

## SAN JOSÉ/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE

JAMIE MATTHEWS, CHAIR  
SAM LICCARDO, VICE CHAIR  
PIERLUIGI OLIVERIO, MEMBER  
DAVID SYKES, MEMBER  
VACANT, SJ REPRESENTATIVE

PAT KOLSTAD, MEMBER  
JOSE ESTEVES, MEMBER  
STEVEN LEONARDIS, MEMBER  
JOHN GATTO, MEMBER

### AGENDA/TPAC

4:30 p.m.

August 13, 2015

Room 1734

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1. **ROLL CALL**

2. **APPROVAL OF MINUTES**

A. June 11, 2015

3. **UNFINISHED BUSINESS/REQUEST FOR DEFERRALS**

4. **DIRECTOR'S REPORT**

A. Directors Report (verbal)

- Monthly Progress Report

5. **AGREEMENTS/ACTION ITEMS**

A. **Master Consultant Agreement with Black & Veatch Corporation for Technical Support Services for the 7418 – Cogeneration Facility Project at the San José – Santa Clara Regional Wastewater Facility**

**Staff Recommendation:**

- a. Approve a master consultant agreement with Black & Veatch Corporation for technical support services for the 7418 – Cogeneration Facility Project at the San José – Santa Clara Regional Wastewater Facility for a period beginning on the date of execution through June 30, 2019 with an optional one-year extension, in a total amount not to exceed \$2,000,000, subject to the appropriation of funds.
- b. Adopt a resolution authorizing the City Manager to exercise an option to extend the term of the master consultant agreement with Black & Veatch Corporation by one year.

**The proposed agreement is scheduled for Council consideration on August 18, 2015.**

6. **OTHER BUSINESS/CORRESPONDENCE**

A. Information Memorandums:

- 6/25/15: Pond A18 Emergency Replacement Update
- 7/21/15: Pond A18 Emergency Replacement Update

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

A. Execute a Purchase Order with Carbon Activated Corp.

Staff Recommendation:

1. Report on bids for Filter Media Replacement and Under-Drain Tile Repair Services and authorize the City Manager to execute a Purchase Order with Carbon Activated Corp. (Compton, CA) for filter media replacement and under-drain repair tile services at the San Jose/Santa Clara Regional Wastewater Facility (RWF) for the initial term of July 15, 2015 through September 15, 2015, in an amount not to exceed \$311,775.
2. Approve a contingency of \$31,178 to execute change orders to cover any unforeseen changes or requirement that may arise during completion of services.

**The proposed Purchase Order was approved by Council on June 23, 2015.**

B. Agreement with San Francisco Bay Wildlife Society, Fiscal Agent for Don Edwards San Francisco Bay National Wildlife Refuge

Staff Recommendation:

- c. Authorize the City Manager to negotiate and execute an agreement with the San Francisco Bay Wildlife Society, which is the fiscal agent for the Don Edwards San Francisco Bay National Wildlife Refuge, for the purpose of providing public education about water quality, pollution prevention, and protection of water dependent ecosystems.
- d. Approve funding of up to \$130,000 for year one from July 1, 2015 through June 30, 2016, with two one-year options for renewal ending June 30, 2018, for a maximum not to exceed amount of \$390,000 over three years.

**The proposed Contract Change Order was approved by Council on June 23, 2015.**

C. Contract Change Order No. 2 for 6835 – Handrail Replacement – Phase V Project

Staff Recommendation: Approve a contract change order for a credit to the project of \$109,124, and extend the project completion date from August 12, 2014 to August 31, 2015 (257 additional working days)

**The proposed Contract Change Order was approved by Council on June 16, 2015.**

D. Contract Change Order Authorization and Construction Contingency Increase for the “7100-Digester Gas Compressor Upgrade Design-Build Project” at the San Jose-Santa Clara Regional Wastewater Facility

Staff Recommendation:

1. Approve a \$565,800 increase to the construction contingency amount of \$1,131,600 for a revised total contingency amount of \$1,697,400 and increasing the contract not-to-exceed amount from \$12,447,600 to a total revised contract amount not-to-exceed \$13,013,400.
2. Adopt a resolution authorizing the Director of Public Works to:
  - (a) Negotiate and execute Contract Change Order No. 8 (CCO8) with Anderson Pacific Engineering Construction, Inc. for the 7100-Digester Gas Compressor Upgrade Design-Build Project (“Project”) in the amount of \$358,616; and
  - (b) Negotiate and execute one or more change orders in excess of \$100,000 for the remaining duration of the Project, not to exceed the revised total contingency amount approved for the Project ; and
  - (c) Negotiate and execute one or more change orders extending the project completion date from June 22, 2016 to March 19, 2017 for a total of 270 days beyond the original contract completion date of June 22, 2016.

**The proposed Contract Change Order was approved by Council on June 23, 2015.**

**8. REPORTS**

A. Open Purchase Orders Greater Than \$100,000 (including Service Orders)

The attached monthly Procurement and Contract Activity Report summarizes the purchase and contracting of goods with an estimated value between \$100,000 and \$1.08 million and of services between \$100,000 and \$270,000.

**9. MISCELLANEOUS**

- A. The next TPAC meeting is September 10, 2015, at 4:30 p.m. City Hall, Room 1734.

**10. OPEN FORUM**

**11. ADJOURNMENT**

NOTE: If you have any changes or questions, please contact Adriana Márquez, Environmental Services, (408) 975-2547.

To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please contact Adriana Márquez (408) 975-2547 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, 10<sup>th</sup> Floor, Environmental Services at the same time that the public records are distributed or made available to the legislative body.

**MINUTES OF THE  
SAN JOSE/SANTA CLARA  
TREATMENT PLANT ADVISORY COMMITTEE**  
City Hall, Council Chambers  
Thursday, June 11, 2015 at 4:30 p.m.

**1. ROLL CALL**

Minutes of the Treatment Plant Advisory Committee convened this date at 4:32 p.m. Roll call was taken, with the following members in attendance:

**Chair:** Jamie Matthews; **Committee members:** Pierluigi Oliverio, Margie Matthews, Jose Esteves, John Gatto, Pat Kolstad, Teri Killgore, Steven Leonardis

**Absent:** Sam Liccardo, Dave Sykes

**2. APPROVAL OF MINUTES**

A. May 14, 2015

**Item 2.A was approved to note and file.**

**Ayes – 9** (J. Matthews, Oliverio, M. Matthews, Esteves, Gatto, Kolstad, Killgore, Leonardis)

**Nays – 0**

**3. UNFINISHED BUSINESS/REQUEST FOR DEFERRALS**

**4. DIRECTORS REPORT**

- A. Directors Report (verbal)
- Monthly Progress Report

**5. AGREEMENTS/ACTION ITEMS**

- A. Execute a Purchase Order with Carbon Activated Corp.

Staff Recommendation:

1. Report on bids for Filter Media Replacement and Under-Drain Tile Repair Services and authorize the City Manager to execute a Purchase Order with Carbon Activated Corp. (Compton, CA) for filter media replacement and under-drain repair tile services at the San Jose/Santa Clara Regional Wastewater Facility (RWF) for the initial term of July 15, 2015 through September 15, 2015, in an amount not to exceed \$311,775.
2. Approve a contingency of \$31,178 to execute change orders to cover any unforeseen changes or requirement that may arise during completion of services.

**On a motion by Committee Member John Gatto and a second by Committee Member M. Matthews, TPAC unanimously approved to adopt the staff recommendation for item 5.A.**

**Ayes – 9** (J. Matthews, Oliverio, M. Matthews, Esteves, Gatto, Kolstad, Killgore, Leonardis)

**Nays - 0**

**The proposed Purchase Order is scheduled for Council consideration on June 23, 2015.**

B. Agreement with San Francisco Bay Wildlife Society, Fiscal Agent for Don Edwards San Francisco Bay National Wildlife Refuge

Staff Recommendation:

- a. Authorize the City Manager to negotiate and execute an agreement with the San Francisco Bay Wildlife Society, which is the fiscal agent for the Don Edwards San Francisco Bay National Wildlife Refuge, for the purpose of providing public education about water quality, pollution prevention, and protection of water dependent ecosystems.
- b. Approve funding of up to \$130,000 for year one from July 1, 2015 through June 30, 2016, with two one-year options for renewal ending June 30, 2018, for a maximum not to exceed amount of \$390,000 over three years.

**On a motion by Committee Member John Gatto and a second by Committee Member Margie Matthews, TPAC unanimously approved to adopt the staff recommendation for item 5.B.**

**Ayes – 9** (J. Matthews, Oliverio, M. Matthews, Esteves, Gatto, Kolstad, Killgore, Leonardis)

**Nays - 0**

**The proposed Contract Change Order is scheduled for Council consideration on June 23, 2015.**

C. Contract Change Order No. 2 for 6835 – Handrail Replacement – Phase V Project

Staff Recommendation: Approve a contract change order for a credit to the project of \$109,124, and extend the project completion date from August 12, 2014 to August 31, 2015 (257 additional working days)

**On a motion by Committee Member John Gatto and a second by Committee Member M. Matthews, TPAC unanimously approved to adopt the staff recommendation for item 5.C.**

**Ayes – 9** (J. Matthews, Oliverio, M. Matthews, Esteves, Gatto, Kolstad, Killgore, Leonardis)

**Ayes – 9** (J. Matthews, Oliverio, M. Matthews, Esteves, Gatto, Kolstad, Killgore, Leonardis)

**Nays - 0**

**The proposed Contract Change Order is scheduled for Council consideration on June 16, 2015.**

D. Contract Change Order Authorization and Construction Contingency Increase for the “7100-Digester Gas Compressor Upgrade Design-Build Project” at the San Jose-Santa Clara Regional Wastewater Facility

Staff Recommendation:

1. Approve a \$565,800 increase to the construction contingency amount of \$1,131,600 for a revised total contingency amount of \$1,697,400 and increasing the contract not-to-exceed amount from \$12,447,600 to a total revised contract amount not-to-exceed \$13,013,400.
2. Adopt a resolution authorizing the Director of Public Works to:
  - (a) Negotiate and execute Contract Change Order No. 8 (CCO8) with Anderson Pacific Engineering Construction, Inc. for the 7100-Digester Gas Compressor Upgrade Design-Build Project (“Project”) in the amount of \$358,616; and
  - (b) Negotiate and execute one or more change orders in excess of \$100,000 for the remaining duration of the Project, not to exceed the revised total contingency amount approved for the Project ; and
  - (c) Negotiate and execute one or more change orders extending the project completion date from June 22, 2016 to March 19, 2017 for a total of 270 days beyond the original contract completion date of June 22, 2016.

