regulates the rates charged by San Jose Water Company and other investor-owned utilities. SJWC developed a Recycled Water Master Plan (RWMP) that evaluated different pipeline alignment's ability to deliver recycled water to its customers, primarily for landscape irrigation purposes. Customers identified included schools, parks, and commercial, industrial, and multi-family common areas. SJWC is now constructing these alignments and has begun to connect customers. In 2010, the City and SJWC executed the First Amendment to the Wholesaler-Retailer Agreement that permitted SJWC to build, own, operate and maintain recycled water pipeline in their service area. The Second Amendment to the Wholesaler-Retailer Agreement expands SJWC's capacity to build, own, operate and maintain additional recycled water pipeline in their service area.

ANALYSIS

The proposed second amendment will authorize future pipeline extensions shown on Attachment A, and promote the use of recycled water for construction purposes within the SJWC service area at access points constructed by SBWR. The amendment could provide revenue up to \$1,941,986 to support SBWR staffing including engineering and inspection for the proposed pipeline alignments; ensures ownership of pipelines constructed by SJWC are clearly designated; and requires SJWC to maintain appropriate insurance for the duration for this agreement. The \$1,941,986 is the maximum amount that could be expected from payments made by the San Jose Water Company (per this agreement) if they choose to build recycled water pipeline. The actual payment will depend on how much of the proposed pipeline alignments SJWC decides to build;

should SJWC build some or all of the proposed pipeline alignments (see table below), payments to the City could begin between 2012 and 2015. Under this agreement, recycled water use is projected to increase as more customers are connected to the pipeline constructed by SJWC; operating costs allocated to Plant ratepayers for the expansion of the SBWR distribution system would be offset by additional water sales to customers along pipeline built by SJWC.

Per the recommended amendment, SJWC will be fully responsible for all pipeline construction and customer-related retrofit costs, including engineering, environmental clearance, state and local permitting, pipeline construction, and customer connections. SBWR will be responsible for the ongoing administrative costs associated with regulatory compliance, permitting and reporting. The revenue from the increased wholesale water sales is estimated at 1,100 acre feet and will generate approximately \$350,000. The increased revenue to the City from SJWC for the wholesale recycled water sales for the proposed SJWC alignments will more than offset any increase in City ongoing administrative costs necessary to meet the City's obligations under this amendment.

SJWC Wholesaler Retailer Agreement Amendment #2

Estimated Construction Year	Alignment	Payment to City
2012	S	\$29,635
2012	M	\$24,083
2012	N	\$76,663
2013	R	\$148,787
2013	A	\$347,516
2014	D	\$1,315,302
	Total:	\$1,941,986

EVALUATION AND FOLLOW-UP

The City will continue to be responsible for billing SJWC for use of recycled water. SBWR staff will also collaborate with SJWC in planning, designing and constructing new facilities. Staff will also measure the increase in revenues due to the addition of customers on the proposed pipelines.

November 21, 2011

Subject: Second Amendment to the Wholesaler-Retailer Agreement with San Jose Water Company

Page 4

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)**

San Jose Water Company and the City of San José have attended monthly meetings to review recycled water planning and operations since the inception of the SBWR program in 1994. This amendment to the existing Wholesaler-Retailer Agreement between the City and SJWC will allow the City to increase recycled water and support the City's Green Vision adopted by the San José City Council in October 2007.

COORDINATION

This memo has been coordinated with Planning and the City Attorney's Office. This memorandum is scheduled to be heard at the December 8, 2011 Treatment Plant Advisory Committee (TPAC) meeting.

