SAN JOSÉ/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE

SAM LICCARDO, CHAIR
DEBI DAVIS, VICE CHAIR
LAN DIEP, MEMBER
DAVID SYKES, MEMBER
DEV DAVIS, MEMBER
CARMEN MONTANO, MEMBER
KATHY WATANABE, MEMBER
STEVEN LEONARDIS, MEMBER
JOHN GATTO, MEMBER

MEETING AGENDA/TPAC

4:00 p.m. June 13, 2019 Room 1734

1. ROLL CALL

2. APPROVAL OF MINUTES

A. May 16, 2019

3. UNFINISHED BUSINESS/REQUEST FOR DEFERRALS

4. DIRECTOR'S REPORT

A. Director's Report (verbal)
- Monthly Progress Report

5. AGREEMENTS/ACTION ITEMS

A. Amendments to the Master Consultant Agreements with Consolidated Engineering Labs, Construction Testing Services, Inc., and Signet Testing Labs, Inc. for Special Inspection and Materials Testing Services for the San José-Santa Clara Regional Wastewater Facility Capital Improvement Program

Staff Recommendation:

Approve the Amended and Restated Master Consultant Agreements with Consolidated Engineering Laboratories, Construction Testing Services, Inc., and Signet Testing Labs, Inc. for special inspection and materials testing services to allow for premium pay, reductions in the minimum limits for Professional Liability Errors and Omissions insurance from $5,000,000 to $2,000,000 per claim limit, and revisions to the Schedule of Rates and Charges, with no extensions of the term or increases to the maximum total compensation.

This item is scheduled for consideration by the City Council on June 25, 2019.

6. OTHER BUSINESS/CORRESPONDENCE

A. Final Proposer Rankings and Intent to Negotiate the Design-Build Contract for the Digested Sludge Dewatering Facility Project at the San José- Santa Clara Regional Wastewater Facility

7. STATUS OF ITEMS PREVIOUSLY RECOMMENDED FOR APPROVAL BY TPAC

A. First Amendment to the Master Agreement with Golder Associates for Environmental Support Services

Staff Recommendation:

Approve the First Amendment to the Master Agreement with Golder Associates for environmental consulting services, increasing the amount of compensation by $500,000, for a total agreement not to exceed $1,000,000. No extension is being recommended on the term of the agreement, which expires on June 30, 2020.

This item was approved by the City Council on May 21, 2019.

B. Agreements with ABB Inc., DBA ABB DE, Inc., for a Distributed Control Unit (DCU) upgrade and ongoing support and maintenance at the San José/Santa Clara Regional Wastewater Facility

Staff Recommendation:

Adopt a resolution authorizing the City Manager to:

a. Negotiate and execute an agreement with ABB Inc., dba ABB DE, Inc., (Wickliffe, OH) to upgrade distributed control units at the San José/Santa Clara Regional Wastewater Facility, including hardware, software, programming, configuration, and related professional services, beginning May 1, 2019 and ending December 31, 2022 for a maximum not-to-exceed compensation of $6,377,000, subject to the appropriation of funds; and

b. Execute the Water Care Enhanced Agreement with ABB Inc., dba ABB DE, Inc. (Wickliffe, OH) and annual purchase orders pursuant to the terms of the Water Care Enhanced Agreement for ongoing support and maintenance ($233,194 per year) and as-needed parts replacement and repair and rebuilding services (estimated at $500,000-$750,000 per year) for a five-year term beginning May 1, 2019 and ending April 30, 2024 and for a combined compensation not to exceed $3,915,970, subject to the appropriation of funds; and

c. Negotiate and execute amendments and change orders to the agreements as required for unanticipated changes, subject to the appropriations of funds.

This item was approved by the City Council on May 21, 2019.

C. Discharge Regulations and Future Impacts on the San José-Santa Clara Regional Wastewater Facility

Staff Recommendation:

Accept the annual update on regulatory items related to the San José-Santa Clara Regional Wastewater Facility.

This item was accepted by the T&E Committee on May 6, 2019.

D. Proposed 2020-2024 CIP Budget

Staff Recommendation: TPAC approval of the San José/Santa Clara Regional Wastewater Facility Control Proposed 2020-2024 Capital Improvement Program.

The San José/Santa Clara Regional Wastewater Facility Proposed 2020-2024 Capital Improvement Program is scheduled for Council consideration on June 11, 2019, and for adoption on June 18, 2019.

E. Proposed 2019-2020 O&M Budget

Staff Recommendation: TPAC approval of the San José/Santa Clara Regional Wastewater Facility Control Proposed 2019-2020 Operating Budget.

The San José/Santa Clara Regional Wastewater Facility Proposed 2019-2020 Operating Budget is scheduled for Council consideration on June 11, 2019, and for adoption on June 18, 2019.

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 $1.17 million and of services between $100,000 and $290,000.

9. MISCELLANEOUS

A. The next monthly TPAC Meeting is on **August 8, 2019, at 4:00 p.m**., City Hall,

Room 1734.

10. OPEN FORUM

11. ADJOURNMENT

NOTE: If you have any changes or questions, please contact Eva Roa, Environmental Services (408) 975-2547.
To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please contact Eva Roa (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, 10th Floor, Environmental Services at the same time that the public records are distributed or made available to the legislative body.

MINUTES OF THE
SAN JOSÉ/SANTA CLARA
TREATMENT PLANT ADVISORY COMMITTEE
San José City Hall, T-1734
Thursday, May 16, 2019 at 4:01 p.m.

1. ROLL CALL

Minutes of the Treatment Plant Advisory Committee convened this date at 3:58 p.m. Roll call was taken with the following members in attendance:

Committee Members: Debi Davis, Dev Davis, Steven Leonardis, Sam Liccardo, Carmen Montano, David Sykes, Kathy Watanabe, Lan Diep (4:02 p.m.), John Gatto (4:03 p.m.)

2. APPROVAL OF MINUTES

A. April 11, 2019

On a motion made by Committee Member Leonardis and a second by Committee Member Watanabe, TPAC recommended approval of the minutes with the amendment of the date.

Ayes – 8 (Dev Davis, Diep, Gatto, Leonardis, Liccardo, Montano, Sykes, Watanabe)
Absent– 1 (Dev Davis)

3. UNFINISHED BUSINESS/REQUEST FOR DEFERRALS

4. DIRECTOR'S REPORT

A. Director's Report (verbal)

Director Kerrie Romanow was available for questions regarding the CIP update included in the TPAC packet this month. Director Romanow introduced Simon Alder as the new Stantec Program Manager.

Chair Liccardo asked if there was going to be any adjustment of timing on any of the capital projects due to inflation.

Assistant Director Napp Fukuda replied that all projects were being analyzed.

5. AGREEMENTS/ACTION ITEMS

A. First Amendment to the Master Agreement with Golder Associates for Environmental Support Services

Staff Recommendation:

Approve the First Amendment to the Master Agreement with Golder Associates for environmental consulting services, increasing the amount of compensation by $500,000, for a total agreement not to exceed $1,000,000. No extension is being recommended on the term of the agreement, which expires on June 30, 2020.

This item is scheduled for consideration by the City Council on May 21, 2019.

Assistant Director Napp Fukuda described this Agreement to the Committee and was available for questions.

Ayes – 8 (Debi Davis, Diep, Gatto, Leonardis, Liccardo, Montano, Sykes, Watanabe)
Absent – 1 (Dev Davis)

B. Agreements with ABB Inc., DBA ABB DE, Inc., for a Distributed Control Unit (DCU) upgrade and ongoing support and maintenance at the San José/Santa Clara Regional Wastewater Facility

Staff Recommendation:

Adopt a resolution authorizing the City Manager to:

a. Negotiate and execute an agreement with ABB Inc., dba ABB DE, Inc., (Wickliffe, OH) to upgrade distributed control units at the San José/Santa Clara Regional Wastewater Facility, including hardware, software, programming, configuration, and related professional services, beginning May 1, 2019 and ending December 31, 2022 for a maximum not-to-exceed compensation of $6,377,000, subject to the appropriation of funds; and

b. Execute the Water Care Enhanced Agreement with ABB Inc., dba ABB DE, Inc. (Wickliffe, OH) and annual purchase orders pursuant to the

terms of the Water Care Enhanced Agreement for ongoing support and maintenance ($233,194 per year) and as-needed parts replacement and repair and rebuilding services (estimated at $500,000-$750,000 per year) for a five-year term beginning May 1, 2019 and ending April 30, 2024 and for a combined compensation not to exceed $3,915,970, subject to the appropriation of funds; and

c. Negotiate and execute amendments and change orders to the agreements as required for unanticipated changes, subject to the appropriations of funds.

This item is scheduled for consideration by the City Council on May 21, 2019.

Assistant Director Napp Fukuda described this Agreement to the Committee and was available for questions.

Chair Liccardo asked if we were sole sourcing because they were the only respondents when the original RFP went out.

Jennifer Chang, Deputy Director of Purchasing and Risk Management with the Department of Finance came forward to explain why ABB was the only choice. She explained that they were the only providers of the particular system being used.

On a motion made by Committee Member Debi Davis and a second by Committee Member Leonardis, TPAC recommended approval of staff's recommendation for Item 5.B.

Ayes – 8 (Debi Davis, Diep, Gatto, Leonardis, Liccardo, Montano, Sykes, Watanabe)
Absent – 1 (Dev Davis)

C. Discharge Regulations and Future Impacts on the San José-Santa Clara Regional Wastewater Facility

Staff Recommendation:

Accept the annual update on regulatory items related to the San José-Santa Clara Regional Wastewater Facility.

This item was accepted by the T&E Committee on May 6, 2019.

Assistant Director Napp Fukuda described the intent of the report-out memo to

the Committee and was available for questions.

On a motion made by Committee Member Debi Davis and a second by Committee Member Leonardis, TPAC recommended approval of staff's recommendation for Item 5.C.

Ayes – 8 (Debi Davis, Diep, Gatto, Leonardis, Liccardo, Montano, Sykes, Watanabe)
Absent – 1 (Dev Davis)

D. Proposed 2020-2024 CIP Budget

Staff Recommendation: TPAC approval of the San José/Santa Clara Regional Wastewater Facility Control Proposed 2020-2024 Capital Improvement Program.