**On a motion by Committee Member Margie Matthews and a second by Committee Member Jose Esteves, TPAC unanimously approved to adopt the staff recommendation for item 5.D.**

**Ayes – 9** (J. Matthews, Oliverio, M. Matthews, Esteves, Gatto, Kolstad, Killgore, Leonardis)

**Nays - 0**

**The proposed Contract Change Order is scheduled for Council consideration on June 23, 2015.**

**On a motion by Committee Member John Gatto and a second by Committee Member M. Matthews, TPAC unanimously approved to adopt the staff recommendation for item 5.A.**

**Ayes – 9** (J. Matthews, Oliverio, M. Matthews, Esteves, Gatto, Kolstad, Killgore, Leonardis)

David Wall spoke on this item.

**6. OTHER BUSINESS/CORRESPONDENCE**

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

**A. Biosolids Transition Strategy**

Staff Recommendation: Accept the following staff recommendations on the Biosolids Transition Strategy for the San José-Santa Clara Regional Wastewater Facility:

- a. Near-term recommendations:
  1. Proceed with implementation of the Digested Sludge Dewatering Facility and the Lagoon and Drying Bed Retirement projects as shown in the 2015-2016 Proposed Capital Budgets and 2016-2020 Capital Improvement Program.
  2. Locate the Digested Sludge Dewatering Facility at Site A.
  3. Direct staff to bring back recommendations on the size and makeup of the Biosolids Management Team (BMT) for City Council consideration as part of the annual budget process for 2016-2017.
- b. Long-term recommendations:
  1. Implement any future on-site processing facilities considering conditions at the time including starting small with pilots, demonstrations, and phasing and potentially participating in regional facilities and emerging technologies.



**TPAC Referral: Staff to analyze options relating to a Community Facilities District; including analysis under Proposition 218, whether we have any risk in putting burdens on rate payers who live outside of the odor impact area.**

**The proposed Strategy was heard and approved by Council on June 2, 2015.**

David Wall spoke against this item

B. San José – Santa Clara Regional Wastewater Facility Ten-Year Funding Strategy

Staff Recommendation:

1. Accept the staff report on the San José – Santa Clara Regional Wastewater Facility (RWF) Ten-Year Funding Strategy.
2. Approve staff recommendation to have all agencies contribute to a 60 day operating reserve beginning in FY 2016-17; direct staff to continue to work with all agencies on optimal reserve levels for operating purposes.
3. Direct staff to pursue State Revolving Fund loans for RWF capital improvement projects to the maximum extent possible.
4. Direct staff to continue to work with City of Santa Clara (Santa Clara) and all tributary agencies to confirm participation in a commercial paper program and/or long term revenue bonds through the Clean Water Financing Authority (CWFA), by August 2015.
5. Direct staff to work with Santa Clara and all tributary agencies to amend the 1983 Master Agreement to incorporate terms related to operating reserve contributions, as well as terms related to financing of the RWF improvements through the CWFA.

**The proposed Strategy was heard and approved by Council on June 2, 2015.**

David Wall spoke against this item.

C. San Jose/Santa Clara Water Pollution Control Plant 2016-2020 Proposed Capital Improvement Program

Staff Recommendation: TPAC approval of the San Jose/Santa Clara Water Pollution Control Plant 2016-2020 Proposed Capital Improvement Program

**The San Jose/Santa Clara Water Pollution Control Plant 2016-2020 Proposed Capital Improvement Program is scheduled for Council consideration on June 9, 2015, and for adoption on June 23, 2015.**

D. San Jose/Santa Clara Water Pollution Control Plant 2015-2016 Proposed Operating and Maintenance Budget

Staff Recommendation: TPAC approval of the San Jose/Santa Clara Water Pollution Control Plant 2015-2016 Proposed Operating and Maintenance Budget

**The San Jose/Santa Clara Water Pollution Control Plant 2015-2016 Proposed Operating and Maintenance Budget is scheduled for Council consideration on June 9, 2015, and for adoption on June 23, 2015.**

- E. San José – Santa Clara Regional Wastewater Facility Capital Improvement Program Semiannual Status Report

Staff Recommendation: Accept the semiannual status report on the San José-Santa Clara Regional Wastewater Facility Capital Improvement Program (CIP) for the period July through December 2014.

**The proposed Status Report was heard and approved by Council on June 2, 2015.**

- F. Approval of an Amendment for Legal Services Agreement for Regional Wastewater Facility Capital Program

Staff Recommendation: Approve a First Amendment to the legal services contract with Hawkins, Delafield & Wood LLP, to increase the amount of compensation for the initial one-year term in the amount of compensation for each of the two one-year option terms from \$160,000 to \$300,000, subject to appropriation of funds by City Council, for a total contract amount not to exceed \$1,000,000 to support the San José-Santa Clara Regional Wastewater Facility capital improvement program.

**The proposed Amendment was heard and approved by Council on May 19, 2015.**

## 8. REPORTS

- A. Open Purchase Orders Greater Than \$100,000 (including Service Orders)

**The attached monthly Procurement and Contract Activity Report summarizes the purchase and contracting of goods with an estimated value between \$100,000 and \$1.08 million and of services between \$100,000 and \$270,000.**

**Item 8.A was approved to note and file.**

**Ayes – 9** (J. Matthews, Liccardo, Oliverio, M. Matthews, Esteves, Gatto, Kolstad, Sykes, Leonardis)

## 9. MISCELLANEOUS

The next TPAC meeting is August 13, 2015, at 4:30 p.m. City Hall, Room 1734.

**10. PUBLIC COMMENT**

David Wall spoke on various items.

**11. ADJOURNMENT**

A. The Treatment Plant Advisory Committee adjourned at 4:48 p.m.

Jamie Matthews, Chair  
TREATMENT PLANT ADVISORY COMMITTEE



**San José-Santa Clara**  
Regional Wastewater Facility

# Capital Improvement Program Monthly Status Report for June 2015

August 6, 2015

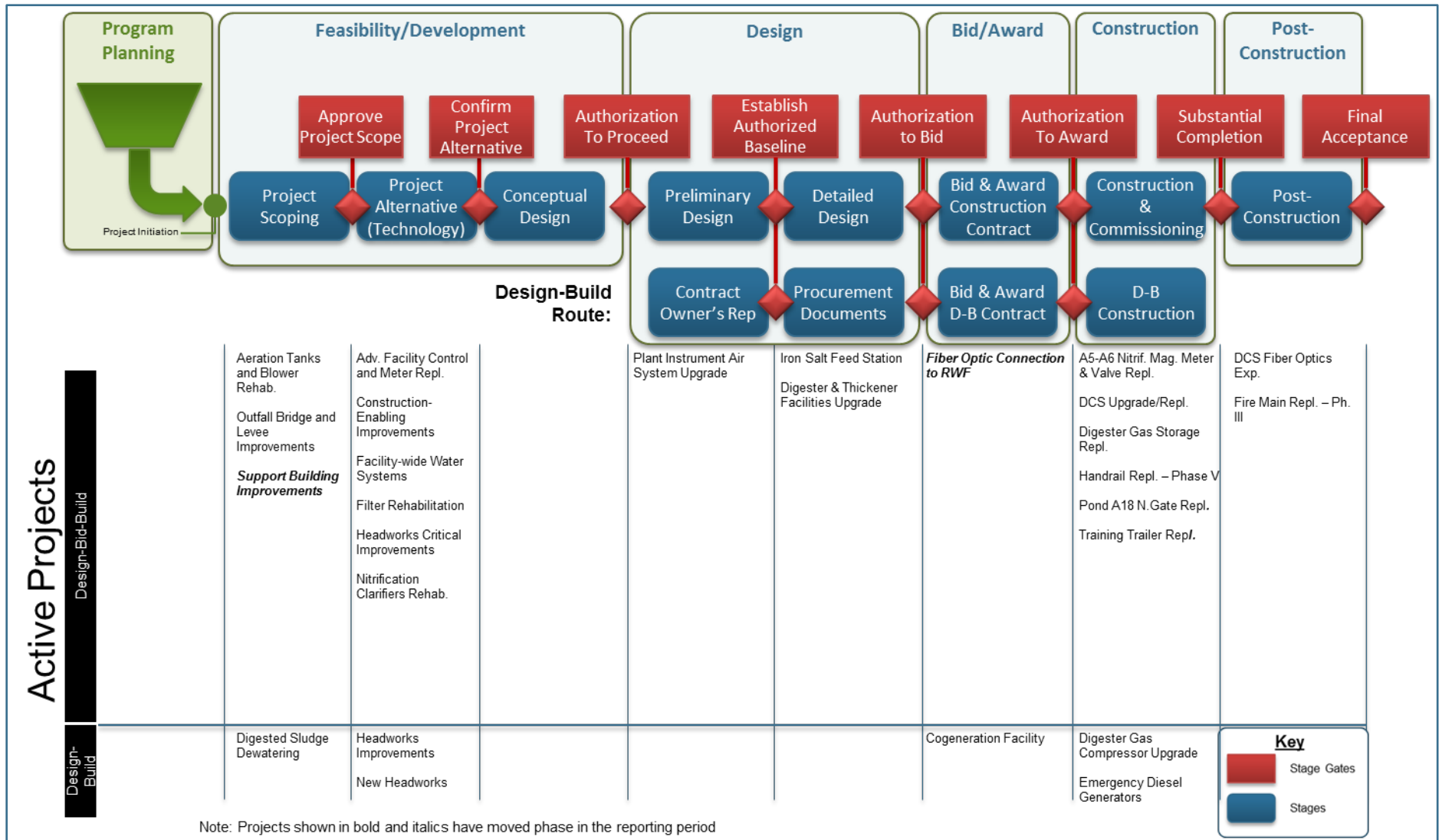
This report provides a summary of the progress and accomplishments of the Capital Improvement Program (CIP) for the San José-Santa Clara Regional Wastewater Facility (Wastewater Facility or RWF) for the period of June 2015.

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# Project Delivery Model





# Program Summary

## June 2015

In June, the CIP progressed on multiple fronts, including the successful advancement of projects and programmatic studies through stage gates of the Project Delivery Model (PDM) process. In particular, the Fiber Optic Connection to RWF Project passed through the "Authorization to Bid" stage gate and three programmatic studies passed through the "Final Acceptance" stage gate. The three studies included the Aeration Demands and Biosolids Production Assessment Study, the Facility Wide Heating and Cooling Systems Evaluation Study and the Process Risk Assessment Study.