CEQA

Mitigated Negative Declaration PP11-041

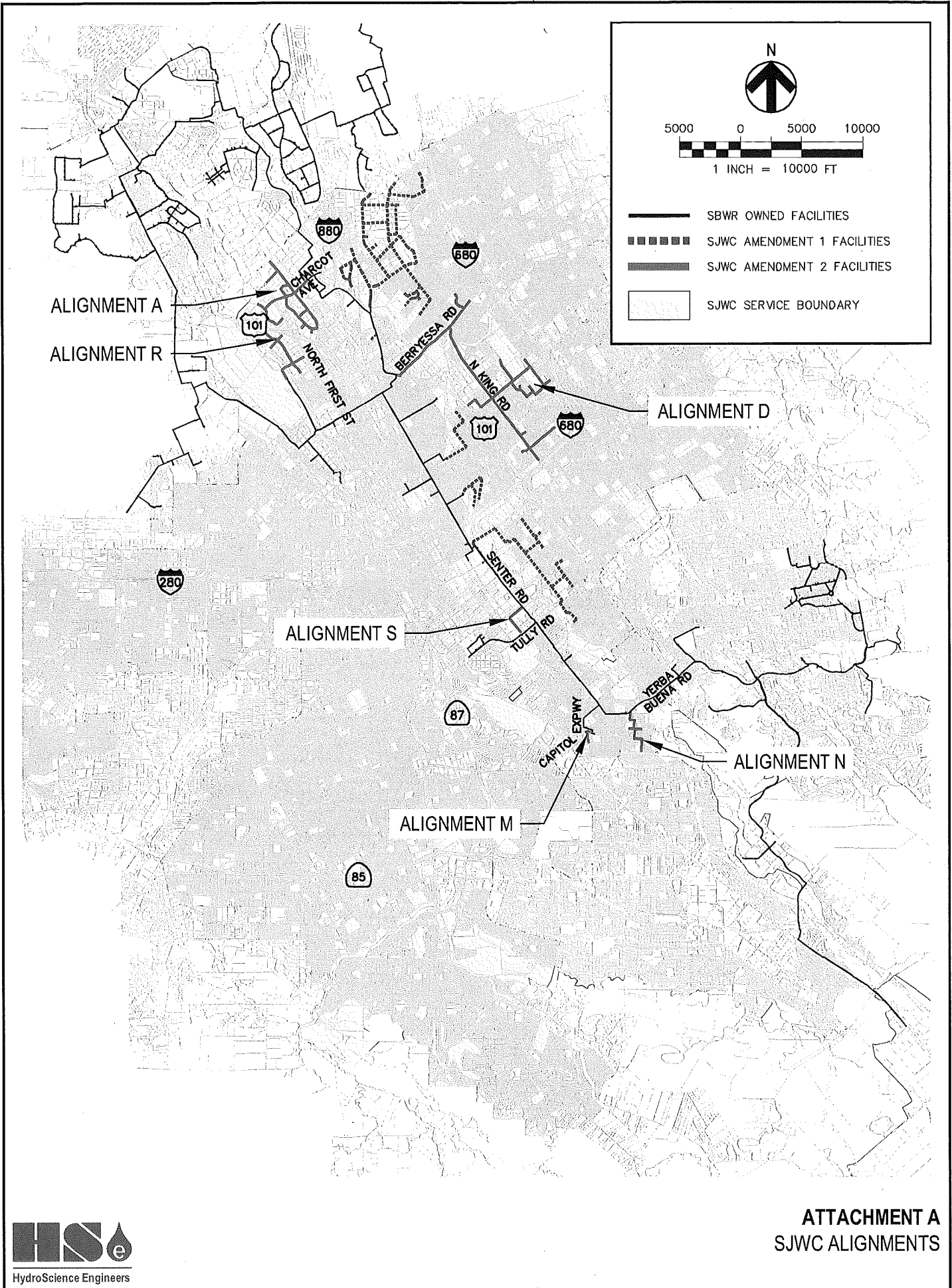
/s/

Kerrie Romanow

Acting Director, Environmental Services

Attachment A – Exhibit E

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



N

5000 0 5000 10000

1 INCH = 10000 FT

- SBWR OWNED FACILITIES
- SJWC AMENDMENT 1 FACILITIES
- SJWC AMENDMENT 2 FACILITIES