The San José/Santa Clara Regional Wastewater Facility Proposed 2020-2024 Capital Improvement Program is scheduled for Council consideration on June 11, 2019, and for adoption on June 18, 2019.

Assistant Director Napp Fukuda explained that items 5.D. and 5.E would be presented together. Assistant Director Fukuda introduced Allen Fong, Administrative Officer, and Interim Deputy Director of the Regional Wastewater Facility (RWF) CIP, Marinna Chavez-Vazquez, who gave an overview presentation of the capital and operating budgets, and were subsequently available for questions.

Committee Member Montano asked if the future projects were based on population growth or capacity.

Interim Deputy Director of the RWF CIP, Marinna Chavez-Vazquez replied that there were different drivers, but all projects were based on the Plant Master Plan.

Director Romanow replied that part of the Plant Master Plan was looking at the forecast for each of the participating cities and ensuring that the Facility could accommodate that however, none of the projects were meant to increase capacity.

Committee Member Montano asked for a copy of the Plant Master Plan. She also asked if there had been an estimation of when the Plant will meet its capacity since her city was dealing with a population growth.

Director Romanow explained how the contract worked with each city - each tributary city owns a certain amount of capacity and each city is forecasting their own population growth. As they think they may need more capacity, they reach out to the rest of the group to purchase theirs. The next twenty- or thirty-year forecast did not show the necessity to increase capacity however the Plant Master Plan dictates that if a tributary city needs additional capacity and there is no more available, that the city requesting the additional capacity would fully bear the cost of expansion.

Committee Member Montano asked if there would be a tour to the Facility for new members to TPAC.

Director Romanow answered that a scheduled tour and dates were currently being organized to have members and elected officials from other organizations be invited.

Committee Member Gatto asked why the Legacy Pond item was in the O&M Budget as opposed to a Capital project.

Director Romanow replied that to her understanding this was due to it being a State required cleanup which meant that it would be a maintenance project but that she would confirm.

Committee Member Gatto also asked why the proposed additional O&M positions for shutdowns to support the Capital projects were listed on the O&M Budget and not the Capital project.

Director Romanow responded that it was the generally accepted way that Accounting had been doing it as well as being bound by the Master Agreement definitions and because they are articulated as such in the Agreement that this is how they are charged.

Committee Member Gatto gave background to his question that when the Master Plan was first being developed there was a timing and cost schedule that went with it. When the Master Plan was first developed there was concern that there was spiking in a few years and everyone agreed that this shouldn't occur. Committee Member Gatto said that this proposed budget does not honor this agreement and that this is a spike.

Administrative Officer Allen Fong reiterated the question that Member Gatto was asking – how the timing of the projects over the five years can impact, from year to year, the cost distribution between the agencies and how there should be a different approach to how the projects are timed so that the costs are

distributed more evenly across the five years.

Member Gatto said that this was exactly what he was asking.

Allen replied that the timing of projects can be complex. Although they try to maintain an even distribution over the five years, many factors take place that may lead to certain years having spikes.

Interim Deputy Director of the RWF CIP, Marinna Chavez-Vazquez, also explained the reasoning behind the projects and the timing of them.

Member Gatto said he couldn't understand why there couldn't be more flexibility moving the projects around so that the cost distribution over the years would be more even.

Chair Liccardo asked Member Gatto why he was concerned about spiking if since the point of having financing was to be able to distribute outflows of dollars and burdens and obligations of dollars in an even way when we live in a spiking world.

Member Gatto responded that some agencies might not be able to finance everything smoothly. Spikes put a tremendous burden on the resources an agency has.

Director Romanow answered that the five-year forecast has not changed as much, and it has smoothed out in comparison to earlier years.

Chair Liccardo asked Director Romanow to confirm that the timing of the projects was being done to satisfy the functional, operational and regulatory compliance of the Plant. Director Romanow replied affirmatively as well as saying that the projects were planned being financially thoughtful.

Member Gatto then asked if the $333 million that was shown for 2018-2019 had been spent.

Director Romanow pointed to the Monthly Report to show the trajectory of how much had been spent towards that expenditure.

Administrative Officer Allen Fong clarified that some of the budgeted money will carry over into the next year.

Assistant Director Napp Fukuda also noted that looking at the Monthly Report

again, that the goal is to spend the budgeted amount but that the realities of possibly pushing out projects would mean that it would carry over. Assistant Director Fukuda explained the chart on the page and clarified where the numbers came from and how they match up with the Budget that was passed last year.

Committee Member Gatto asked if that meant this was how much each agency was meant to contribute.

Administrative Officer Fong pointed out Attachment A of the back of the CIP packet that shows the CIP cost allocation by agency by fiscal year over the next ten years.

On a motion made by Committee Member Diep and a second by Committee Member Debi Davis, TPAC recommended approval of staff's recommendation for Item 5.D. and 5.E.

Ayes – 7 (Debi Davis, Diep, Leonardis, Liccardo, Montano, Sykes, Watanabe)
Absent – 1 (Dev Davis)
Nay– 1 (Gatto)

E. Proposed 2019-2020 O&M Budget

Staff Recommendation: TPAC approval of the San José/Santa Clara Regional Wastewater Facility Control Proposed 2019-2020 Operating Budget.

The San José/Santa Clara Regional Wastewater Facility Proposed 2019-2020 Operating Budget is scheduled for Council consideration on June 11, 2019, and for adoption on June 18, 2019.

6. OTHER BUSINESS/CORRESPONDENCE

7. STATUS OF ITEMS PREVIOUSLY RECOMMENDED FOR APPROVAL BY TPAC

A. 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 for the period of July 2018-

December 2018.

This item was approved by the T&E Committee on April 8, 2019.

B. Actions Related to the Purchase Order for Clarifier Coating Rehabilitation Services

Staff Recommendation:

Adopt a resolution authorizing the City Manager to:

(a) Execute a Purchase Order with Euro Style Management, Inc. (North Highlands, CA) for clarifier coating rehabilitation services at the San José-Santa Clara Regional Wastewater Facility for an initial twelve-month period, starting on or about May 1, 2019 and ending on or about April 30, 2020, for an amount not to exceed $717,200; and

(b) Exercise up to four one-year options to extend the term of the Purchase Order with the last option year ending on or about April 30, 2024, subject to the annual appropriation of funds.

Desired Outcome: Increase the life expectancy of the Regional Wastewater Facility clarifier tanks.

This item was approved by the City Council on April 23, 2019.

C. Actions Related to the Purchase Order for Sand Blasting and Painting Services

Staff Recommendation:

Adopt a resolution authorizing the City Manager to:

(a) Execute a Purchase Order with Jeffco Painting and Coating, Inc. (Vallejo, CA) for sandblasting and painting services at the San Jose-Santa Clara Regional Wastewater Facility for an initial twelve-month period, starting on or about May 1, 2019 and ending on or about April 30, 2020, for an amount not to exceed $400,000; and

(b) Exercise up to four one-year options to extend the term of the Purchase Order with the last option year ending on or about April 30, 2024, subject to the appropriation of funds.

Desired Outcome: To complete scheduled sandblasting and painting

projects at the Regional Wastewater Facility to ensure equipment and infrastructure are preserved.

This item was approved by the City Council on April 23, 2019.

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 $1.17 million and of services between $100,000 and $290,000.

9. MISCELLANEOUS

A. The next TPAC Meeting is on **June 13, 2019, at 4:00 p.m.**, City Hall, Room 1734.

10. OPEN FORUM

11. ADJOURNMENT

A. The Treatment Plant Advisory Committee adjourned at 4:44 p.m.

Sam Liccardo, Chair

TREATMENT PLANT ADVISORY COMMITTEE

San José-Santa Clara Regional Wastewater Facility

Capital Improvement Program

Monthly Status Report: April 2019

June 6, 2019

This report summarizes the progress and accomplishments of the Capital Improvement Program (CIP) for the San José-Santa Clara Regional Wastewater Facility (RWF) for April 2019.

Report Contents

Project Delivery Models

Design-Bid-Build Active Projects

Flood Protection

Storm Drain System Improvements

Facility Wide Water Systems Improvements

96-Inch and 87-Inch Settled Sewage Pipe Rehabilitation

Advanced Facility Control and Meter Replacement – Phase 2

Filter Rehabilitation

Switchgear M4 Replacement and G3 & G3A Removal

Nitrification Clarifiers Rehabilitation – Phase 1

Advanced Facility Control and Meter Replacement – Phase 1

Blower Improvements

Digester & Thickener Facilities Upgrade

Construction-Enabling Improvements

Plant Instrument Air System Upgrade

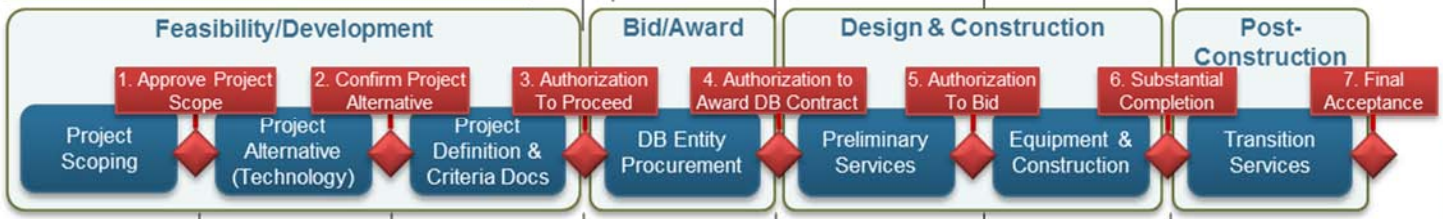
Low-Bid Design-Build Active Projects

HVAC Improvements

Fire Life Safety Upgrades

Outfall Bridge and Instrumentation Improvements

Progressive Design-Build Active Projects

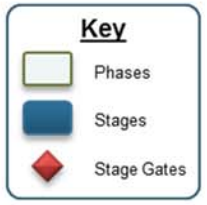


Yard Piping and Road Improvements

Digested Sludge Dewatering Facility

Headworks

Cogeneration Facility



*Projects shown *underlined and in blue and italics* have either been initiated or advanced this reporting period

Program Summary

April 2019

In April, the Nitrification Clarifiers Rehabilitation – Phase 1 Project passed Stage Gate 5: Authorization to Bid of the Project Delivery Model (PDM). The City completed the pre-qualification process and determined that all six contractors who submitted qualifications were eligible to bid on the project. The City plans to advertise the project in May and open bids in June.