On June 2nd, City Council approved the Biosolids Transition Strategy. The adopted strategy addresses inputs received from the Treatment Plant Advisory Committee (TPAC) and City Council last year and remains consistent with the Plant Master Plan (PMP) goals. These goals include the implementation of a new full-scale dewatering facility and retirement of the existing sludge lagoons and drying beds. City Council also approved the RWF Ten-Year Funding Strategy, the 2016-2020 CIP Budget, and Construction Contract Change Orders for the Digester Gas Compressor and Handrail Replacement Projects.

CIP Staff issued a Consultant Request for Qualification (RFQ) proposal for the Facility-Wide Water Systems Improvements Project this month. The technical evaluation of the Consultant Technical Support Services RFQ for the Cogeneration Facility was also completed and an award recommendation is scheduled to be presented to City Council in August. Statement of Qualifications (SOQs) were received for the Cogeneration Facility (design-build entity) and Headworks (consultant) projects and a technical evaluation of these SOQs also commenced.

The Support Buildings Improvements Project was initiated this month and work also recommenced on the Dewatered Sludge Dewatering Facility, following Council approval of the Biosolids Transition Strategy.

The Iron Salts Feed Station Project reached the 90 percent design milestone this month and internal CIP design reviews for the project commenced. Design reviews, including Value Engineering and HAZOP workshops, were completed on the 60 percent design submission for the Digester and Thickener Facilities Upgrade Project.

Emergency repair work progressed significantly on the Pond A-18 northern gate structure this month with the successful installation of cofferdams and the isolation and removal of the failing gate structure. Work is now underway to complete the mechanical installation and construction of the surrounding timber structure. Additional construction work continued at the RWF on a number of CIP projects including the Emergency Diesel Generators, Digester Gas Compressor Upgrades and Digester Gas Storage Replacement projects.

Final Acceptance was achieved on the BNR2 Clarifiers Guardrail Replacement project this month.

## Look Ahead

In July, CIP staff will continue to move forward on numerous efforts related to consultant and design-build procurements for CIP projects including the Cogeneration Facility, Headworks Improvements, New Headworks, Facility Wide Water Systems Improvement, Filter Rehabilitation and the Nitrification Clarifiers Rehabilitation. In particular, RFQ documents will be issued for the Design and Construction Management Software (DCMS) to be used on all CIP construction projects. In fiscal year 2015-2016, procurements for a number of programmatic services including General Engineering Services, Value Engineering and Peer Review Services, Construction Management Services, and Audit Services will also be developed.

Stage gate meetings for the Final Acceptance Stage Gate will be held in July for two of the twelve programmatic studies initiated last year. These two studies will include the Odor and Corrosion Control Strategy Study and the Yard Piping Condition Assessment Study.

Work will continue on developing programmatic funding and insurance strategies, including an overall funding strategy, Clean Water State Revolving Fund (SRF) project applications, and investigations into the applicability of an Owner Controlled Insurance Program (OCIP).

Formal project management (PM) training for all CIP project managers and project engineers will continue in July with a design-build training course held by the Design-Build Institute of America (DBIA).

The emergency repair work on the Pond A-18 northern gate structure is scheduled for completion in August. Beneficial Use is also anticipated for the Training Trailer Replacement Project in July.



## Program Highlight –Biosolids Transition Strategy

The RWF currently processes approximately 110 million gallons of wastewater per day and serves 1.4 million residents and 17,000 businesses, with numbers expected to increase in the coming years. The current biosolids treatment process includes the anaerobic digestion of biosolids in enclosed tanks, followed by open-air lagoon stabilization and solar drying, an outdoor drying process that takes three to four years from start to finish. The transition out of the outdoor lagoons and drying beds and into an indoor, odor-controlled mechanical dewatering facility was a key component of the original RWF Plant Master Plan (PMP). Approved in late 2013, the PMP envisioned a phased biosolids transition to accommodate increases in near term and long term projected wastewater volume. The biosolids drying process is designed to remove the water content from biosolids waste, inactivate pathogens and convert the waste from Class B to Class A, so that the dried waste can be used as alternative daily cover at landfills. Although the outdoor biosolids drying method is cost effective, it is time-intensive, creates odor impacts to the community, does not provide adequate diversification options, and has a large land use footprint.

The transition out of open-air biosolids lagoons and drying beds and into an indoor dewatering and drying facility to expedite the liquid removal process, will allow the Facility to meet its odor goals, diversify its disposal options in anticipation of Newby Island Landfill's 2025 closure, reduce the biosolids processing area's land use footprint from 750 acres to 160 acres, and provide the flexibility to adapt to potential future landfill disposal of treated biosolids regulatory changes as well as changing market conditions of beneficial use waste. The construction of the dewatering facility is expected to be completed by 2022 and the lagoons and drying beds will be decommissioned by 2027.















Figure 1 – By 2027, a new indoor, odor-controlled mechanical dewatering facility will be in place and the current outdoor biosolids sludge lagoons and drying beds de-commissioned (pictured here).

## Program Performance Summary

Seven KPIs have been established to measure the overall success of the CIP. Each KPI represents a metric which will be monitored on a regular frequency. Through the life of the CIP, KPIs will be selected and measured which best reflect the current maturity of the program. The target for the seventh KPI "Staffing Level" KPI will be established as part of the analysis of future staffing needs.

### Program Key Performance Indicators – Fiscal Year 2014-2015

KPI Description	Target	Actual	Status	Trend	Measurement
<b>Schedule</b>	85%	100% (5/5)			Percentage of CIP projects delivered within 2 months of approved baseline Beneficial Use Milestone. <b>Target: 85% of projects delivered within 2 months of approved baseline schedule or better.</b>
<b>Budget<sup>1</sup></b>	90%	80% (4/5)			Percentage of CIP projects that are completed within the approved baseline budget. <b>Target: 90% of projects delivered are within 101% of the baseline budget.</b>
<b>Expenditure<sup>2</sup></b>	≥\$95.6M	\$92.9M			Total CIP actual + forecast committed cost for the fiscal year compared to CIP fiscal year budget. <b>Target: Forecast committed cost meets or exceeds 60% of budget for Fiscal Year 14/15 (60% of \$159.3M= \$95.6M)</b>
<b>Procurement</b>	100%	100% (7/7)			Number of actual + forecast consultant and contractor procurements compared to planned for the fiscal year. <b>Target: Forecast /actual procurements for fiscal year meet or exceed planned.</b>
<b>Safety</b>	0	0			Number of OSHA reportable incidents associated with CIP construction for the fiscal year. <b>Target: zero incidents.</b>
<b>Environment/Permits</b>	0	0			Number of permit violations caused by CIP construction for the fiscal year. <b>Target: zero violations.</b>
<b>Staffing Level<sup>3</sup></b>	TBD	TBD	TBD	TBD	Percentage of authorized staffing level <b>Target: to be determined</b>

#### KEY:

 Meets or exceeds KPI target

 Does not meet KPI target

#### Notes

- For the Budget KPI, four out of five projects were completed within the approved baseline budget. The four projects are 115KV Circuit Breaker Replacement (accepted in October 2014), RWF Street Rehabilitation – Phase III (accepted in March 2015), Filtration Building B2 & B3 Pipe and Valve Replacement (accepted in May 2015), and BNR2 Clarifiers Guardrail Replacement (accepted in June 2015). Dissolved Air Flotation Dissolution Improvements project finished 7% over budget.
- FY14-15 budget excludes reserves, ending fund balance, South Bay Water Recycling, Public Art and Urgent and Unscheduled Rehabilitation items.
- Staffing level KPI measured quarterly; all other KPIs measured monthly.



