

**MINUTES OF THE
SAN JOSÉ/SANTA CLARA
TREATMENT PLANT ADVISORY COMMITTEE**

San José City Hall, T-1734
Thursday, October 10, 2019 at 4:02 p.m.

On a motion made by Committee Member Gatto and a second by Committee Member Diep, TPAC recommended nomination of Committee Member Steven Leonardis as Acting Chair for this meeting.

Ayes – 5 (Diep, Gatto, Leonardis, Sykes, Watanabe)

Absent – 4 (Debi Davis, Dev Davis, Liccardo, Montano)

1. ROLL CALL

Minutes of the Treatment Plant Advisory Committee convened this date at 4:02p.m. Roll call was taken with the following members in attendance:

Committee Members: Lan Diep, John Gatto, Steven Leonardis, David Sykes, Kathy Watanabe, Dev Davis (4:03pm), Carmen Montano (4:19pm)

2. APPROVAL OF MINUTES

A. September 12, 2019

On a motion made by Committee Member Gatto and a second by Committee Member Watanabe, TPAC recommended approval of the minutes.

Ayes – 6 (Dev Davis, Diep, Gatto, Leonardis, Sykes, Watanabe)

Absent– 3 (Debi Davis, Liccardo, Montano)

3. UNEFINISHED BUSINESS/REQUEST FOR DEFERRALS

4. DIRECTOR'S REPORT

A. Director's Report (verbal)

Deputy Director Amit Mutsuddy, filling in for Director Kerrie Romanow and Assistant Director Napp Fukuda, was available for questions regarding the Monthly Status Report.

5. **AGREEMENTS/ACTION ITEMS**

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 January 2019 through June 2019.

Deputy Director Amit Mutsuddy, Stantec Program Manager Simon Alder and Public Works Principal Norman Mascarinas presented.

Committee Member Gatto asked when the Digesters would be online.

Stantec Program Manager Simon Alder stated that commission will begin early next year and that it will through the middle of the year that it will be proved out to begin commissioning.

Committee Member Gatto asked regarding the Cogeneration Facility, what would happen to the existing building.

Stantec Program Manager Simon Alder stated the engines would be retired.

Deputy Director Amit Mutsuddy answered that the existing electric blowers are housed in the building as well and they would remain in commission.

Committee Member Gatto asked if during the transition, there would be any risk to energy requirements to the plant.

Deputy Director Amit Mutsuddy stated that there is 100% redundancy with emergency generators which is already constructed and functional.

On a motion made by Committee Member Gatto and a second by Committee Member Davis, TPAC recommended approval of the minutes.

Ayes – 7 (Dev Davis, Diep, Gatto, Leonardis, Montano, Sykes, Watanabe)

Absent– 2 (Debi Davis, Liccardo)

B. Report on Bids and Award of Construction Contract for 7731- Nitrification Clarifier Rehabilitation – Phase 1 Project at the San José- Santa Clara Regional Wastewater Facility

Staff Recommendation:

- (a) Report on bids and award the construction contract for 7731-Nitrification Clarifier Rehabilitation - Phase 1 Project to the low bidder, C. Overaa & Co., in the amount of \$26,184,000 and approve a 20 percent contingency in the amount of \$5,237,000.
- (b) Adopt a resolution authorizing the Director of Public Works to negotiate and execute one or more change orders in excess of \$100,000 for the duration of the project, not to exceed the total contingency amount approved for the project.

Committee Member Gatto asked for a clarification of what PLA was.

Stantec Program Manager Simon Alder answered, "Project Labor Agreement".

Committee Member Gatto stated that the cost for the overhead is roughly 50% of the construction cost and that to him it seems excessive since normally it is 15%- 20%.

Stantec Program Manager Simon Alder clarified if Committee Member Gatto meant project delivery. Committee Member Gatto said yes.

Stantec Program Manager Simon Alder answered that in terms of the engineer's estimate it's 33%. Because the bids came in so low it pushed up the overall percentage in terms of project delivery. What the team has been finding in the CIP projects, is that anything ranging from 30%-60% is normal. From various benchmarking analysis on other agencies, similar numbers have been found and should be expected.

Committee Member Gatto asked if the recommendation was just for the construction and contingency to Council, not for the project delivery portion.