- SJWC SERVICE BOUNDARY

ALIGNMENT A
ALIGNMENT R

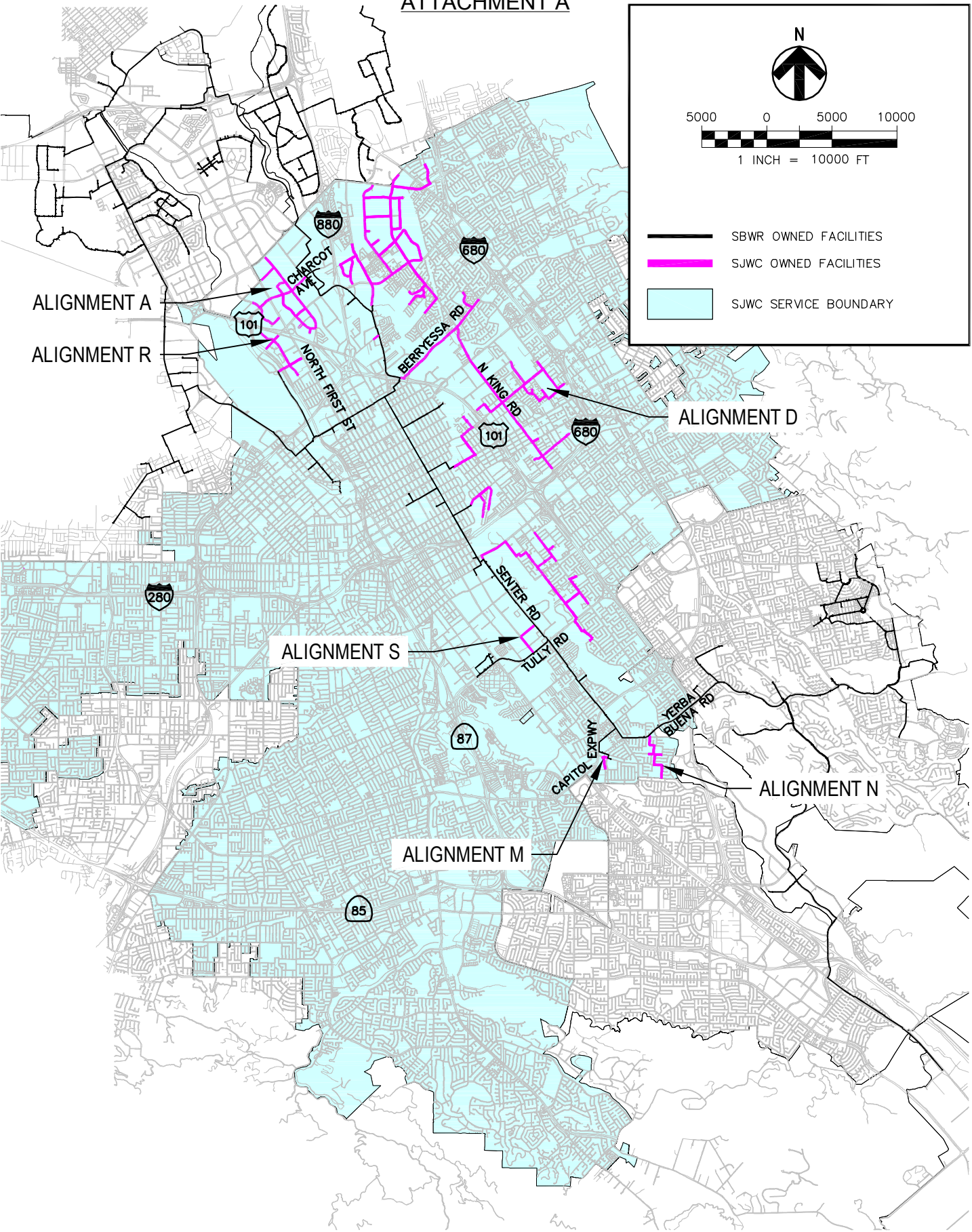
ALIGNMENT D

ALIGNMENT S

ALIGNMENT M

ALIGNMENT N

ATTACHMENT A



ALIGNMENT A

ALIGNMENT R

ALIGNMENT D

ALIGNMENT S

ALIGNMENT M


ALIGNMENT N



Subject: Cost-Sharing Agreement with Santa Clara Valley Water District for Water Conservation