The contractor on the Digester and Thickener Facilities Upgrade Project continued seismic ring beam concrete placement on all four digesters. Work also continued on the elevated pipe rack with construction of four column foundations, one of two large polymer tank pads, and the elevated pipe rack gas line moisture removal system.

The design-builder for the Cogeneration Facility Project continued to erect the concrete masonry unit walls of the main generator building, placing the eighth of nine lifts, and installed the mezzanine embeds for the south wall of the control room. The design-builder finished preparation work for the 200-ton crane that will arrive in June to place the building's roof joists. Preparation work also continued for the concrete slabs for the electrical and mechanical building, digester gas treatment area, and cooling towers and chillers (see Figure 1); these slabs will be poured in May/June.

Figure 1: Cogeneration Facility Project concrete slab work continues

On the Blower Improvements Project, the project team began reviewing key submittals for the blower motors, reduced voltage starters, and variable frequency drives.

The Headworks Project team held workshops to discuss cost estimating review planning, process control, and condition assessment planning. The design-builder continued preparations for planned subsurface investigations that will commence in May. On the Digested Sludge Dewatering Facility Project, the project team continued negotiations with the top-ranked firm. Negotiations are expected to be completed in June.

The review of the 60 percent design for the Filter Rehabilitation Project was completed by the project team and comments returned to the design consultant. For the 96-Inch and 87-Inch Settled Sewage Pipe Rehabilitation Project, the City completed evaluation of pre-qualification packages submitted by six contractors and posted the determination of pre-qualified contractor list. The draft 10 percent conceptual design report was submitted by the HVAC Improvements design consultant and a workshop held to review the submittal.

Look Ahead

The following key activities are forecast for May and June 2019:

- The Nitrification Clarifiers Rehabilitation – Phase 1 Project will be advertised for bid.
- The CIP will hold four stage gates as projects seek approval to advance to the next stage of the PDM. Anticipated stage gates include:
    - 96-inch and 87-inch Settled Sewage Rehabilitation Project – Stage Gate 5: Authorization to Bid;
    - Construction Enabling Improvements Project – Stage Gate 7: Substantial Completion;
    - Digested Sludge Dewatering Facility – Stage Gate 4: Authorization to Award DB Contract; and
    - Plant Instrument Air System Upgrade - Stage Gate 7: Substantial Completion.
- For the Headworks Project, the design-builder will conduct subsurface investigations of the proposed new headworks facility site.
- The contractor for the Advanced Facility Control and Meter Replacement – Phase 1 Project will begin replacement of flow meters and other critical equipment.
- The contractor for the Blower Improvements Project will begin demolition in the blower buildings to create space for new electrical rooms and the project team will hold a second partnering session.
- The City will issue notices of completion and acceptance for the Construction-Enabling Improvements and Plant Instrument Air System Upgrade projects.

Program Highlight – Procurement

The CIP is delivering more than 33 projects in a 10-year span beginning in 2014 with an estimated total value of $1.4 billion to rebuild and modernize the RWF. The CIP's procurement processes are managed by the Department of Public Works in partnership with the Environmental Services Department and is governed by the California Public Contracting Code. The effective management and administration of procurements are instrumental to the successful delivery of the program. Projects are delivered using one of three approaches: design-bid-build (DBB), low-bid design-build (LBDB), and progressive design build (PDB). Each approach starts with the procurement of a design consultant. The design consultant's role varies between the delivery methods, but the procurement process is consistent and outlined first.

Design Consultant

When procuring a design consultant for a project, the City uses a qualifications-based ratings system, with added preference points for firms that meet the City's definition as either a Local Business Enterprise (LBE) or a Small Business Enterprise (SBE).

The City issues a Request for Qualifications (RFQ) for master consultant agreements or Request for Proposals (RFP) for standard consultant agreements using the City's electronic procurement (e-procurement) platform. Design firms respond by submitting a Statement of Qualifications (SOQ) or Proposal. Then the procurement team conducts a responsiveness check to ensure all required information is included in the submittal. Next, the City establishes a Technical Evaluation Panel (TEP) composed of subject matter experts and other CIP representatives. The program may also elect to bring an individual from outside the City to participate as a panelist. The TEP members individually evaluate the submittals and assign a numerical score to each evaluation section, including expertise (technical capability), experience (past completed projects), and proposed approach to the project. Then the TEP meets as a group to review the scores, incorporates any LBE/SBE preference points (5 percent of the available points each), and creates an interim/final ranking score for each firm. If the City elects to conduct in-person interviews, it will publicly identify the invited firms through the e-procurement system. The City then assembles an interview evaluation panel, which may differ from the technical evaluation panel, to conduct and rate the oral interviews. The final ranking from the interviews determines the selected design consultant firm. Finally, the City publicly announces the final ranking on the e-procurement system. Design firms have 10 business days to protest the City's determination.

Construction Contractors

The process for procuring construction contractors varies depending on the delivery method employed. Each of the three methods utilized in the program are listed below.

Design-Bid-Build Delivery Method

When procuring a construction contractor using the traditional DBB method, a project team compiles bid documents that consist of final signed and stamped plans and specifications (See Figure 2). These documents are publicly advertised using the e-procurement system for contractors to evaluate and compose a line item bid or lump sum bid. Contractors submit bids to City Hall by the date and time specified in the documents. The City conducts a public bid opening and the project manager reviews the bids for responsiveness and accuracy to determine the apparent low bidder. The City then issues a public Notice of Intent to Award (NOITA) using the e-procurement system, including a summary of all bids received and all bid packages received. Bidders have five business days from the issuance of the NOITA to protest the City's determination. If a protest is received, the City works with the bidders involved to decide the merit of the protest. If no protest is received or after the City resolves any protest, the City announces the award of the contract to the lowest responsive bidder through a public Notice of City Council Award on the e-procurement system.

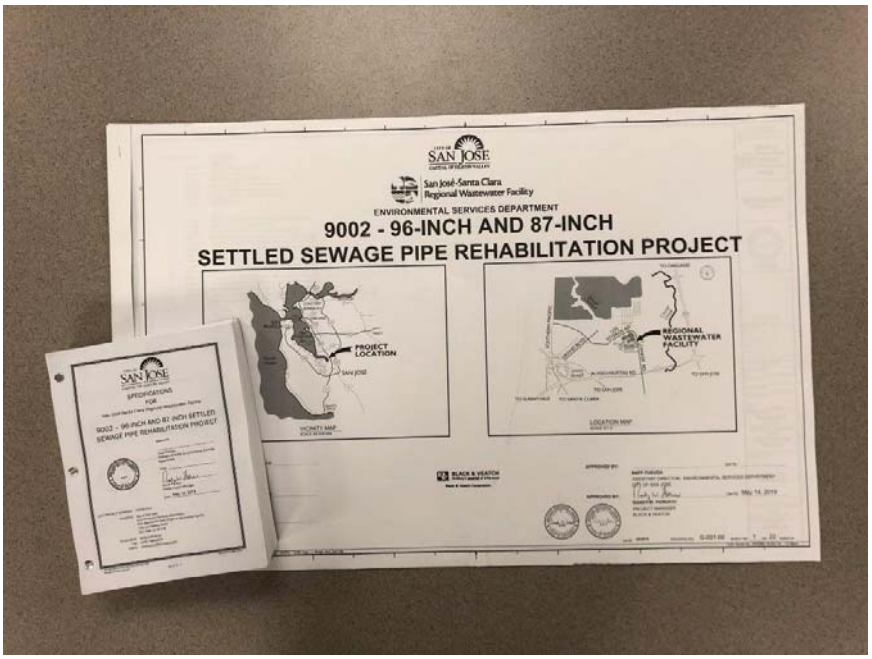


Figure 2: Completed 96-Inch and 87-Inch Settled Sewage Pipe Rehabilitation Project Contract Documents Awaiting Final Signature

Low-Bid Design-Build Method

The LBDB contractor procurement process is similar to the DBB contractor procurement process except that the bid documents typically consist of 30 percent project plans and specifications. LBDB contractors submit bids that include the cost of completing the design and construction. LBDB contractors submit bids to the City on the date specified in the contract documents. The remainder of the procurement process follows the DBB process and the City awards the contract to the lowest responsive bidder.

Progressive Design-Build

The PDB procurement process is a two-step process and has some similarities to the consultant procurement process. Design-Build (DB) entities are rated on their expertise (technical capability), experience (past completed projects), and project approach. Again, preference points of 5 percent each are awarded to DB entities meeting the City's definition of LBE or SBE.

The first step is to prequalify the DB entity. The City advertises an RFQ using the e-procurement system, and the DB entities submit SOQs in accordance with the RFQ. The City uses a TEP to evaluate the SOQs the same way it evaluates design consultants' qualifications. Then the City issues a ranking that shortlists the number of DB entities it intends to invite for proposals.

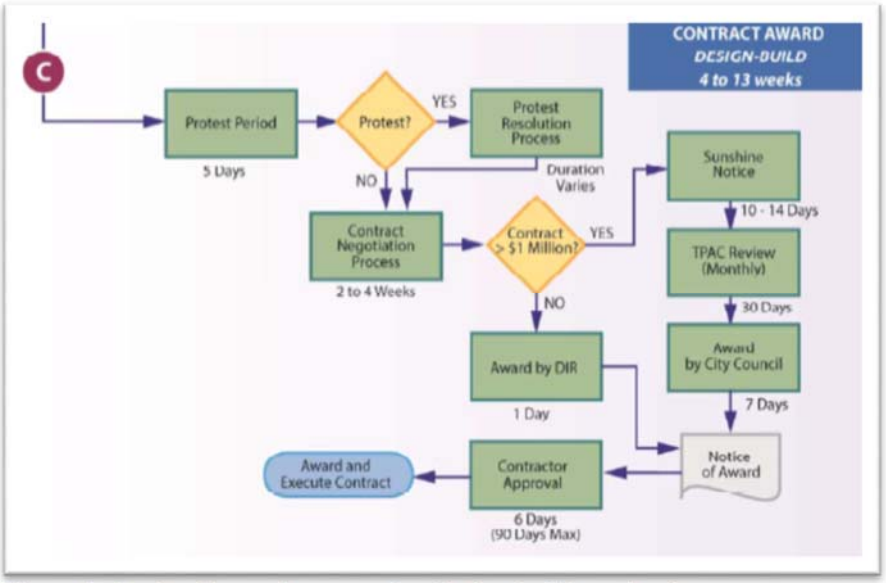


Figure 3: Contract award process for design-build contracts

The second step consists of the City advertising an RFP using the e-procurement platform inviting proposals from the shortlisted DB entities. The invited PDB entities submit a technical proposal and a sealed price proposal. The TEP evaluates the technical proposal following the same process outlined in the first step.