Stantec Program Manager Simon Alder responded that typically the construction and contingency approval goes to Council because that's what will be encumbered. The overall project delivery is what will be included in the Budget for the project as a whole and will be approved as a part of the Annual Budget cycle.

Committee Member Dev Davis recalled that a lot of unknowns were encountered by the Digester and Thickener projects and wanted to know if the bidder was aware of everything they needed to know to ensure that this project

wouldn't run into similar issues.

Stantec Program Manager Simon Alder replied that condition assessments had been done, as well exploratory work up front. Additionally, there were mandatory site visits, so that bidders could see the level of complexity required for this project.

Committee Member Dev Davis asked if there were any seismic upgrades that will be needed as we hadn't foreseen seismic upgrades for previous projects and to ensure that we learn from mistakes that were made in the past and not make them with this project. She stated that going over budget, having projects go slower than they were expected was something that she wanted to avoid.

Stantec Program Manager Simon Alder stated that all requirements have been taken in to consideration, including seismic design.

Committee Member Montano asked how often the clarifiers are inspected.

Deputy Director Amit Mutsuddy answered that they are on a ten-year complete overhaul schedule.

Committee Member Watanabe asked what the life expectancy will be of the new clarifiers.

Deputy Director Amit Mutsuddy answered that the life expectancy would be 30-40 years.

On a motion made by Committee Member Montano and a second by Committee Member Watanabe, TPAC recommended approval of the minutes.

Ayes – 7 (Dev Davis, Diep, Gatto, Leonardis, Montano, Sykes, Watanabe)

Absent– 2 (Debi Davis, Liccardo)

Committee Member Gatto wanted to go on record that while he voted in favor of this item, he does not approve of the \$14 million project delivery cost.

C. Sale of a Small Fragment of Land Along Highway 237

Staff Recommendation:

Approving the real property transfer of the approximately 1,744 square feet of land to the Santa Clara Valley Transportation Authority (VTA) and authorizing the City Manager to negotiate and execute a Purchase and Sale Agreement and

all other documents necessary, for the sale of the property in the amount of \$5,000.

Deputy Director Amit Mutsuddy gave an overview of this item and was available for questions.

On a motion made by Committee Member Davis and a second by Committee Member Watanabe, TPAC recommended approval of the minutes.

Ayes – 7 (Dev Davis, Diep, Gatto, Leonardis, Montano, Sykes, Watanabe)

Absent– 2 (Debi Davis, Liccardo)

6. OTHER BUSINESS/CORRESPONDENCE

7. STATUS OF ITEMS PREVIOUSLY RECOMMENDED FOR APPROVAL BY TPAC

- A. Amendments to the Master Consultant Agreements with AECOM Technical Services, Inc., Brown and Caldwell and Black & Veatch Corporation for General Engineering Services at the San José-Santa Clara Regional Wastewater Facility Capital Improvement Program

Staff Recommendation:

- (a) Approve the First Amendment to the Master Agreement with AECOM Technical Services, Inc. for the 7995 - General Engineering Services, extending the term from June 30, 2021 to June 30, 2024 at no additional cost to the City.
- (b) Approve the First Amendment to the Master Agreement with Brown and Caldwell for the 7995 - General Engineering Services, extending the term from June 30, 2021 to June 30, 2023 at no additional cost to the City.
- (c) Approve the First Amendment to the Master Agreement with Black & Veatch Corporation for the 7995 - General Engineering Services, extending the term from June 30, 2021 to December 31, 2023 at no additional cost to the City.

This item was approved by the City Council on September 24, 2019.

- B. Report on Bids and Award of Construction Contract for 8983- Environmental Services Building Lab HVAC Dusting Replacement Project at the San José-Santa Clara Regional Wastewater Facility Capital Improvement Program

Staff Recommendation:

Report on bids and award of contract for the 8983 – Environmental Services Building Lab HVAC Ducting Replacement Project to the sole bidder, Kinetics Mechanical Services, Inc., in the amount of \$538,000, and approval of a fifteen percent contingency in the amount of \$80,700.

This item was approved by the City Council on September 24, 2019.

C. First Amendment to the Master Agreement with Cornerstone Earth Group for Environmental Support Services

Staff Recommendation:

Approve the First Amendment to the Master Agreement with Cornerstone Earth Group 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 September 24, 2019.