**Council Agenda: 12/13/11
Item:**

City Council Action Request

Department: Environmental Services	CEQA: Not a Project, File No.PP10-066 (e), Services that involve no physical changes to the environment.	Coordination: City Attorney's Office, City Manager's Budget Office and scheduled to be heard at the 12/8/11 Treatment Plant Advisory Committee Meeting.	CMO Approval:  11/17/11
			Dept. Approval: Kerrie Romanow /s/

RECOMMENDED ACTION:

Adopt a resolution authorizing the City Manager to negotiate and execute an agreement with the Santa Clara Valley Water District (District) for cost sharing of water conservation and wastewater flow reduction programs, for the period of January 1, 2012 through June 30, 2013, under which the City will pay the District an amount not to exceed \$500,000 and the City will receive an amount not to exceed \$180,000.

BASIS FOR RECOMMENDATION:

This agreement covers two programs:

- Indoor Water Conservation Programs that Result in Wastewater Flow Reduction to the San Jose/Santa Clara Water Pollution Control Plant**
Under this agreement, the City will reimburse the District up to \$500,000 for specific programs within the Plant Service Area, such as rebates for water-efficient clothes washers, toilets and urinals, submeters for mobile home parks and apartments, and water use surveys for residents. The District will reimburse the City up to \$150,000 to cover 50% of the City's cost (not including administration) for the Water Efficient Technology rebates administered by the City within the Plant Service Area.

Over the period of this agreement (1.5 years), these cost-shared programs are expected to achieve approximately 423,000 gallons per day (0.4 MGD) of measurable flow reduction in the Plant Service Area. Cost-sharing is a cost-effective strategy for the Plant to implement water conservation programs as required under NPDES Permit Provision 6.a. (Other Special Provisions, South Bay Action Plan). These programs will help achieve two wastewater performance measures reported annually in the Environmental and Utility Services CSA, Core Service: Protect Natural and Energy Resources.
- Neighborhood Preservation Water Conservation Program**
Under this agreement, the District will provide complete reimbursement for the City's Neighborhood Preservation Water Conservation Program in an amount not to exceed \$30,000. This program will achieve stormwater protection and water conservation benefits by providing vouchers to low-income San José homeowners who have received a citation under the City's Neighborhood Preservation Ordinance and who have improved their front yards in water-efficient ways. The program also supports the City's Strong Neighborhoods Initiative.

COST AND FUNDING SOURCE:

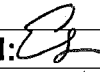
The total not to exceed amount the City will pay the District is \$500,000. The total not to exceed amount the District will pay the City is \$180,000. If the reimbursements reach their limits, the net cost to the City will be \$320,000.

Funding for this agreement is included in the 2011-2012 Adopted Operating Budget, Environmental Services Department Non-Personal/Equipment appropriation in Fund 513, the Treatment Plant Operating Fund. All \$500,000 will be encumbered with 2011-2012 funds.

Estimated revenue of \$25,000 from Santa Clara Valley Water District (SCVWD), based on past participation in the rebate program, is included in the 2011-2012 Adopted Operating Budget, Fund 513. If participation is greater than estimated and additional revenue up to the not to exceed amount of \$180,000 is received from SCVWD, the additional revenue will be recognized at that later date.

FOR QUESTIONS CONTACT: Mansour Nasser, Deputy Director, 277-4218.

City Council Action Request

Department: Environmental Services/Water Pollution Control Plant	CEQA: Not a Project, File No. PP10-066(a) Agreements and Contracts	Coordination: ESD/WPCP, City Attorney's Office, City Manager's Budget Office On December 8, 2011 the Treatment Plant Advisory Committee is scheduled to consider this item.	CMO Approval: 
			Dept. Approval: Julia Cooper /s/

RECOMMENDED ACTION:

Authorize the City Manager to:

1. Exercise the second of three one-year options to renew an Open Purchase Order with Jeffco Painting & Coating, Inc. (Vallejo, CA) for the period November 1, 2011 through October 31, 2012, with total compensation not to exceed \$400,000, for plant-wide sand blasting and painting services at the Water Pollution Control Plant (WPCP).
2. Exercise the remaining option to renew the purchase order, not to exceed \$400,000, subject to the appropriation of funds.

Desired Outcome: To complete scheduled sandblasting and painting projects at the Water Pollution Control Plant in accordance with their maintenance plan.