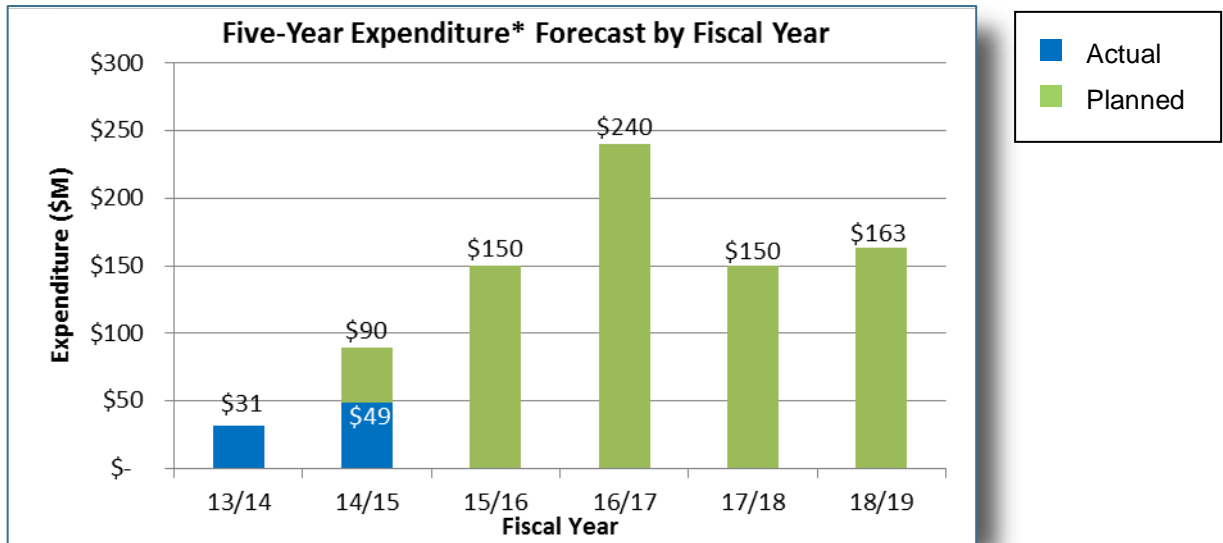


## Program Cost Performance

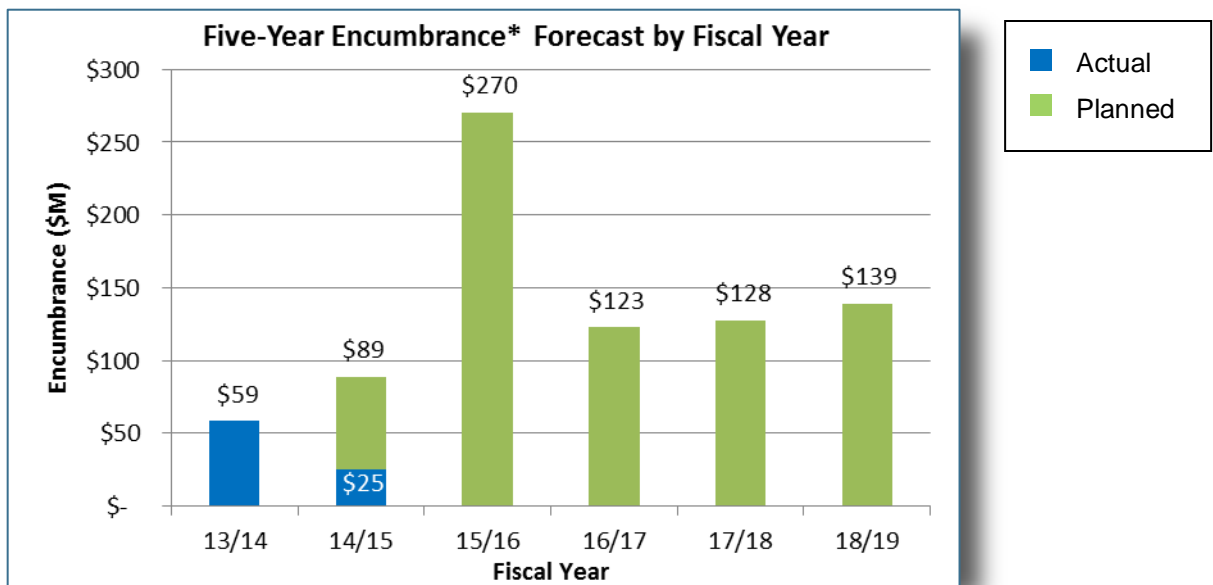
This section provides a summary of CIP cost performance for all construction projects and non-construction activities for FY13-14 and the 2015-2019 CIP.

### Adopted 2015-2019 CIP Expenditure and Encumbrances

To accommodate the proposed increase in expenditures and encumbrances over the next five years, the City is developing a long-term financial strategy to fund the needed, major capital improvements while minimizing the impact to ratepayers.



\*Expenditure defined as: Actual cost expended associated with services and construction of physical asset which may include encumbered amounts from previous years



\*Encumbrance defined as: Financial commitments, such as purchase orders or contracts, which are chargeable to an appropriation and for which a portion of the appropriation is reserved

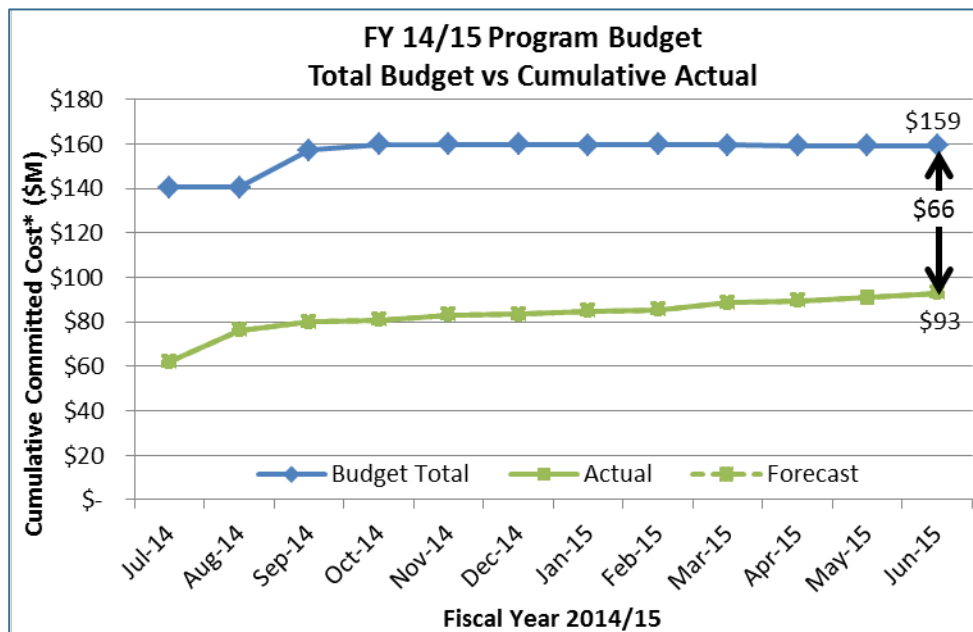


## Fiscal Year 2014-2015 Program Budget Performance

The fiscal year program budget is \$159 million. The budget amount of \$159 million represents the 2014-2015 budget of \$107 million plus carryover of \$52 million. The budget amount excludes reserves, ending fund balance, South Bay Water Recycling, Public Art and Urgent and Unscheduled Rehabilitation items.

The projected year-end variance of approximately \$66 million is primarily due to the following reasons:

- Award of the Cogeneration Facility design-build contract and technical support services agreement are now expected in FY15-16 (\$24 million).
- Award of construction contracts for the Iron Salt Feed Station, Plant Instrument Air System Upgrade, and Switchgear S40/G3 Relay Upgrade projects are anticipated in FY15-16 (\$18 million).
- Award of a design contract for critical rehabilitation work in the Headworks Improvements is expected in FY15-16 (\$4 million).
- Work not yet initiated or re-programmed into later years for Secondary and Nitrification Clarifier Rehabilitation and Aeration Tanks and Blower Rehabilitation (\$4 million).
- Lower than expected expenditures and encumbrances in Equipment Replacement, Preliminary Engineering, and Program Management (\$4 million).
- Award of a design contract for the Advanced Facility Control and Meter Replacement project has been removed from the forecast while the project team reevaluates the scope to determine the best way to implement the project (\$2 million).
- Lowered forecasts for consultant services for the Emergency Diesel Generators, Fiber Optic Connection to RWF, and Plant Instrument Air System Upgrade projects (\$2 million).
- Miscellaneous project balances across 18 projects (\$8 million).























\*Committed costs are expenditures and encumbrance balances, including carryover (encumbrance balances from the previous fiscal year).







## Project Performance

There are currently 10 active projects in the construction or post-construction phase with a further 17 projects in feasibility/development, design or bid and award phases (see PDM graphic at the front of this report). All active projects are listed in the tables below. Projects in the construction phase have cost and schedule baselines established and are monitored using the City's Capital Project Management System (CPMS). These projects have green/red icons included in the table below to indicate whether they are on budget and schedule using the CPMS data as a source.

### Project Performance – Baselined Projects

Project Name	Phase	Estimated Beneficial Use Date <sup>1</sup>	Cost Performance <sup>2</sup>	Schedule Performance <sup>2</sup>
Distributed Control System (DCS) Fiber Optics Network Expansion	Post-Construction	May 2014 <sup>3</sup>		
Fire Main Replacement - Phase III	Post-Construction	Apr 2015 <sup>3</sup>		
Training Trailer Replacement	Construction	Jul 2015		
A5-A6 Nitrification Mag. Meter & Valve Replacement	Construction	Aug 2015		
Handrail Replacement - Phase V	Construction	Aug 2015		
Pond A18 Northern Gate Structure	Construction	Aug 2015		
Digester Gas Storage Replacement	Construction	Sep 2015		
DCS Upgrade/Replacement	Construction	Jun 2016		
Emergency Diesel Generators	Construction	Aug 2016		
Digester Gas Compressor Upgrade	Construction	Sep 2016		

#### KEY:

Cost:		On Budget		>1% Over Budget
Schedule:		On Schedule		>2 months delay

#### Notes

- Beneficial Use is defined as when the work is sufficiently complete, in accordance with the contract documents, so that the City can occupy or use the work. Beneficial use dates are being reviewed as part of project schedule reviews.
- An explanation of cost and schedule variances on specific projects identified in this table is provided on page 13.
- Actual Beneficial Use Date



## Project Performance – Pre-Baselined Projects

Project Name	Phase	Estimated Beneficial Use Date <sup>1</sup>
Cogeneration Facility	Procurement	Feb 2019
Fiber Optic Connection to RWF	Design	Mar 2016
Iron Salt Feed Station	Design	Sep 2017
Plant Instrument Air System Upgrade	Design	Jan 2018
Digester & Thickener Facilities Upgrade	Design	Sep 2018
Construction-Enabling Improvements	Feasibility/Development	Oct 2016
Headworks Critical Improvements	Feasibility/Development	Apr 2017
Adv. Facility Control & Meter Repl.	Feasibility/Development	Apr 2021
Outfall Bridge and Levee Improvements	Feasibility/Development	Feb 2021
Headworks Improvements	Feasibility/Development	Mar 2021
Facility-wide Water Systems Improvements	Feasibility/Development	Sep 2021
Digested Sludge Dewatering Facility	Feasibility/Development	Dec 2021
Filter Rehabilitation	Feasibility/Development	Jan 2022
Nitrification Clarifiers Rehabilitation	Feasibility/Development	Apr 2022
New Headworks	Feasibility/Development	Jun 2022
Support Building Improvements	Feasibility/Development	Jan 2027
Aeration Tanks and Blower Rehabilitation	Feasibility/Development	Jan 2028

### Notes

1. Beneficial Use is defined as when the work is sufficiently complete, in accordance with the contract documents, so that the City can occupy or use the work. Beneficial use dates are being reviewed as part of project schedule reviews.



## Significant Accomplishments

### Biosolids Package

#### **Biosolids Transition Strategy**

Work on the Biosolids Transition Strategy continued this month, with the completion of studies evaluating the odor impacts of the existing sludge lagoons and drying beds operations, identification of alternatives for upgrading the existing lagoons to meet the Facility's odor goals, and a detailed site evaluation study for the new dewatering building. CIP Staff presented study findings and conclusions at TAC and TPAC meetings on May 11th and 14th, respectively. Staff also presented the odor and cost information for the updated Biosolids Transition Strategy to the San José City Council in June 2015. The revised Biosolids Transition Strategy was approved by the City Council and includes:

- Implementation of a new digested sludge dewatering facility and the retirement of the existing lagoons and drying beds
- Formation of a Biosolids Management Team (BMT) for City Council consideration as part of the annual budget process for 2016-2017.
- Implementation of on-site processing facilities that take future conditions into consideration, incorporate methods including pilot programs, demonstrations and phasing, and involve potential participation of regional facilities and emerging technologies.