D. Approval of a Design-Build Contract with Walsh Construction Company, LLC for the Digested Sludge Dewatering Facility Project at the San José-Santa Clara Regional Wastewater Facility

Staff Recommendation:

1. Adopt a resolution adopting an Addendum to the Environmental Impact Report for the San José-Santa Clara Regional Wastewater Facility in accordance with the California Environmental Quality Act (CEQA), as amended, and adopting a related Mitigation Monitoring and Reporting Program.
2. Approve the design-build contract with Walsh Construction Company, LLC for the Digested Sludge Dewatering Facility at the RWF in an amount not to exceed \$7,492,564 for the performance of Preliminary Services under the contract.
3. Approve a design contingency in the amount of \$749,256 for City-approved changes to the scope of Preliminary Services.
4. Adopt a resolution authorizing the City Manager or his designee to:

- a. Negotiate and execute separate amendments to the contract to direct Walsh Construction to repair critically deteriorated infrastructure that requires immediate repair, which may be discovered during subsurface investigations, in an amount not to exceed \$500,000.
- b. Negotiate and execute separate amendments to the contract to allow Walsh Construction to proceed with discrete portions of the Design-Build Work (referred to as “Early Work Packages”) prior to the City’s execution of the Definitive Contract Amendment in an amount not to exceed \$10,800,000, which amounts will be subject to the base Guaranteed Maximum Price;
- c. Negotiate and execute change orders in excess of \$100,000 up to the amount of the approved contingency for changes to the scope of the Preliminary Services and/or Early Work Packages.

This item was approved by the City Council on September 17, 2019.

E. Approval of Citywide Insurance Renewals

Staff Recommendation:

Adopt a resolution authorizing the Director of Finance to:

- (a) Select and purchase City property and liability insurance policies for the period October 1, 2019 to October 1, 2020, at a total cost not to exceed \$2,250,000, as well as an 18.0% contingency for additional property or assets scheduled, subject to the appropriation of funds with the following insurance carriers:
 - (1) Factory Mutual Insurance Company for Property Insurance, including Boiler & Machinery and TRIA Coverage;
 - (2) Beazley Syndicate 2623/623 at Lloyd’s for Terrorism Insurance;
 - (3) Old Republic Insurance Company, for Airport Owners and Operators Liability including War Risks & Extended Perils Coverage (including Excess Automobile and Employers’ Liability) and Police Aircraft Hull & Liability including War Risks & Extended Perils Coverage;
 - (4) QBE Specialty Insurance Company for Secondary Employment Law Enforcement Professional Liability;
 - (5) Hartford Life and Accident Insurance Company for Accidental Death, Accidental Dismemberment, and Paralysis Policy for the Police Air Support Unit; and

(6) Berkley Insurance Company for Government Fidelity/Crime Coverage.

(b) Select and purchase additional insurance coverage not-to-exceed \$450,000 for the following products:

(1) Up to \$15 million in excess property coverage for the flood peril for locations in high and moderate hazard flood zones for the period October 1, 2019, to October 1, 2020, at a cost not to exceed \$150,000 subject to the appropriation of funds;

(2) Auto Liability insurance for Airport fleet vehicles including Shuttle Buses; Regional Wastewater Facility fleet vehicles; and Airport Shuttle Bus physical damage for the period October 1, 2019, to October 1, 2020, at a cost not to exceed \$120,000 for the Airport and \$100,000 for the Regional Wastewater Facility, subject to the appropriation of funds; and

(3) Up to \$25 million in Excess Auto Liability insurance for Airport fleet vehicles including Shuttle Buses for the period October 1, 2019, to October 1, 2020, at a cost not to exceed \$80,000, subject to the appropriation of funds.

This item was approved by the City Council on September 17, 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 **November 14, 2019, at 4:00 p.m.**, City Hall, Room 1734.

10. OPEN FORUM

Dean Stanford, citizen and park advocate, came to speak regarding the creation of a park.

Acting Chair Steven Leonardis questioned staff as to whether this subject would be agendized at a later date.

Deputy Director Mutsuddy answered that it would be agendized on the November TPAC Agenda.

11. ADJOURNMENT

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

Steven Leonardis, Acting Chair

TREATMENT PLANT ADVISORY COMMITTEE