The City then conducts oral interviews with the highest ranked PDB entities completing the technical evaluation. Only after the DB entities have been ranked are the sealed price proposals opened and evaluated using a mathematical equation with the lowest price receiving the full allocated number of points and the subsequent price proposals receiving the percentage difference from the lowest price. The price proposal score, technical score, and any LBE/SBE preference points are combined to create the final ranking.

The City publicly announces the final ranking on the e-procurement system. DB entities have 10 business days to protest the City's determination before the contract is awarded (See Figure 3).

The City maintains the highest ethical standards in its procurement practices to ensure that the vendor procurement process is transparent and competitive and that all participants are treated equally. To help facilitate these standards, all solicitations are advertised on an e-procurement system that allows vendors, at no charge, the ability to receive notifications when a project is advertised and to obtain all pertinent information about a project including all bid documents, addenda, and questions posed by other potential participants with the associated City's response. Currently, the City uses BidSync. However, starting June 3, 2019, the City will begin the first of three phases of its e-procurement system migration from BidSync to Biddingo. The first phase will migrate all City construction bids. The second phase will migrate all supplies, equipment, information technology, and non-consultant services bids. The final phase will migrate all consultant service bids. All phases are expected to be complete before the end of 2019.

Program Performance Summary

Seven key performance indicators (KPIs) have been established to measure overall CIP success. Each KPI represents a metric that will be monitored on a regular basis. Through the life of the CIP, KPIs that best reflect the current program will be selected and measured. KPIs are reset each fiscal year.

Program Key Performance Indicators – Fiscal Year 2018-2019

KPI	Target	Fiscal Year to Date			Fiscal Year End		
		Actual	Status	Trend	Forecast	Status	Trend
Stage Gates	90%	94% 15/16 [1]	●	↑	95% 19/20	●	→
Measurement: Percentage of initiated projects and studies that successfully pass each stage gate on their first attempt. Target: Green: >= 90%; Amber: 75% to 90%; Red: < 75%							
Schedule	90%	33% 1/3	◆	→	33% 1/3	◆	→
Measurement: Percentage of CIP projects delivered within 2 months of approved baseline Beneficial Use Milestone.[2] Target: Green: >= 90%; Amber: 75% to 89%; Red: < 75%							
Budget	90%	100% 2/2	●	→	75% 3/4	▲	→
Measurement: Percentage of CIP projects that are accepted by the City within the approved baseline budget.[2] Target: Green: >= 90%; Amber: 75% to 89%; Red: < 75%							
Expenditure	$253M	$274M	●	↑	$282M [3]	●	↓
Measurement: CIP FY18-19 committed costs. Target: Committed cost meets or exceeds 70% of planned Budget. 70% of $361M = $253M. Therefore Fiscal Year End Green: >=$253M; Amber: $199M to $253M; Red: < $199M							
Safety	0	0	●	→	0	●	→
Measurement: Number of OSHA reportable incidents associated with CIP delivery for the fiscal year. Criteria: Green: zero incidents; Amber: 1 to 2; Red: > 2							
Environmental	0	0	●	→	0	●	→
Measurement: Number of permit violations caused by CIP delivery for the fiscal year. Target: Green: zero incidents; Amber: 1 to 2; Red: > 2							
Vacancy Rate[4]	10%	20% 17/83 [5]	◆	↓	11% 9/83	▲	→
Measurement: Ratio of the number of vacant approved positions to approved positions. Target: Green: <= 10%; Amber: 10% to 20%; Red: > 20%							

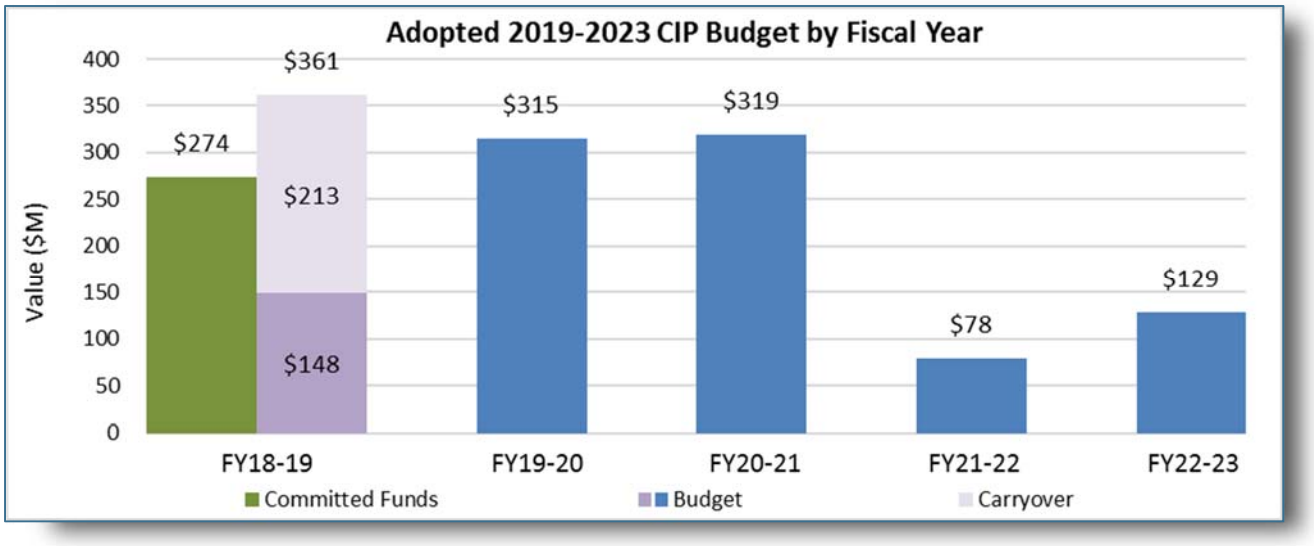
Notes

1. The Nitrification Clarifiers Rehabilitation - 1 Project passed Stage Gate 5: Authorization to Bid.
2. The baseline Beneficial Use date and the baseline budget for each project are established at construction contract award and execution.
3. The forecasted fiscal year-end expenditure decreased due to revised encumbrance timing.
4. The Vacancy Rate KPI measures CIP-approved positions (ESD and Public Works) and program management consultant full-time staff.
5. The CIP vacancy count decreased by one.

Program Budget Performance Summary

This section summarizes the cumulative monthly budget performance for fiscal year (FY)18-19 based on the Adopted 2019-2023 CIP.

Adopted 2019-2023 CIP Expenditure and Encumbrances



Notes:

Committed Funds: Total of expenditures and encumbrances.

Expenditure: Actual cost expended, either by check to a vendor or through the City's financial system, for expenses such as payroll or for non-personal expenses that do not require a contract.

Encumbrance**:** Financial commitments such as purchase orders or contracts that are committed to a vendor, consultant, or contractor. An encumbrance reserves the funding within the appropriation and project.

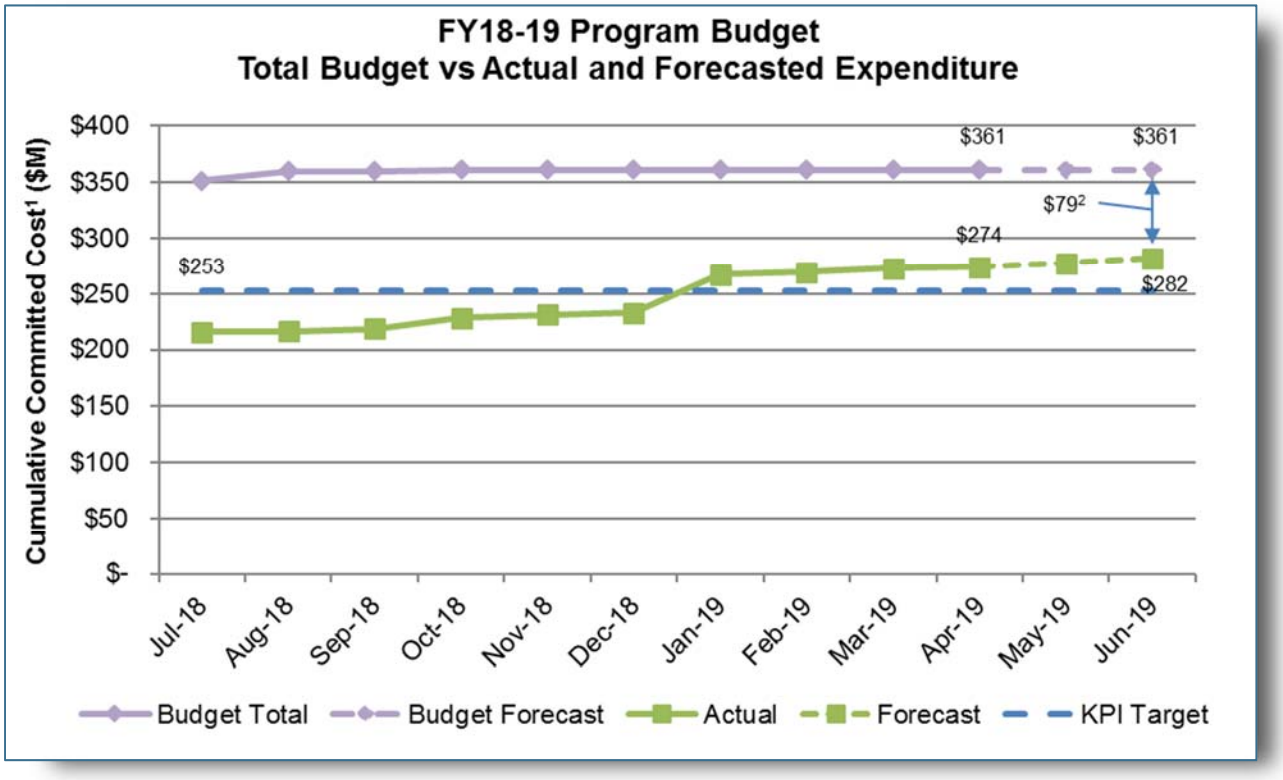
The FY18-19 budget is $185 million, which consists of $131 million in new funds and $54 million in rebudgets. For purposes of this monthly report, the adopted FY18-19 budget is adjusted from $185 million to $148 million due to the exclusion of certain appropriations that are not measured as part of the expenditure KPI. Excluded appropriations include City Hall Debt Service Fund; Clean Water Financing Authority Debt Service Payment Fund; Debt Service Repayment for Plant Capital Improvement Projects (San José only debt service); Equipment Replacement Reserve; Ending Fund Balance; Public Art; SBWR Extension; State Revolving Fund Loan Repayment; and Urgent and Unscheduled Treatment Plant Rehabilitation. Similar adjustments have been made to the budgets for FY19-20 through FY22-23.