A new biosolids transition schedule was developed in June, which includes a new biosolids dewatering facility planned to be on-line by December 2022 and the existing lagoons and drying beds being decommissioned by 2027. Estimated project costs for these facilities are approximately \$115 million.

#### **Digester and Thickener Facilities Upgrade**

The detailed design of the digesters and dissolved air flotation tanks (DAFT) continued this month. Brown and Caldwell submitted the final 60 percent completion level design documents for review and comments in May. Construction cost estimates were updated and submitted to the City. Design highlights include:

- CIP and O&M staff attended three workshops for the design in order to review the design details of the 60 percent completion level documents. Construction costs estimates were updated and submitted to the City this month.
- CIP and O&M staff conducted a Value Management workshop with Brown and Caldwell in order to evaluate and select ideas for cost savings. City O&M staff had significant input into accepting each value engineering option. The team continues to look at opportunities for additional cost savings.
- The Project Team is currently preparing a pre-qualification document for pre-selection of qualified construction contractors for the project. It is anticipated this document will be issued in August.

In July, a commissioning and startup workshop will be held with Facility Staff in order to review actual digester and DAFT startup procedures and performance requirements. These requirements will be incorporated into the Division 1 specifications.

#### **Digested Sludge Dewatering Facility**

City Council granted approval for dewatering facility project work to recommence on June 2nd. The Project Team will meet in the first week of July to review past scoping and project initiation documents that were prepared prior to last December, when City Council approved implementation of temperature phased anaerobic digestion (TPAD) upgrades and deferral of thermal and greenhouse drying facilities, but requested that a lagoon and drying bed odor evaluation be performed prior to proceeding with the Dewatering Facility Project. A stage gate meeting will be planned for late August to confirm the remaining dewatering facility scope requirements. The early work activities will include discussions regarding the delivery method for the project (i.e. design-bid-build, design-build, etc.).



## **Facilities Package**

### **Cogeneration Facility**

The City received SOQs from 10 design-build teams competing for the contract to design and build the Cogeneration Facility. The three most qualified teams have been shortlisted and the RFP and the draft contract are in final development and scheduled to be released to the shortlisted firms in July. The City has also selected Black and Veatch as the Technical Support Services consultant who will provide professional engineering and construction support for the duration of the project.

### **Digester Gas Storage Replacement**

In June, Digester Gas Holder Project construction work continued with the piston cover placement, final tank welding, and gas seal installation. Work related to the application of coating materials to the tank exterior also began. Additionally, pressure testing procedures for the upcoming functional testing work were also discussed with the Contractor.

### **Pond A18 Northern Gate Structure Replacement**

The cofferdams have been installed and the failing gate structure has been isolated and removed. Work is underway to clean the pipe and mechanical gate structures and build the timber structure. The project team experienced delays due to unusual summer rains that caused the levees to become too slick to drive on; therefore, crews must wait until they dry out before operations can reconvene. Construction is scheduled for completion in August.

### **Support Buildings Improvements**

The project initiated in June with scoping studies to identify early work packages including heating, cooling, and air conditioning (HVAC) improvements, as well as code and safety upgrades for numerous buildings throughout the Facility.

## **Liquids Package**

### **Filter Rehabilitation**

An RFQ was issued on June 6th and a site tour was held on June 23rd. CIP staff will receive and score RFQs in July and extend an invitation for interviews scheduled for August.

### **Headworks Improvements and New Headworks**

CIP staff received SOQs on June 3rd, held a scoring workshop on June 24th, and issued invitations to qualified firms to participate in an interview scheduled for July 14th.

### **Iron Salt Feed Station**

CIP staff received a 90 percent design submittal on June 19th and a final cost estimate on June 24th. O&M staff held submittal review workshops on June 25th. The review process for the 90 percent design-submittal and negotiations for the Engineering Services During Construction contract began. The public comment period on the Iron Salt Feed Station Project Initial Study/Mitigated Negative Declaration was closed this month. CIP staff will receive the 100 percent design submittal in August.

### **Aeration Tanks and Blower Rehabilitation**

The Blower Evaluation Study workshop was held on June 3rd. CIP staff has begun the Project Scoping Stage and anticipates that stage gate approval will be reached in September.

## **Programmatic Studies**

### **Aeration Demands and Biosolids Production Assessment**

A final workshop was conducted to prepare final recommendations. The final stage gate was conducted and the Study was accepted. Follow-up actions for subsequent projects were identified and responsibilities for action items were assigned.

### **Facility-wide Heating and Cooling Systems Evaluation**

CIP staff conducted a final workshop to prepare final recommendations. The final stage gate was conducted and the Study was accepted. Follow-up actions for subsequent projects were identified and responsibilities for action items were assigned.

### **Facility-wide Process Risk Assessment**

The final stage gate was conducted and the Study was accepted. Ownership of Study tools were assigned to the CIP Risk Manager for use in future projects.



## **Odor and Corrosion Control Study**

The study was substantially completed in June. Final analyses looked at the costs of adopting optional odor fences in the future should the City choose to do so. Initial preparation of final stage gate documentation occurred and the draft final report was circulated to key reviewers.

## **Yard Piping Condition Assessment Plan**

Black and Veatch (B&V) submitted the final risk protocol and the final Yard Piping Condition Assessment Plan. The preparation for the delivery of Study results at the final stage gate, which is expected to occur in July, also began.

## **Power and Energy**

### **Digester Gas and Compressor Upgrade**

Construction work continues on the installation of underground piping and conduit in the new Gas Compressor Building. City Council approved the change order memo to upgrade the gas compressor skid to Class 1 Division 1. The fabrication to the two 500 HP gas compressor motor has been released. The City is reviewing the Anderson Pacific construction drawings and the Unison Solutions gas compressor skid submittals. A change order was issued for the installation of the Pipe Bridge footing and columns located on the east side of the new Gas Compressor Building.

### **Plant Instrument Air System**

CH2M Hill has been given the Notice to Proceed for the development of construction documents and will proceed with preliminary design in the coming months.



## Explanation of Project Performance Issues

### A5-A6 Nitrification Magnetic Meter & Valve Replacement

In September 2014, during startup, the project team discovered that the actuators that had been specified and installed were incompatible with the available power supply. Engineering staff determined it would be more costly to modify the system than to order and install compatible actuators. In addition, O&M staff requested that the actuators match those used in the other clarifiers. The City continues to work with the contractor and is considering other options to resolve the actuator issue and complete the project. Beneficial use is expected by the end of August 2015.

### Handrail Replacement - Phase V

The Aeration Basin 1 handrail replacement material submittal and review process extended into the wet weather season, when several of the secondary aeration tanks are required for process capacity. Typically, aeration basin repairs cannot occur prior to April 15th because the rainy season requires that basins remain available in the event of heavy rains. Work had originally been planned to commence in May after the rainy season ended and the basin could be drained for safety reasons, but was further delayed until June due to additional work occurring in the basin at that time. With the handrail replacement, which requires a side-mounted installation (i.e., within the tanks), the contractor had to not only wait for the tank to be drained but was further delayed because of maintenance repairs to diffusers that also needed to take place in May and which subsequently made the project site unavailable to the contractor. Furthermore, RWF Maintenance is currently making much-needed mechanical repairs to three of the aeration tanks (B1, B2, and B3). Handrail replacement work is expected to resume when the remaining basin becomes available. Operational schedule constraints added an additional 257 days to the construction duration, which has extended the expected beneficial use date to late August. The project is currently 90% complete and no additional costs related to the time extension are expected.

### Digester Gas Compressor Upgrade

During the course of the design portion of this design build project, it was determined that some of the equipment for this project would need to meet the explosion-proof classification of Class 1, Division 1 of the National Electric Code. This classification was more stringent than what was originally called for in the bid documents. Cost and schedule impacts were received from contractor, Anderson Pacific. A provisional three-month delay has been estimated based on the delivery schedule for the new motors. Council approval for additional project funding due to motor upgrade was granted during its June 23, 2015 session. Beneficial Use is expected by September 2016.

### Digester Gas Storage Replacement

During a comprehensive review of the gas storage tank design submittal by the design consultant, Brown & Caldwell, it was identified that the removable piston legs used in the proposed design by the sub-contractor did not meet the design standards and would have caused problems in the intended use of the tank. As a result, the sub-contractor re-designed the tank with permanent piston legs with a subsequent delay in mobilization until the re-design of the tank was reviewed and approved. The re-design was subsequently completed and has been approved. The contractor has also submitted a revised schedule which included a justification for delays in both the tank submittal review and associated material delivery. Additionally, the contractor is working with the subcontractor on a recovery plan. Despite the project schedule delay, the construction cost has not been impacted. Beneficial Use is expected by September 2015.





## Project Profile

### Facility-wide Water Systems Improvements

The RWF currently has four major water systems which include a potable water system (1W) a groundwater system (2W) a process water system (3W) and a fire protection system (4W). Collectively, these four systems are referred to as the potable and utility water systems.

While 1W and 4W systems provide the RWF with potable and fire protection water, the existing and future RWF treatment processes rely on the utility water systems, 2W and 3W. Generally, the potable and utility systems are beyond their useful life and experiencing increasing leaks and failures. The aged infrastructure may not be able to meet future demands as new processes come online. Recycled water from the South Bay Water Recycling Transmission Pump Station is currently used in some locations of RWF, but the recycled water system is not included in this project.

The project scope includes: 1) replacing aging equipment including piping, valves, pumps, controls and other ancillary equipment; 2) expanding existing infrastructure and adding new equipment; 3) designing and constructing entire or partial new potable and utility water systems; 4) eliminating the use of 4W water for any purposes except for fire protection; and 5) removing abandoned infrastructure to release underground space for new pipelines. The extent of services will be based on condition assessments, hydraulic modeling and study of existing and future water demands at the RWF. The project will not include design of piping and ancillary equipment inside buildings or treatment facilities. The water systems within buildings or treatment facilities will be covered in other CIP projects.

Completion of this project will result in enhanced potable and utility water systems, a fire protection water system exclusively used for fire protection purpose, and will provide the water supply and redundancy needed for future upgraded or new CIP facilities within the RWF. This project is scheduled to be completed in phases over the next six years.

The project is proceeding with the procurement of a design consultant, which is anticipated to take place by the end of 2015. The engineering design will be initiated once a consultant is in place.

Project Budget: \$15.8 million.