BASIS FOR RECOMMENDATION:

Sandblasting services are required for general maintenance painting at the Water Pollution Control Plant. Work may include but is not limited to preparation for painting of existing motors, pumps, piping, tanks, interior and exterior of buildings, and secondary containment structures.

This recommendation is the result of a competitive Request for Bid (RFB) issued in 2009. Three bids were received and evaluated. The contract was awarded to Jeffco Painting & Coating, Inc. as the lowest bid.

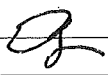
Office of Equality Assurance: Living Wage or Prevailing Wage, whichever is higher, is applicable to work under this purchase order.

This Council item is consistent with Council approved Budget Strategy General Principle #2: "We must focus on protecting our vital core City services."

COST AND FUNDING SOURCE:

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Recommendation	2011-2012 Proposed Operating Budget (Pg)	Last Budget Action (Date, Ord. No)
513	0762	ESD Non-Personal Equipment	\$25,548,275	\$400,000	XI-78	6/21/11, 28928

FOR QUESTIONS CONTACT: Mark Giovannetti, Purchasing Division Manager at 408-535-7052

City Council Action Request			
Department: Environmental Services Department/Water Pollution Control Plant	CEQA: Not a project, File No. PP10-066 (a) Agreements and Contracts for Purchase of Supplies	Coordination: City Attorney's Office, Environmental Services Department/WPCP, City Manager's Budget Office On December 8, 2011 the Treatment Plant Advisory Committee is scheduled to consider this item.	CMO Approval:  Dept. Approval: Julia Cooper /s/
RECOMMENDED ACTION:			
<p>Authorize the City Manager to Amend the existing Open Purchase Order 45620 with Trendtec Inc. (San José, CA), to encumber an additional \$435,000 for a revised total amount not to exceed \$560,000 for continued temporary employment services of up to six Environmental Inspectors and to extend the term through June 30, 2012.</p> <p>Desired Outcome: To provide ongoing environmental inspection services as required for compliance with the San Jose/Santa Clara Water Pollution Control Plant National Pollutant Discharge Elimination System (NPDES) permit, the City's stormwater NPDE permit, and/or federal regulations. Additionally, inadequate inspection coverage increases the risk of pollutants entering the storm and sanitary sewer systems and the Bay.</p>			
BASIS FOR RECOMMENDATION:			
<p>Due to staffing vacancies caused by recent retirements, promotions, and City separations in the Watershed Protection Division's Environmental Enforcement Group, temporary staff is needed to address staffing shortages to conduct permit-required environmental inspections and field sampling for the City's pre-treatment, Fats, Oils, & Grease (FOG) and Watershed Enforcement (stormwater) inspection programs. The vacant positions have not been exempted for hire, as permanent staffing needs are currently being evaluated. However, due to regulatory requirements in effect for 2011-2012, temporary support is needed.</p> <p>This recommendation is consistent with Budget Office recommendations to utilize temporary staff to complete these permit-required inspections as follows:</p> <ul style="list-style-type: none"> ▪ Assist with industrial/commercial, illegal discharge, construction, and restaurant stormwater inspections. ▪ Assist with Source Control and restaurant wastewater inspections and sampling. ▪ Assist with Environmental Enforcement database management, data entry, and data analysis. <p>Recruiting for individuals with the right skill set and expertise is typically not conducive to a competitive solicitation. Therefore, Finance has determined that a unique and unusual situation exists that make the application of the requirements for competitive procurement of a service agreement contrary to the public interest. The recommendation is consistent with Section 4.12.435 of the San José Municipal Code titled "Unique Services" based on which temporary agency has the best qualified candidates for the required positions. In addition, Staff has benchmarked local temporary agency markups and Trendtec has historically offered the most competitive rates.</p> <p>This Council item is consistent with Council approved Budget Strategy General Principle #2: "We must focus on protecting our vital core City services."</p>			
COST AND FUNDING SOURCE:			
Funds 513 and 446 Environmental Services Department Non-Personal/Equipment appropriation			
FOR QUESTIONS CONTACT: Mark Giovannetti, Purchasing Division Manager at 408-535-7052			