Carryover: Encumbrance balances at the end of the previous fiscal year are automatically carried forward to the current fiscal year as carryover funding to pay invoices for approved construction contracts and consultant agreements. FY18-19 carryover is $213 million.

Budget of $148 million and carryover of $213 million totals $361 million for FY18-19.

Fiscal Year 2018-2019 Program Budget Performance

The FY18-19 CIP budget is comprised of approximately $148 million in new funds, plus encumbered carryover of $213 million, for a total of $361 million. This excludes City Hall Debt Service Fund; Clean Water Financing Authority Debt Service Payment Fund; Debt Service Repayment for Plant Capital Improvement Projects (San José only debt service); Equipment Replacement Reserve; Ending Fund Balance; Public Art; SBWR Extension; State Revolving Fund Loan Repayment; and Urgent and Unscheduled Treatment Plant Rehabilitation items. Overall, the forecasted fiscal year-end committed funds exceed the fiscal year-end target by $32 million.



Notes:

1. Committed costs are expenditures and encumbrance balances, including carryover (encumbrance balances from the previous fiscal year).
2. The variance between forecasted budget and forecasted commitments can be primarily attributed to the following factors:
    a. A couple construction contracts are now anticipated to be awarded in FY19-20 instead of FY18-19 based on updated schedules:
        i. Fire Life Safety Upgrades Project
        ii. Switchgear M4 Replacement and G3 & G3A Removal Project
    b. Several consultant service orders will not be awarded in FY18-19:
        i. Aeration Tank Rehabilitation Project
        ii. Support Facilities Project
        iii. Tunnel Rehabilitation Project
    c. The Digested Sludge Dewatering Facility Project preliminary services contract and associated owner's advisor services are now anticipated to be awarded in FY19-20.
    d. The Digester and Thickener Facilities Upgrade Project design consultant services amendment is now expected to be executed in FY19-20.
    e. The Blower Improvement Project construction bids came in under budget.
    f. Several other minor encumbrances for consultant services are either lower than budgeted or are anticipated to be awarded in FY19-20.
    g. Several authorized positions remain vacant, resulting in lower predicted personal services expenses than budgeted.
    h. The FY16-17 payment budgeted for the annual Owners Controlled Insurance Program premium covered the period through FY17-18. Funds rebudgeted from FY17-18 will be programmed in FY19-20.

Project Performance Summary

There are currently six projects in the construction and post-construction phases and an additional 14 projects in feasibility/development, design, bid and award, or design and construction phases (see PDM, page 2). Projects in the construction phase have established cost and schedule baselines and are monitored using the City's Capital Project Management System (CPMS). Green/red icons are included in the table below to indicate whether these projects are on budget and schedule.

Project Performance – Baselined Projects

Project Name	Phase	Estimated Beneficial Use Date[1]	Cost Performance[2]	Schedule Performance[2]
1. Construction-Enabling Improvements	Post-Construction	Aug 2018[3]	●	◆
2. Plant Instrument Air System Upgrade	Post-Construction	Nov 2018[3]	◆	◆
3. Cogeneration Facility	Design & Construction	Sep 2020	●	●
4. Digester and Thickener Facilities Upgrade	Construction	Nov 2020	◆	◆
5. Advanced Facility Control & Meter Replacement - Phase 1	Construction	June 2021	●	●
6. Blower Improvements	Construction	Sep 2022	●	●

Key:

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

Notes

1. Beneficial Use is defined as work that is sufficiently complete, in accordance with contract documents, that it can be used or occupied by the City. Beneficial Use dates are reviewed as part of project schedule reviews.
2. An explanation of cost and schedule variances on specific projects identified in this table is provided on pages 12 and 13.
3. Actual Beneficial Use date.

Project Performance – Pre-Baselined Projects

Project Name	Phase	Estimated Beneficial Use Date[1]
1. Digested Sludge Dewatering Facility	Bid/Award	Jan 2023
2. Nitrification Clarifiers Rehabilitation – Phase 1	Bid/Award	Oct 2023
3. 96-Inch and 87-Inch Settled Sewage Pipe Rehabilitation	Design	Oct 2020
4. Outfall Bridge and Instrumentation Improvements	Design	Dec 2021
5. Switchgear M4 Replacement and G3 & G3A Removal	Design	Feb 2022
6. Advanced Facility Control & Meter Replacement - Phase 2	Design	Nov 2022
7. Fire Life Safety Upgrades	Design	Nov 2022
8. Headworks	Design and Construction	Dec 2022
9. Filter Rehabilitation	Design	Apr 2023
10. HVAC Improvements	Feasibility/Development	Mar 2023
11. Storm Drain System Improvements	Feasibility/Development	Apr 2023
12. Flood Protection	Feasibility/Development	Jun 2023
13. Facility Wide Water Systems Improvements	Feasibility/Development	Aug 2024
14. Yard Piping and Road Improvements	Feasibility/Development	Nov 2027

Notes

1. Beneficial Use is defined as work that is sufficiently complete, in accordance with contract documents, that it can be used or occupied by the City. Beneficial Use dates are reviewed as part of project schedule reviews.

Project Significant Accomplishments

Biosolids Package

Digester and Thickener Facilities Upgrade

- Walsh completed 75 percent of the ring beams foundation concrete pours for all four digesters; installed the transfer sludge piping and digester overflow piping inside two of the four digesters, installed the main control equipment in the new sludge screening building; completed the elevated pipe rack foundations for four columns adjacent to C Street; completed the foundation for one of the two large polymer tanks.
- Walsh also installed partial backfill around the west electrical building foundation walls and completed the east electrical building concrete foundation walls.

Facilities Package

96-Inch and 87-Inch Settled Sewage Pipe Rehabilitation

- The City completed the evaluation of pre-qualification packages submitted by six contractors and issued the determination of pre-qualified contractor list for the project.
- The project team received CEQA exemption for the project. In May, the project team will complete the 100 percent design and seek approval to advertise the project for bid.

Facility Wide Water Systems Improvements

- The City held a kick-off meeting for the conceptual design with the design consultant Kennedy/Jenks (K/J). Next, the designer will conduct field investigations including geotechnical subsurface utility and site topography.

HVAC Improvements

- The design consultant K/J submitted the draft conceptual design report and conducted a workshop to review the submittal. The project team anticipates a final report in June 2019.

Liquids Package

Blowers Improvements

- Contractor Monterey Mechanical submitted critical submittals for the blower motors, reduced voltage starters, and variable frequency drives. Next month, the contractor will begin demolition in the blower buildings to convert the space to new electrical rooms and the City will hold a second partnering session.

Filter Rehabilitation

- The project team completed design review comments for the 60 percent design submittal and anticipate the 90 percent design submittal by design engineer K/J in July 2019.

Headworks

- Design-builder CH2M conducted workshops addressing cost estimating review planning, process control, and condition assessment planning. The design-builder continued preparations for planned subsurface investigations that will begin in May.

Nitrification Clarifiers Rehabilitation – Phase 1

- The City completed the evaluation of pre-qualification packages and issued a determination that all six contractors who submitted are qualified to bid on the project.
- The project team passed Stage Gate 5: Authorization to Bid, allowing them to advertise the project construction contract for bids next month.

Power and Energy Package

Cogeneration Facility

- Design-builder CH2M completed the hot water loop and digester gas piping from the cogeneration area to the secondary aeration basin area, and they completed the underslab electrical work for the gas-treatment area and cooling towers.
- CH2M also completed the structural design and planning for a bridge over an existing 84-inch nitrification process influent line allowing the 200-ton crane access for the scheduled bridge crane steel and roof steel placement in early May.

Explanation of Project Performance Issues

Construction-Enabling Improvements Project

This project was originally scheduled to be substantially complete by mid-February 2017. Due to the extremely wet 2016-17 winter season, contractor Teichert Construction was unable to perform site work on several occasions between October 2016 and April 2017. Teichert was granted extra work days for weather-related delays and for extra work associated with several contract change orders. A new contract completion date of June 8, 2017 was established. However, Teichert's subcontractor, ModSpace, was slow to respond and regularly submitted late and incomplete documentation, which resulted in the portable trailers arriving in January 2018, approximately nine months later than the contract completion date.

Teichert experienced additional delays completing installation of the portable trailers and submitting complete and acceptable documentation for access ramps and canopies. In early August 2018, the contractor completed installation of the electrical, communications and wastewater utilities. Also in August, the City of San José Building Division issued the Certificate of Occupancy permit for the trailers and the construction management group issued the Notice of Substantial Completion, which indicated that the project had reached Beneficial Use. The project team provided Teichert with a list of remaining contract work to be completed. The project team has reached agreement with Teichert for liquidated damages and to complete outstanding tasks for project closeout. The project team anticipates accepting the project in June 2019.

Plant Instrument Air System Upgrade Project

Project construction was delayed by seven months due to four issues: 1) The project team discovered that the planned construction site access route crossed a large settled sludge pipeline, requiring development and construction of an alternative access route; 2) the contractor was temporarily unable to install a section of the conduit from the sludge control building to the new compressor building due to other work being performed in the area by a different contractor; 3) development of the 28-day commissioning test procedure took longer than anticipated; and 4) during the eight-hour functioning test, the project team discovered oxidized (rusted) carbon steel shavings in an existing condensate tank unrelated to the project construction. The material was removed, and the test was successfully completed. The project achieved Beneficial Use in November 2018. The project team anticipates project acceptance in May 2019.