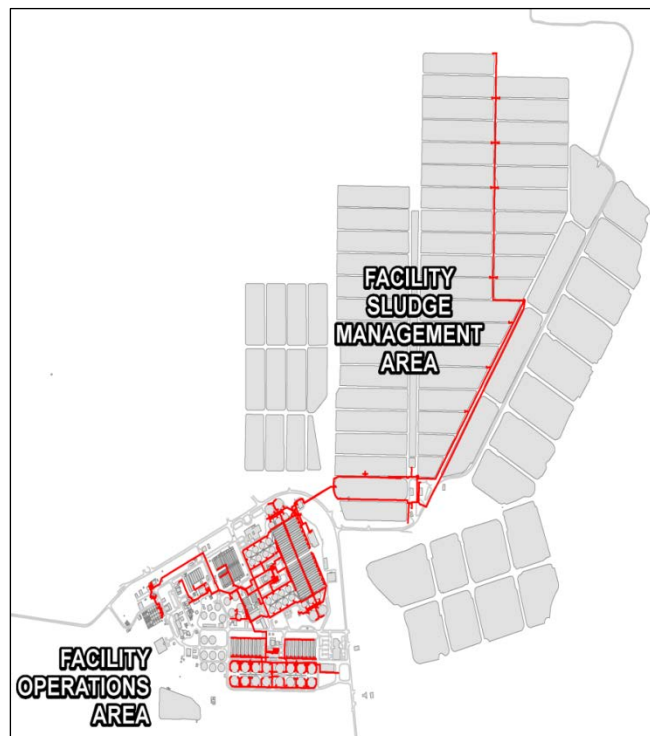


Figure 2: Facility Location Map/ Process Water (3W) System Pipe Layout



Figure 3: Fire Protection Water Pumps



Figure 4: Process Water (3W) Pump Station

# Regional Wastewater Facility Treatment – Current Treatment Process Flow Diagram

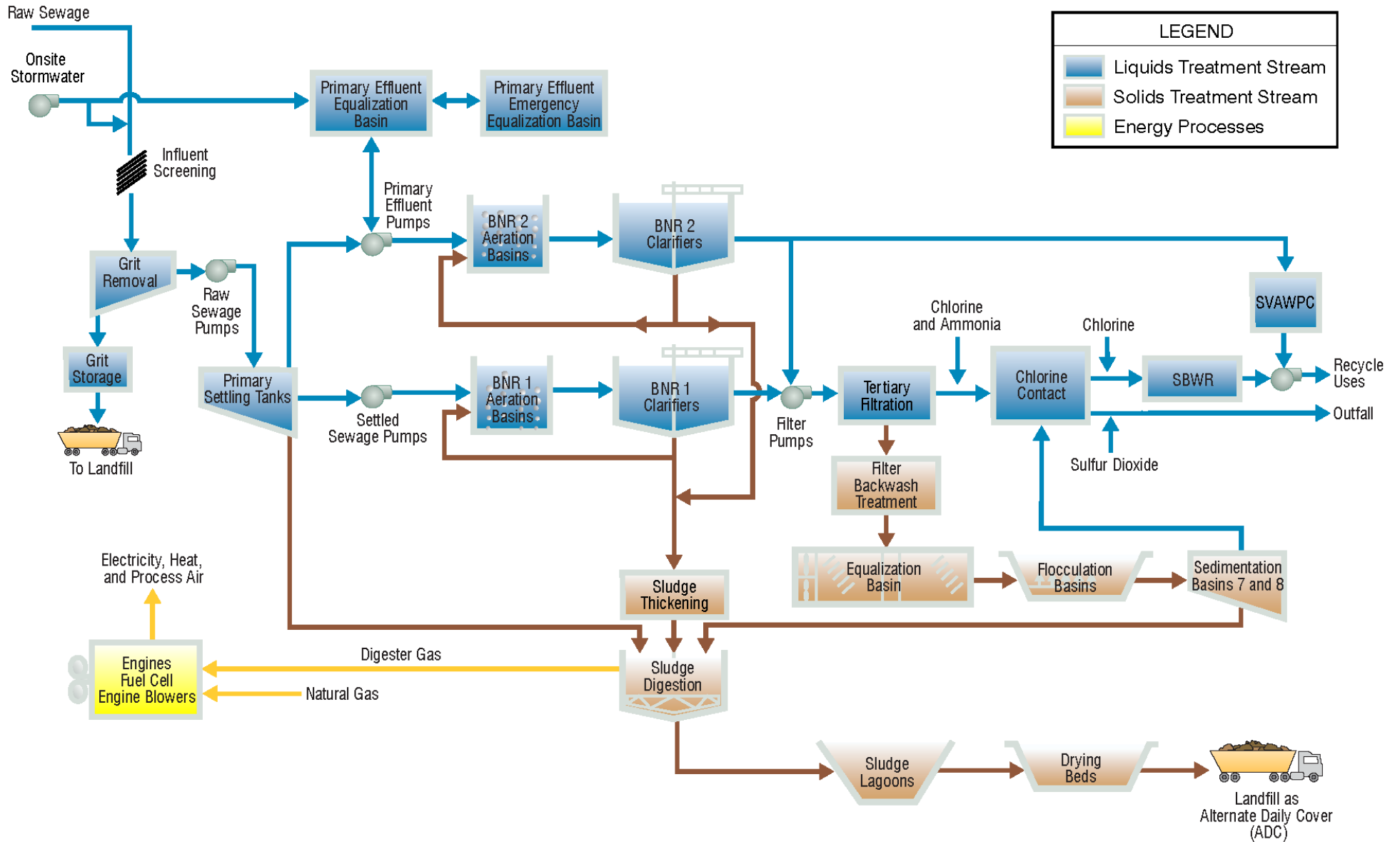


Figure 5—Current Treatment Process Flow Diagram



# Regional Wastewater Facility Treatment – Proposed Treatment Process Flow Diagram

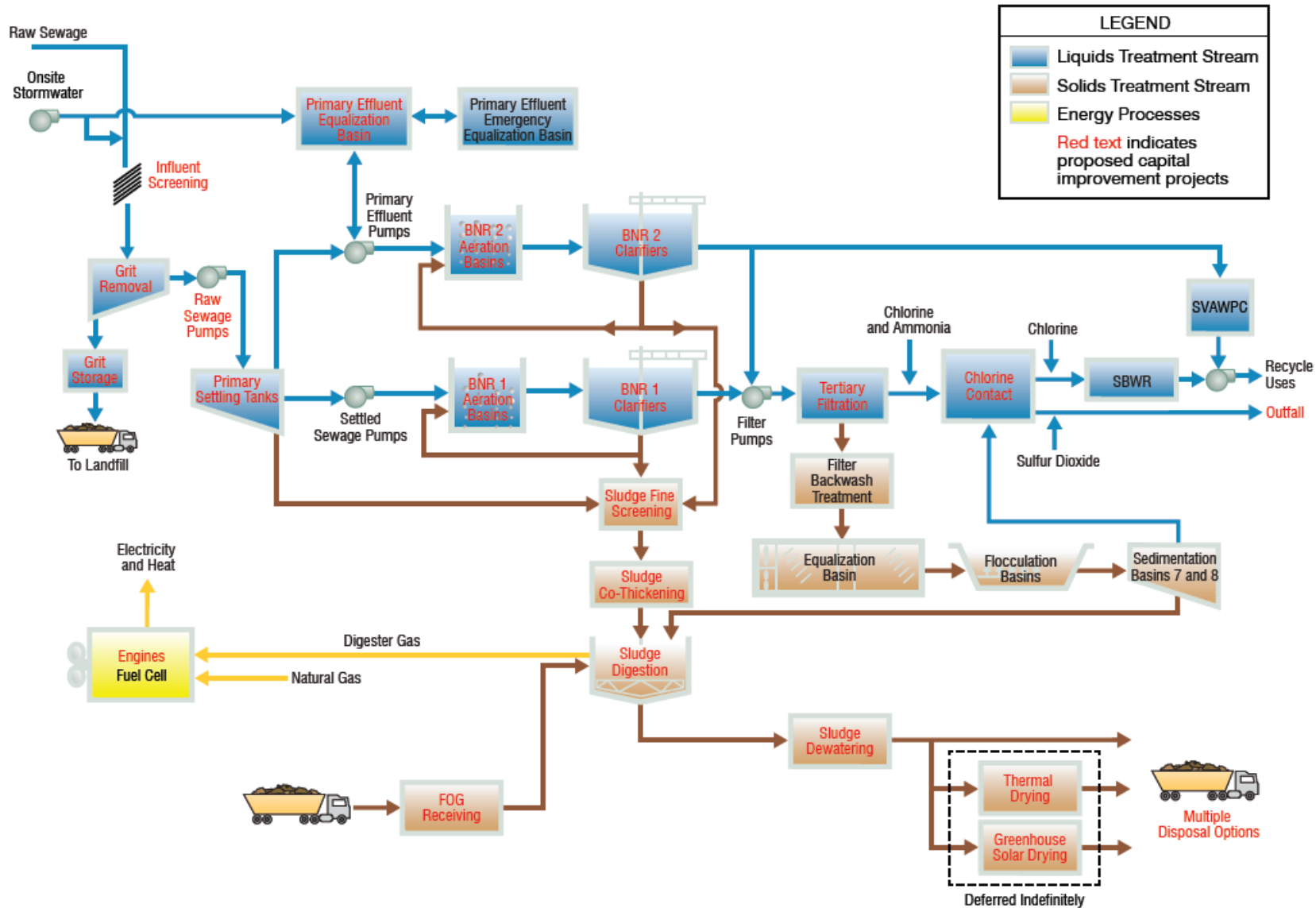


Figure 6—Proposed Treatment Process Flow Diagram





## Active Construction Projects – Aerial Plan

1. A5 A6 Nitrification Mag. Meter & Valve Replacement
2. Digester Gas Storage Replacement
3. Handrail Replacement Phase V
4. Training Trailer Replacement
5. Digester Gas Compressor Upgrade
6. Emergency Diesel Generators

### Projects (Not Shown)

- DCS Upgrade/Replacement (Facility-wide)
- Pond A18 Northern Gate Structure Repl. (Outside of map extent)