Digester and Thickener Facilities Upgrade Project

This project encountered numerous unforeseen conditions at the beginning of construction in 2016, described below. In 2017, design modifications were required to address seismic risks, and discovery of hazardous materials required extensive cleanup. Delays for these conditions have amounted to 273 working days. The original construction completion and Beneficial Use date of September 2019 has been delayed to November 2020.

The City has negotiated contract change orders for the following unforeseen conditions discovered in 2016:

- Major corrosion of a belowground, 78-inch settled sewage pipeline and junction structure delayed the construction of dissolved air flotation tank piping connections, two new pressurization flow boxes, and utility relocation work. The contractor postponed all repairs until a temporary pumping and pipeline system could be designed and safely installed to enable replacement of the pipeline in the 2018 dry season. In May of 2018, the contractor started full-time operation of this temporary pumping and pipeline system and began replacing the 78-inch settled sewage pipeline, which was completed in late September 2018.
- A 36-inch biochemical oxygen demand pipe was found to be obstructing the new sludge screening building foundation. The contractor removed this pipe and relocated several gas drain vaults and associated piping before the foundation construction began.
- Multiple conflicts between contract work and existing utilities required numerous relocations including water, natural gas, digester gas, landfill gas, storm drains, and sanitary sewer pipelines. The contractor completed necessary relocations and rerouting, especially near the new digester gas pipe rack footings. Many of these modifications also required design changes.
- Bay Area Air Quality Management District venting restrictions also delayed digester work. The contractor completed the temporary digester gas connections and the system became operational in February 2018.

The City has negotiated contract change orders for the following issues discovered in 2017 and 2018:

- Digester structural redesign: The design consultant revised the structural drawings to address seismic concerns by enlarging the foundation ring beam at the base of each of the four digesters. The contractor provided a cost proposal associated with this revision and the City issued a final, global change order to cover work activities.
- Distributed control system architectural changes: The design guidelines for the distributed control system were developed after the project plans were completed. Several changes were required for fiber optic cable, electrical wiring, patch panels, converters, communications instrumentation, and emergency power supply. Drawings, color-coding labeling, and process diagrams had to be revised to reflect these changes.

- Fire Department requirements: Fire permit requirements changed after the design was completed. The Fire Marshal required additional alarms and electrical connections. A new electrical fire suppression system was installed to meet current environmental requirements. At one structure, additional time was needed to confirm that the fire suppression system was not required.
- Structural issues with the west electrical building, DAFT tank walls, DAFT ceiling slab, and digester feed pump canopy.
- Drainage of one DAFT underground gallery, polymer pad and Main Street drainage; and
- Required warranty extensions resulting from construction delays.

The hazardous material mitigation issue is currently being evaluated and is expected to result in additional costs. Testing of soils and concrete for PCBs was completed, and the federal Environmental Protection Agency (EPA) issued a final conditional approval. In compliance with the EPA-approved, risk-based management plan, removal and disposal of all contaminated materials in three of four affected digesters and all tunnel joints has been completed. All contaminated soils have been removed and disposed of and most of the impacted concrete has been encased. The last portion of the work will be finished in early May 2019. The project team anticipates submittal of final work reports to the EPA in June 2019.

In November 2017, Council approved a construction contingency increase of $15 million. The City issued change orders against the increased contingency for delays associated with the conditions discovered in 2016.

In June 2018, Council approved a second construction contingency increase of $25 million for additional costs associated with the seismic redesign, hazardous material remediation, and extended construction duration.

To minimize further delays, the contractor is executing several tasks concurrently that originally had been planned in series.

Project Profile – Facility Wide Water Systems Improvements

The RWF has four water systems consisting of potable water (1W), groundwater (2W), process water (3W), and fire protection water (4W) (see Figure 4). The water systems were constructed over time with various expansions and are now beyond their useful life requiring frequent repairs due to leaks and failures. Additionally, changes to water uses and demands require modifications to the existing systems.

The project objectives are to evaluate the existing water distribution systems' conditions; calibrate a hydraulic model to assess the systems' adequacies to meet current and future demands; then rehabilitate, replace, combine, and/or extend the RWF's four water systems, including piping, valves, pumps, controls, and other ancillary equipment.

In September 2016, the City awarded a consultant agreement to K/J Consultants to provide design engineering services for the project. Since then, K/J has completed a condition assessment of the water systems, field testing, hydraulic data collection, hydraulic modeling, and determination of future demands. Using this information, the consultant completed a "triple bottom line plus" business case alternatives analysis for the four water systems in October 2018. Based on the analysis, the project team was approved to proceed with the following approach for each water system:

1W (Potable Water)

- Add redundancy by reconnecting to the potable water system at Nortech Parkway;
- Replace approximately 7,700 LF or 18 percent of pipe (up to 8-inch);
- Add connections for existing support buildings and the planned digested sludge dewatering facility; and
- Loop the system to eliminate dead ends.

2W/3W (Groundwater/Process Water)

The two systems will be combined and will exclusively use process water, eliminating groundwater use.

- Decommission the 2W supply system by abandoning an existing operational well and demolishing the storage tank, booster pump station and piping, and hydropneumatic tank;
- Replace approximately 9,900 LF or 42 percent of 2W pipe (up to 8-inch);
- Replace approximately 11,100 LF or 18 percent of 3W pipe (2-inch to 10-inch);
- Loop the existing low pressure 3W system;
- Add a new high-pressure loop and a new pump station; and
- Add a third high-flow VFD pump to the main 3W Process Water Pump Station at the Filtration Influent Pump Station to provide redundancy when the temperature-phased anaerobic digesters go online and for future expansion.

4W (Fire Protection Water)

- Convert the system supply from final plant effluent to the municipal water system by adding a new airgap-protected 750,000-gallon fire water storage tank with a new 4W pump;
- Add a connection for the planned digested sludge dewatering facility; and
- Disconnect of 4W washdown connections.

This month, the project team held a conceptual design kickoff meeting to review next steps, including: additional hydraulic modeling with updated water demands; geotechnical investigations; subsurface investigations; topographic survey; and construction schedule and sequencing development. These analyses will be incorporated into the conceptual design report and drawings.

The project is being delivered using the DBB method. Conceptual design is anticipated to be completed by November 2019 and detailed design is expected to be completed by summer 2021. The construction contract is expected to be awarded in late 2021 and the project is anticipated to reach Beneficial Use in summer 2024. The current project budget is $17.5 million.

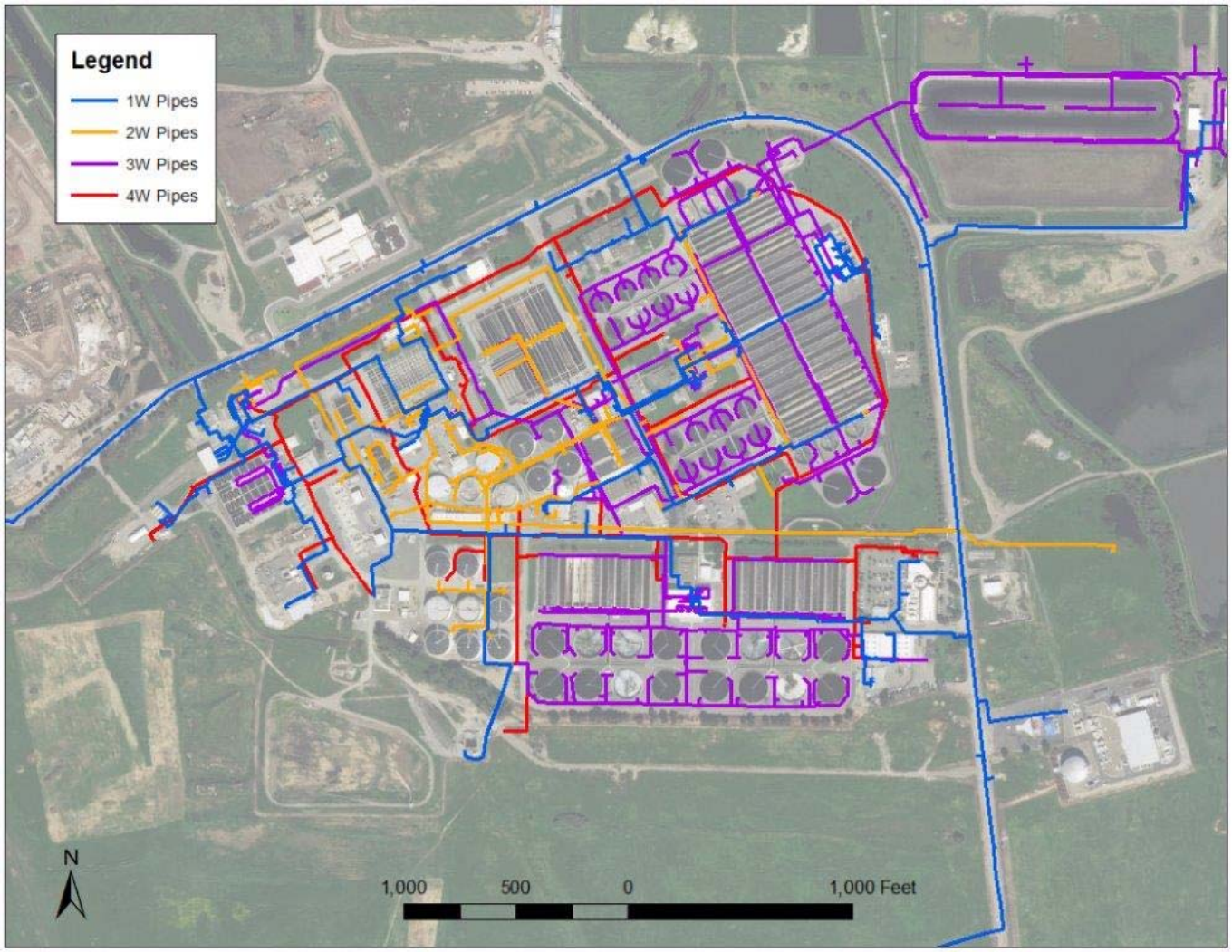


Figure 4: Existing water systems include 1W (potable water), 2W (groundwater), 3W (process water), and 4W (fire water)