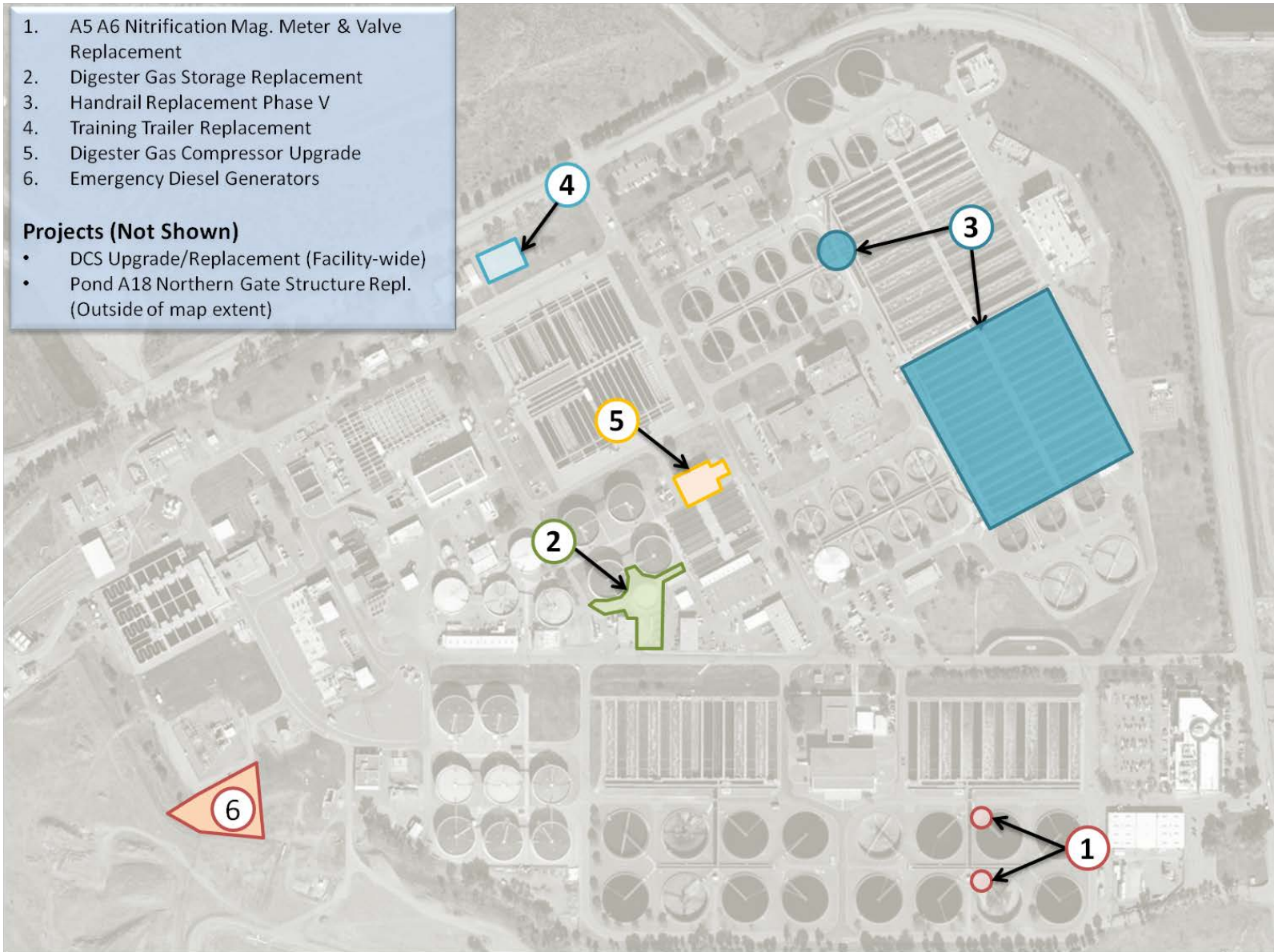


Figure 7—Active Construction Projects



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Barry Ng  
Kerrie Romanow

**SUBJECT:** SEE BELOW

**DATE:** July 22, 2015

Approved

Date

8/5/15

**COUNCIL DISTRICT: 4**

**SUBJECT: MASTER CONSULTANT AGREEMENT WITH BLACK & VEATCH CORPORATION FOR TECHNICAL SUPPORT SERVICES FOR THE 7418 – COGENERATION FACILITY PROJECT AT THE SAN JOSE-SANTA CLARA REGIONAL WASTEWATER FACILITY**

## RECOMMENDATION

- (a) Approve a master consultant agreement with Black & Veatch Corporation for technical support services for the 7418 – Cogeneration Facility Project at the San José-Santa Clara Regional Wastewater Facility for a period beginning on the date of execution through June 30, 2019, with an optional one-year extension, in a total amount not to exceed \$2,000,000, subject to the appropriation of funds.
- (b) Adopt a resolution authorizing the City Manager to exercise an option to extend the term of the master consultant agreement with Black & Veatch Corporation by one year.

## OUTCOME

Approval of the master consultant agreement with Black & Veatch Corporation (Black & Veatch) provides the San José-Santa Clara Regional Wastewater Facility with the ability to obtain professional technical support services for the pre-design, design, construction, startup and commissioning phases of the 7418 – Cogeneration Facility Project (Project).

July 22, 2015

**Subject: Master Consultant Agreement with Black & Veatch Corporation**

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## **BACKGROUND**

In 2012, the City completed an Energy Management Strategic Plan that assessed the Regional Wastewater Facility's<sup>1</sup> (RWF) existing and future power demands and condition of the existing energy systems. The study identified existing, aging cogeneration equipment as a critical issue that would need to be addressed in order to maintain onsite production of a reliable supply of power and heat. Cogeneration equipment at the RWF consists of engines which utilize available digester gas (produced by onsite anaerobic digestion tanks) to produce power to meet a significant portion of the RWF's power requirements, as well as producing heat required by the anaerobic digestion tanks.

In 2013, the City completed the Cogeneration Facility Project Definition Report (PDR), which serves as the guide document for the development of a basis of design for the new Cogeneration Facility. As described in the PDR, the new Cogeneration Facility will consist of advanced generation internal combustion engines selected based on their low capital cost, high electrical efficiency, and high availability of high-grade heat for the anaerobic digesters. The new engines will replace all existing RWF cogeneration equipment with the exception of the recently installed Fuel Cell. Power output from the new Cogeneration engines and the existing Fuel Cell is expected to meet projected RWF power demands through 2036. In addition, the Project scope includes a new digester gas treatment system, control system and monitoring system with connectivity to the RWF's Distributed Control System, electrical switchgear, various appurtenances to support the engines and building, new digester gas pipeline and natural gas pipeline, new heat recovery systems, and civil work including parking areas and utilities (water, stormwater and sanitary sewer lines).

On October 7, 2014, the City Council adopted Resolution No. 77180 approving the use of the design-build project delivery method in accordance with Senate Bill 785 for the construction of the Project. The City desires to complete the project using the design-build delivery method because of the potential for expedited project delivery, design innovation and efficiencies, and single point of contracting responsibility.

The City is currently engaged in selecting the Design-Builder for the Project utilizing a two-step selection process. Step 1 is issuance of a Request for Qualifications (RFQ) in order to solicit information in the form of Statements of Qualifications (SOQs). The RFQ for Design-Builders was issued on April 17, 2015, and the City has shortlisted three qualified Design-Builders. Step 2 is the Request for Proposals (RFP) process which will result in the final ranking of the proposing Design-Builders. After notifying proposers of the final ranking and expiration of the protest period, City staff will seek approval from the City Council of the final ranking and request authorization to negotiate with the top-ranked Design-Builder. The City anticipates awarding a Design-Build contract no later than February 2016. The Project is currently estimated to be substantially complete by December 2018.

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<sup>1</sup> The legal, official name of the facility remains San Jose/Santa Clara Water Pollution Control Plant, but beginning in early 2013, the facility was approved to use a new common name, the San José-Santa Clara Regional Wastewater Facility.

July 22, 2015

Subject: Master Consultant Agreement with Black & Veatch Corporation

Page 3

The Project involves complex mechanical and electrical systems, systems controls, and complex tie-ins to existing RWF operations. A Technical Support Services Consultant is being sought to provide a broad array of services to support City staff in managing this highly complex design-build Project.

### ANALYSIS

On April 7, 2015, the City advertised a RFQ seeking qualified engineering consultant firms to provide professional technical support services during the pre-design, design, and construction phases of the Project. As described in the RFQ, the scope of the technical support services encompasses a broad array of services including, but not limited to, technical reviews of design concepts, assisting City staff in coordination and resolution of major project and technical issues, technical oversight during construction, and assisting City staff during the acceptance testing and commissioning process.

The City received three responsive SOQs. A Technical Evaluation Panel, consisting of representatives from the Department of Public Works and the Environmental Services Department, evaluated and ranked the SOQs in accordance with the procurement procedures set forth in the RFQ. Evaluations of the SOQs were based on the following criteria:

- Qualifications/expertise of key personnel on the proposed project team;
- Experience providing technical services for cogeneration, bio-gas, wastewater, and design-build projects of similar complexity and scope;
- Approach to managing key project elements such as design review and construction oversight, technical review, cost estimating validation, risk management, permits, and ordinances; and
- The City's Local and Small Business Preference Ordinance.

Based on evaluations of the SOQs submitted, the final rankings are summarized below:

<u>Rank</u>	<u>Consultant</u>	<u>Total Score (100 Maximum)</u>
1	Black & Veatch Corporation	84
2	Salas O'Brien Engineers, Inc. DBA: Salas O'Brien	44
3	Control Technology, Inc.	25

Two of the three responding firms, Black & Veatch and Salas O'Brien, qualified as Local Business Enterprises.

Staff recommends approval of a master consultant agreement with the top-ranked firm, Black & Veatch. Black & Veatch demonstrated a high level of technical expertise and extensive experience in key areas expected to be utilized during the Project. Black & Veatch's proposed



approach to the Project reflected a thorough understanding of the City's expectations regarding the technical support services consultant's roles, responsibilities, and engagement in the Project.

Managing a project of a highly technical nature such as this Project will require a depth and breadth of resources not currently available within existing City staff. Pursuant to the City's standard Master Consultant Agreement, Black & Veatch will provide technical support services through authorized service orders for the Project. Specific services to be authorized under individual service orders may include, but are not limited to: design review and construction oversight; technical review of design concepts; assistance to City staff in coordination and resolution of major project, permitting and technical issues; cost estimating, evaluation and validation of design-build cost proposals and assistance to City staff in negotiating the Guaranteed Maximum Price for the design-build work; and assistance to City staff during the acceptance testing and post-construction phase. The recommendation includes an option for extending the agreement for one additional year in the event the Project continues beyond the currently estimated date for substantial completion.