Regional Wastewater Facility Treatment – Current Treatment Process Flow Diagram

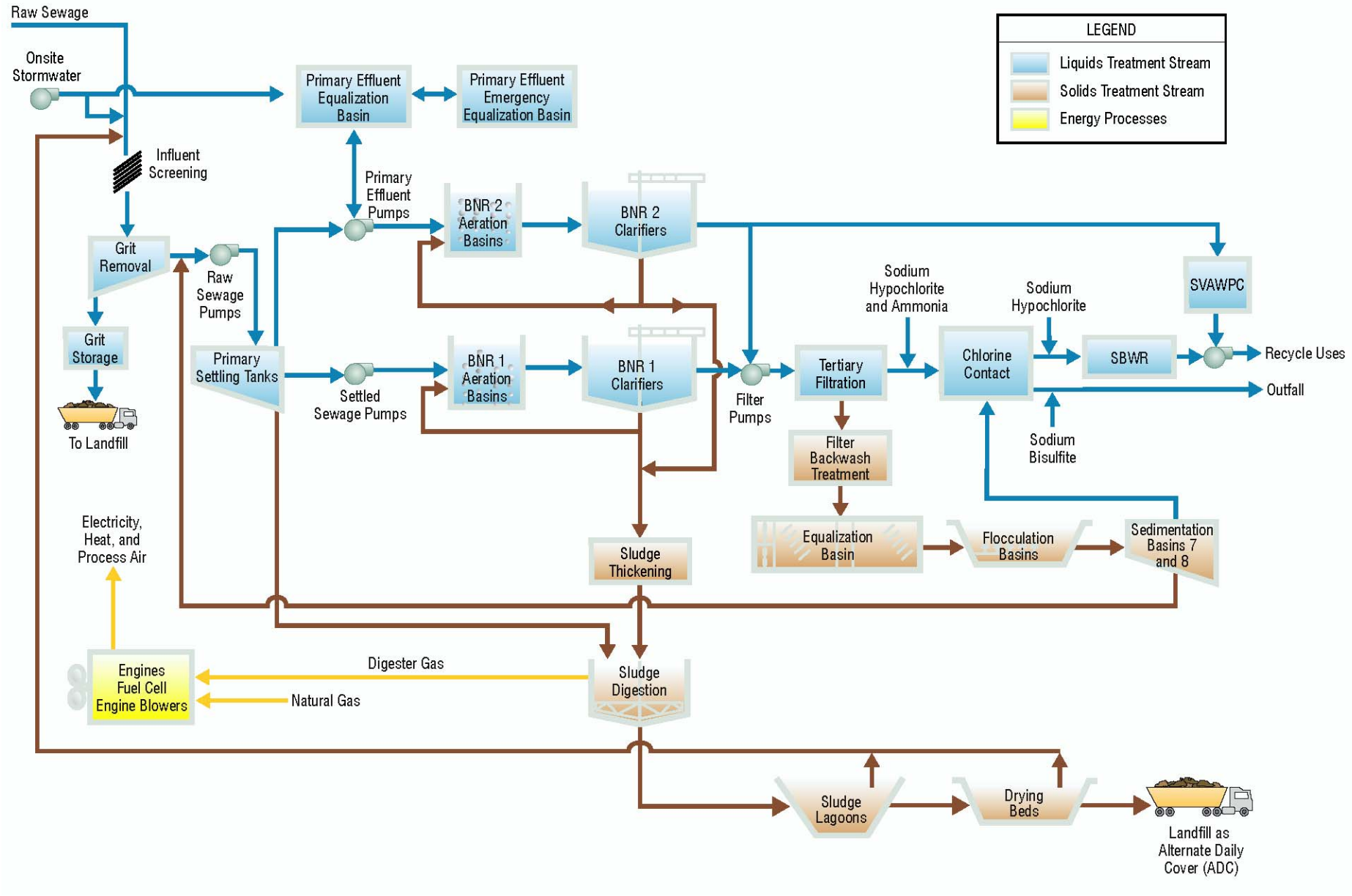


Figure 5 – Current Treatment Process Flow Diagram

Regional Wastewater Facility Treatment – Proposed Treatment Process Flow Diagram

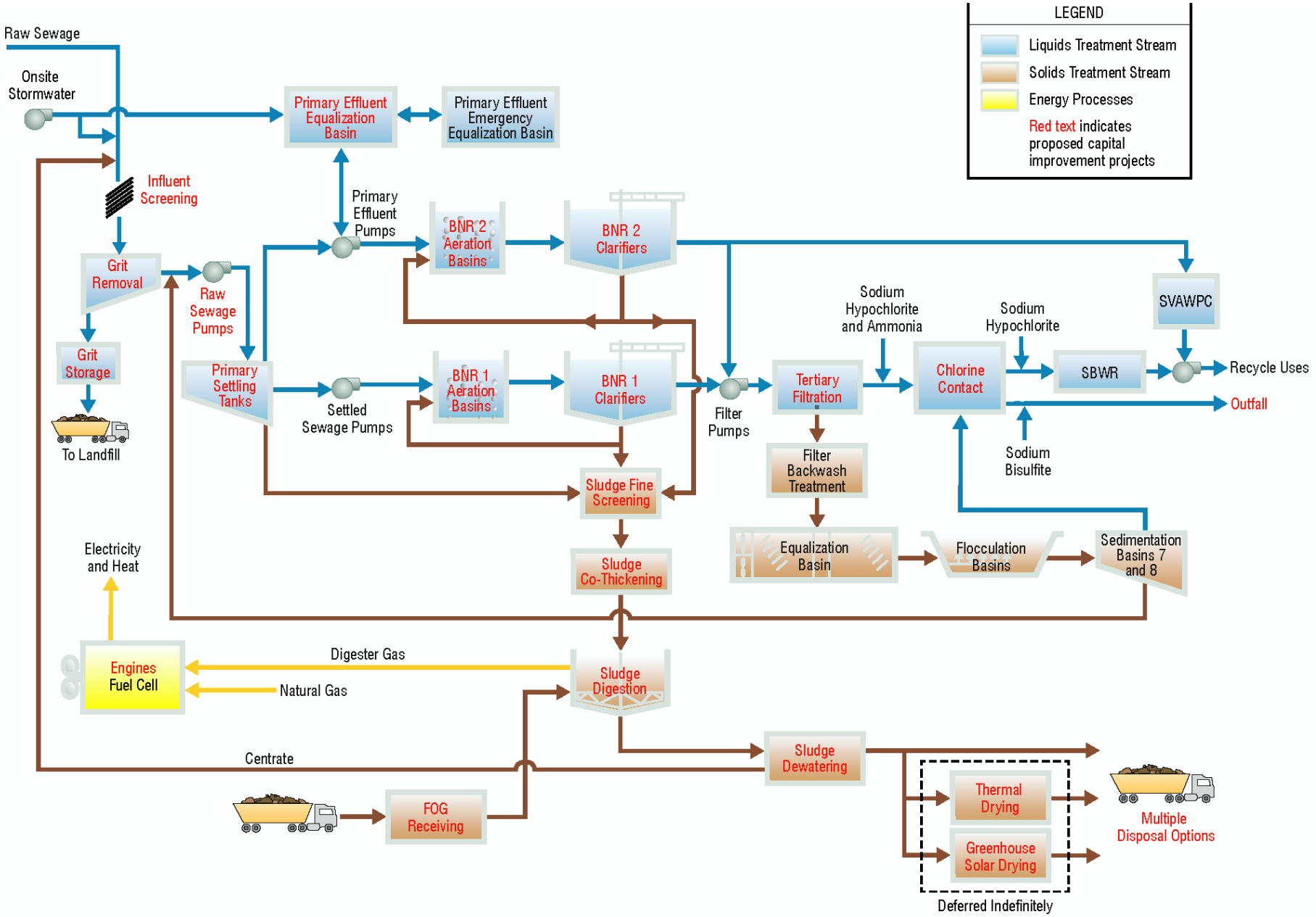


Figure 6 – Proposed Treatment Process Flow Diagram

Active Construction Projects – Aerial Plan

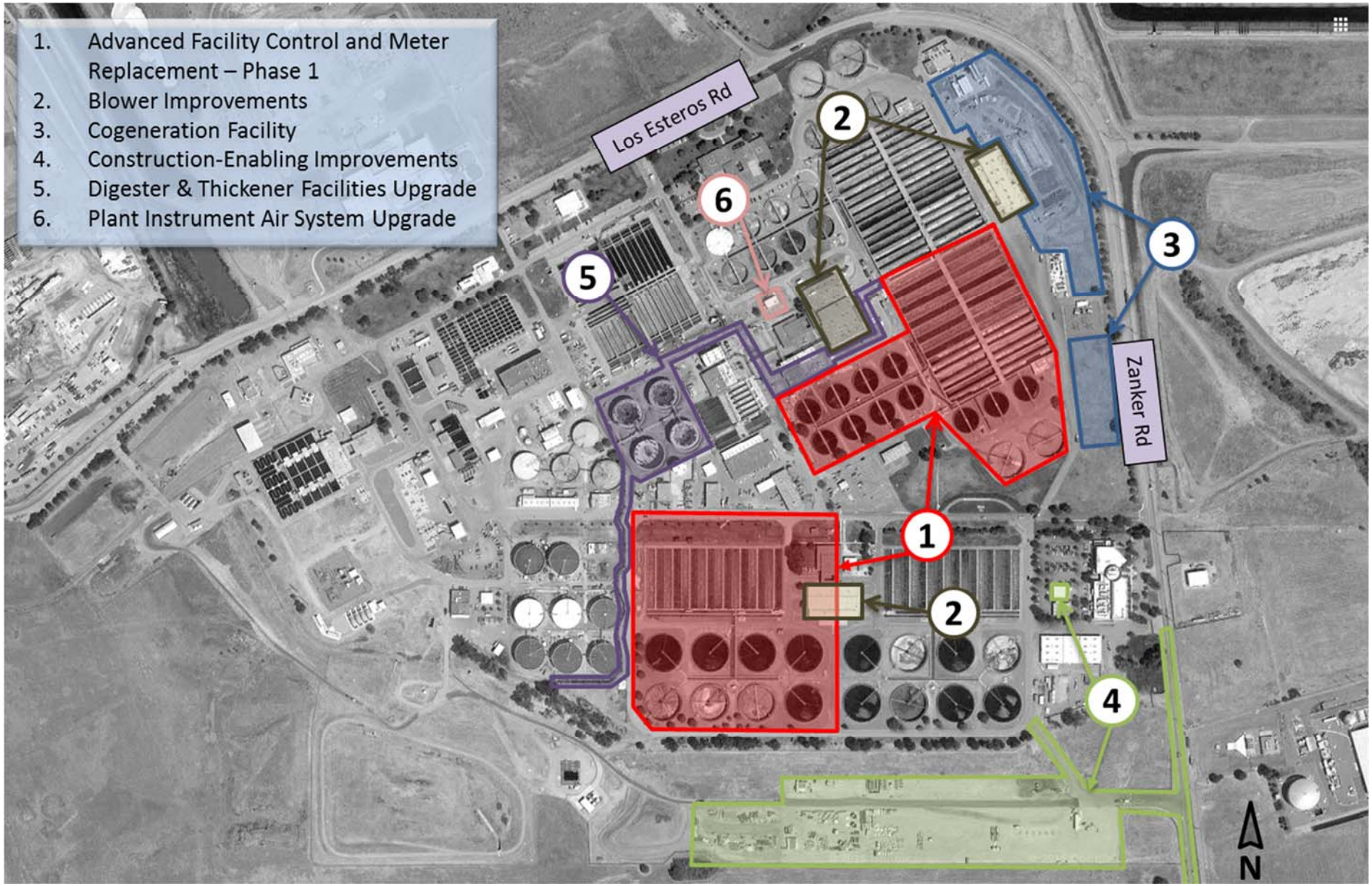


Figure 7: Active Construction Projects

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

COUNCIL AGENDA: 6/25/19
FILE:
ITEM:

CITY COUNCIL ACTION REQUEST

Department(s): Environmental Services / Public Works	**CEQA:** Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.	**Coordination:** City Attorney's Office; City Manager's Budget Office, Finance The Treatment Plant Advisory Committee will consider this item on June 13, 2019	**Dept. Approval:** /s/ Kerrie Romanow /s/ Matt Cano
Council District(s): City-Wide			**CMO Approval:** 6/6/19

SUBJECT: AMENDMENTS TO THE MASTER CONSULTANT AGREEMENTS WITH CONSOLIDATED ENGINEERING LABS, CONSTRUCTION TESTING SERVICES, INC., AND SIGNET TESTING LABS, INC. FOR SPECIAL INSPECTION AND MATERIALS TESTING SERVICES FOR THE SAN JOSE -SANTA CLARA REGIONAL WASTEWATER FACILITY CAPITAL IMPROVEMENT PROGRAM

RECOMMENDATION:

Approve the Amended and Restated Master Consultant Agreements with Consolidated Engineering Laboratories, Construction Testing Services, Inc., and Signet Testing Labs, Inc. for special inspection and materials testing services to allow for premium pay, reductions in the minimum limits for Professional Liability Errors and Omissions insurance from $5,000,000 to $2,000,000 per claim limit, and revisions to the Schedule of Rates and Charges, with no extensions of the term or increases to the maximum total compensation.

BASIS FOR RECOMMENDATION:

On June 19, 2018, the City Council approved three master consultant agreements, one with each of Consolidated Engineering Laboratories, Construction Testing Services, Inc., and Signet Testing Labs, Inc., for special inspection and materials testing services for the Capital Improvement Program (CIP) at the San José-Santa Clara Regional Wastewater Facility (RWF).

The original master consultant agreements did not allow for premium pay for work conducted outside of regular business hours. However, construction at the RWF often requires contractors to work outside of regular business hours to complete critical work prior to start of the wet-weather season, coordinate with RWF operations, perform critical unanticipated work due to unforeseen site conditions, and to meet the interface schedules between the numerous projects at the RWF. In these cases, the specialty inspection consultants may be required to provide services beyond and/or outside of regular business hours. The proposed amendment will allow premium pay, as required by the City, and with written approval by the City prior to work being performed.

This amendment also reduces the amount of the minimum limits for Professional Liability Errors and Omissions insurance from $5,000,000 to $2,000,000 per claim limit, as approved by the City's Risk Management Office, and makes the insurance requirements consistent with the other agreements at the RWF for special inspection services.

Based on these changes, the City was able to negotiate lower rates with all three consultants, which will result in project cost savings for the RWF CIP.

COST AND FUNDING SOURCE:
Services performed by the consultants under Master Consultant Agreements are authorized by service orders. An appropriation is not required for execution of the Amended and Restated Master Consultant Agreements, but is required for each service order under the agreements. These amendments do not change the total compensation or the terms established by the original Master Consultant Agreements.
FOR QUESTIONS CONTACT: Michael O'Connell, Deputy Director, Department of Public Works at (408) 975-7333

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Kerrie Romanow
Matt Cano

SUBJECT: SEE BELOW

DATE: May 23, 2019

Approved [signature] Date 5/24/19

INFORMATION

SUBJECT: FINAL PROPOSER RANKINGS AND INTENT TO NEGOTIATE THE DESIGN-BUILD CONTRACT FOR THE DIGESTED SLUDGE DEWATERING FACILITY PROJECT AT THE SAN JOSE-SANTA CLARA REGIONAL WASTEWATER FACILITY

BACKGROUND

In January 2016, the Director of Environmental Services and Director of Public Works approved the use of the progressive design-build (PDB) delivery method for the Digested Sludge Dewatering Facility Project (Project) due to its complexity, the need to coordinate with multiple other projects, and uncertain requirements for integration with existing facilities. As requested by City Council on March 24, 2015, staff is keeping City Council and the Treatment Plant Advisory Committee (TPAC) apprised about the design-build procurement process through informational memos.

Project Description

The San José-Santa Clara Regional Wastewater Facility (RWF) Plant Master Plan (PMP), adopted in 2013, envisioned a transition from the current process that dewaters digested sludge (sludge) in lagoons and drying beds, with disposition as alternative daily cover at the nearby Newby Island Landfill, to an enclosed, mechanical dewatering process with a variety of off-site dispositions.

The Digested Sludge Dewatering Project (Project) will construct a new dewatering building to house mechanical dewatering equipment; sludge cake storage, conveyance, and truck load-out facility; chemical feed station; pump station to return centrate to headworks; operations and maintenance space and storage; and associated mechanical, electrical, and instrumentation equipment. The Project scope will also include new sludge transfer pumps and sludge storage tanks; a new sludge export pump station and pipelines; vehicle storage and parking; and general

civil work. The proposed facilities will transfer sludge from the digesters to the new dewatering building on the east side of Zanker Road, as illustrated in Attachment A. The dewatered sludge will be loaded into trucks and hauled away for a variety of beneficial re-uses.

The new dewatering facility will be designed to process a wide range of digested sludge flows, loads, and characteristics. It will allow for future expansion to ultimate flow and load conditions and to accommodate potential future biosolids processing facilities. Its operation will fully integrate with the existing RWF facilities. Ultimately, the Project will allow the City to retire its current solar operation, which uses 750 acres of land and requires four years to dry digested sludge. The new dewatering process will use 10 acres of land and instantaneously (less than one day) dewater digested sludge.

The Project is intended to: 1) position the RWF to have multiple and diversified disposition options with the anticipated closure of Newby Island Landfill, 2) reduce the footprint of the biosolids processing area and enable other land uses, 3) create flexibility to respond to future regulatory changes governing the allowable disposal of treated biosolids, specifically the potential impact of Senate Bill No. 1383 (SB 1383), which calls for diversion of organics, including biosolids, from landfills, and 4) reduce odors in the community.

Based on the current project schedule, preliminary services will begin August 2019. Final design and construction will begin in January 2021 and commissioning will be completed in April 2023.

ANALYSIS

A Request for Qualifications (RFQ) was issued on March 16, 2018, and Statements of Qualifications (SOQs) were received on May 9, 2018. Four design-build firms submitted SOQs:

- AECOM
- HDR Engineering, with Overaa Construction as General Contractor
- Jacobs Engineering, with Kiewit Construction as General Contractor
- Walsh Construction, with Black and Veatch as Engineer Firm

Based on the submittals, the City determined that all four firms were qualified and eligible to submit proposals. A Request for Proposals (RFP) was issued on October 10, 2018 and the City received proposals from three firms on December 14, 2018. AECOM did not submit a proposal.

The selection panel, consisting of representatives from Environmental Services, Public Works, and a representative from the local Building Trades Council, evaluated the written proposals and held interviews with the three candidate firms on January 29, 2019. Scores from the proposals and interviews were tabulated and resulted in the following final ranking:

Proposer	Ranking
Walsh/Black and Veatch	1
HDR/Overaa	2
Jacobs/Kiewit	3

While all three firms were well qualified, Walsh distinguished itself from the other proposers during the interview phase by demonstrating a clear understanding of Project objectives, outlining innovative approaches to completing the Project, and confirming their highly experienced professionals were dedicated to the success of the Project. The Walsh team consists of a project manager and team leaders with extensive design-build experience, including the design and construction of similar dewatering facilities.

Contract Negotiation Process

An exemplar of the design-build contract was included with the RFP. Staff will now negotiate the final terms of the contract, including the price for preliminary (pre-construction) services, the general conditions fee, and the design-builder fee.

In August 2019, following negotiations, staff plans to recommend to Council approval of the negotiated contract, which will include a "not to exceed" fixed price for the preliminary services, as well as a delegation of authority to the City Manager to execute amendments to the contract to allow the design-builder to proceed with discrete portions of the work prior to establishing the guaranteed maximum price (GMP) for all of the design-build work. Upon completion of a basis of design report (BDR) in approximately one year, staff will return to Council to seek delegation of authority to the City Manager to negotiate an amendment to the contract to, among other things, establish the GMP. The total estimate for the Project is currently $128 million, which includes an estimate of $85 million for the design-build work. Staff will have a more accurate estimate of the GMP, however, following completion of the BDR.

/s/

MATT CANO
Director of Public Works

/s/

KERRIE ROMANOW
Director, Environmental Services

For questions, please contact Mariana Chavez-Vazquez, Interim Deputy Director, Department of Environmental Services, at (408) 635-4008.

Attachment A

ATTACHMENT A

Digested Sludge Dewatering Facility Project Extents at the San José-Santa Clara Regional Wastewater Facility