#### **EVALUATION AND FOLLOW-UP**

No additional follow-up action with the Council is expected at this time. All service orders issued under this master consultant agreement will be reported to the Treatment Plant Advisory Committee (TPAC) on the monthly summary of procurement and contract activity. A progress report on this and other RWF capital projects will be made to the Transportation and Environment Committee and the Council on a semiannual basis.

#### **POLICY ALTERNATIVES**

***Alternative 1: Direct City staff to provide the required services with in-house resources.***

**Pros:** Increased work options for City staff.

**Cons:** City staff does not possess the capacity and technical expertise needed for the anticipated scope of services. As the more complex design-build Cogeneration Project proceeds, the lack of flexibility to scale resources will cause delays in implementation of the project.

**Reason for not recommending:** The challenges of implementing a project of this size and complexity and the use of alternative project delivery methods require the assistance of specialized expertise and experience that does not exist within current City staff. The City would need to hire several new staff members with knowledge and expertise in a variety of professional disciplines.

**PUBLIC OUTREACH**

This item will be posted on the City's website for the August 18, 2015, City Council agenda.

**COORDINATION**

This memorandum has been coordinated with the City Manager's Budget Office and the City Attorney's Office. This memorandum is also scheduled to be heard at the August 13, 2015, TPAC meeting.

**FISCAL/POLICY ALIGNMENT**

This project is consistent with the Council-approved budget strategy to focus on rehabilitating aging RWF 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: \$2,000,000

Master Agreement with Black & Veatch Corporation	<u>\$2,000,000</u>
TOTAL	\$2,000,000

2. COST ELEMENTS OF MASTER AGREEMENT: The consultant's services will be reimbursed on an hourly rate schedule in the master consultant agreement for the involved consultant personnel.

3. SOURCE OF FUNDING: The San José-Santa Clara Treatment Plant Capital Fund (512), appropriation #7454 (Energy Generation Improvements).

4. FISCAL IMPACT: No additional funding is necessary to approve this master consultant agreement. Funding for service orders is available in the 2015-2016 Adopted Capital Budget for the Water Pollution Control Plant. Costs to be incurred in future fiscal years are subject to City Council approval of future-year budgets.

5. OPERATING COSTS: Approval of the recommendation will have no significant adverse impact on the General Fund operating budget.

HONORABLE MAYOR AND CITY COUNCIL

July 22, 2015

**Subject: Master Consultant Agreement with Black & Veatch Corporation**

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**CEQA**

Mitigated Negative Declaration, File No. PP14-005

/s/Jon Cicirelli for  
BARRY NG  
Director of Public Works

/s/Ashwini Kantak for  
KERRIE ROMANOW  
Director, Environmental Services

For questions, please contact John Cannon, Principal Engineer, Department of Public Works, at 408-635-4006.

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Kerrie Romanow  
Barry Ng

**SUBJECT: POND A18 EMERGENCY  
REPLACEMENT UPDATE**

**DATE:** June 19, 2015

Approved

*D. D. S. L.*

Date

*6/24/15*

## INFORMATION

### BACKGROUND

On March 3, 2015, the City Council adopted Resolution No. 77296 declaring and finding that emergency replacement of the San José/Santa Clara Regional Wastewater Facility's (legally and officially named the San José/Santa Clara Water Pollution Control Plant) Pond A18's northern gate structure is necessary to address critical structural failure and to avoid the potentially significant impacts of breaching the levee system. This memorandum provides a bi-weekly report to Council with a status of the current emergency situation and on the progress of the project.

### ANALYSIS

Galindo Construction Inc. has completed construction of the two cofferdams to fully isolate the damaged structure. Excavation operations and demolition of the existing timber components has begun, including removal of the large slide gates. The gates will be shipped off-site for refurbishing before being reinstalled when the majority of the work is complete. The recent rain event forced the Contractor to shut down for a couple of days due to unsafe salt pond levee road surfaces and slippery conditions within the project site. Despite losing a few work days, the project remains on schedule. Critical timber materials are expected to be delivered to the site the week of June 15. Overall, although the project has experienced a few delays, it is still scheduled for completion on July 24, 2015.

/s/Ashwini Kantak for  
KERRIE ROMANOW  
Director of Environmental Services

/s/  
BARRY NG  
Interim Director of Public Works

For questions please contact John Cannon, Principal Engineer, Department of Public Works, at phone number 408-535-8340.

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Kerrie Romanow  
Barry Ng

**SUBJECT: POND A18 EMERGENCY  
REPLACEMENT UPDATE**

**DATE:** July 20, 2015

Approved

*D. OSyL*

Date

*7/21/15*

## INFORMATION

### BACKGROUND

On March 3, 2015, the City Council adopted Resolution No. 77296 declaring and finding that emergency replacement of the San José/Santa Clara Regional Wastewater Facility's (legally and officially named the San José/Santa Clara Water Pollution Control Plant) Pond A18's northern gate structure is necessary to address critical structural failure and to avoid the potentially significant impacts of breaching the levee system. This memorandum provides a bi-weekly report to Council with a status of the current emergency situation and on the progress of the project.

### ANALYSIS

Galindo Construction Inc. has completed the demolition of the damaged structure, including removal of the gate valves and large water transfer pipes. Removal of the four gate valves allowed for extensive cleaning and inspection of these important components before being reinstalled when the structure is rebuilt. Upon further inspection of the gate valves on the pond side of the structure it was discovered that several of the major components were heavily damaged beyond repair. Replacement parts have been ordered, but will need to be manufactured as the original supplier is not stocking these items. At this time, it is expected to take three weeks to receive the parts, potentially delaying the completion of the project until mid to late August. Timber materials have been delivered to the site and the Contractor has begun installing new timber pipe supports and structural members. Overall, the installed cofferdams continue to protect the project site from an imminent tidal breaching threat and any delay associated with ordering specialized products or materials does not compromise Pond A18 safety.

/s/Ashwini Kantak for  
KERRIE ROMANOW  
Director of Environmental Services

/s/  
BARRY NG  
Director of Public Works

For questions please contact John Cannon, Principal Engineer, Department of Public Works, at phone number 408-535-8340.

**City Manager's Contract Approval Summary**  
**For Procurement and Contract Activity between \$100,000 and \$1.08 Million for Goods and \$100,000 and \$270,000 for Services**

JUNE 1, 2015 - JULY 31, 2015

Description of Contract Activity <sup>1</sup>	Fiscal Year	Req#/RFP#	PO#	Vendor/Consultant	Original \$ Amount	Start Date	End Date	Additional \$ Amount	Total \$ Amount	Comments
ENVIRONMENTAL INSPECTOR TEMPS (3); 7/1/15-12/31/15	15-16	20209	50790	TRENDTEC INC	\$130,000	1/1/2015	12/31/2015	\$120,000	\$250,000	(\$80K WATERSHED ENF & \$40K FOG & SEWER INVESTIGATIONS)
ASSISTANT ENVIRONMENTAL TEMPS (4); 7/1/15-12/31/15	15-16	20213	50788	TRENDTEC INC	\$77,000	1/1/2015	12/31/2015	\$155,000	\$232,000	
CONTINUOUS DUTY CYCLE GAS CHROMATOGRAPH SYSTEM	14-15	20426	78642	ANDERSON PACIFIC ENGINEERING CONSTRUCTION INC	\$197,400	7/23/2015	1/31/2016			
REHABILITATE THREE FILTERS AT SJ/SC RWF	14-15	20558	51769	CARBON ACTIVATED CORP	\$311,775	7/1/2015	9/15/2015			
MECHANICAL MAINTENANCE SERVICE	15-16	20640	51270	NICHOLSON, D W	\$270,000	7/1/2015	6/30/2016			
CONOCO PHILLIPS UNION 76 MOTOR OILS	15-16	20642	51051	PACIFIC COAST PETROLEUM INC.	\$240,000	7/1/2015	6/30/2016			
LIQUID SODIUM HYPOCHLORITE 12.5%	15-16	20657	51478	UNIVAR USA INC	\$995,000	7/1/2015	6/30/2016			
COATING REHABILITATION OF CLARIFIERS	15-16	20659	51067	MURPHY INDUSTRIAL COATINGS INC	\$800,000	11/1/2015	10/31/2016			
SODIUM BISULFITE	15-16	20661	51482	UNIVAR USA INC	\$560,000	7/1/2015	6/30/2016			
BUILDING MAINTENANCE MATERIALS & SUPPLIES	15-16	20662	51110	GRAINGER, W W INC	\$400,000	7/1/2015	6/30/2016			
REPAIR LEAKING EXPANSION JOINTS	15-16	20663	51523	TUCKER CONSTRUCTION	\$250,000	7/1/2015	6/30/2016			
AQUEOUS AMMONIA	15-16	20664	51176	HILL BROS CHEMICAL CO	\$162,000	7/1/2015	6/30/2016			
PIPES, FITTINGS AND RELATED PARTS	15-16	20676	51697	FERGUSON WATERWORKS	\$120,000	7/1/2015	6/30/2016			
CATHODIC PROTECTION SYSTEM TESTING, MAINTENANCE AND REPAIR	15-16	20781	51782	CORRPRO COMPANIES INC	\$195,000	7/1/2015	6/30/2016			
LABOR & MATERIAL FOR LEVEE REPAIR	15-16	20919	51441	RJ GORDON CONSTRUCTION INC	\$100,000	7/1/2015	6/30/2016			
COMPUTER ROOM CONTROL EQUIPMENT UPGRADE	15-16	21011	78532	ABB INC	\$250,000	6/5/2015	6/4/2016			
PLANT INSTRUMENT AIR SYSTEMS UPGRADE	14-15		AC 21247	CH2M HILL	\$616,439	6/12/2015	12/31/2017			SERVICE ORDER #16 AMENDMENT (MASTER AGREEMENT TERM 3/25/08-12/31/17)
EMERGENCY DIESEL GENERATORS PKG 2A	14-15		AC 21973	GHD, INC.	\$406,892	7/1/2015	12/31/2016	\$105,806	\$512,698	SERVICE ORDER #6 AMENDMENT (MASTER AGREEMENT TERM 6/17/08 - 12/31/16)
DIGESTER GAS COMPRESSOR UPGRADE DESIGN-BUILD	14-15		AC 26032	ANDERSON PACIFIC	\$1,131,600	5/20/2014	6/22/16	\$565,800	\$1,697,400	ADDITIONAL CONTINGENCY

<sup>1</sup> This report captures completed contract activity (Purchase Order Number, Contract Term, and Contract Amount)