



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: November 21, 2022

Approved

Date

11/30/22

SUBJECT: MASTER SERVICE AGREEMENT WITH HYDROSCIENCE ENGINEERS, INCORPORATED FOR ENGINEERING CONSULTING SERVICES FOR THE SAN JOSE-SANTA CLARA REGIONAL WASTEWATER FACILITY

RECOMMENDATION

Adopt a resolution delegating authority to the City Manager or designee to execute a Master Service Agreement with HydroScience Engineers, Incorporated, for various Operations and Maintenance projects requiring engineering support and services on an as needed basis at the San José-Santa Clara Regional Wastewater Facility. The terms of the agreement shall be a four-year term with a total not to exceed amount of \$2,500,000, subject to annual appropriation of funds.

OUTCOME

Approval of the Master Service Agreement to provide engineering services for implementation of various operations and maintenance (O&M) projects at the San José-Santa Clara Regional Wastewater Facility (Facility), on an as needed basis will allow for the modernization, rehabilitation, replacement and maintenance of existing aging structures or equipment such as pumps, motors, valves, pipes, as well as equipment repairs due to unexpected failure to ensure the Facility's continuous and efficient operations while the Facility's Master Plan implementation is in progress.

BACKGROUND

The Facility is an advanced wastewater treatment facility with an average dry weather flow design capacity of 167 million gallons per day (MGD) and a peak wet weather flow design capacity of 271 MGD. The Facility treats an average of 110 MGD of wastewater.

The City of San José Environmental Services Department is in the process of implementing the Facility's Plant Master Plan for intermediate and long-term improvements, with the Plant Master Plan serving as a tool to identify and prioritize future projects for upgrades and replacement. The Capital Improvement Program (CIP) Division of Environmental Services Department is in the midst of implementing these complex projects required for the Facility due to aging infrastructure and to prepare for future regulations. While the intermediate and long-term CIP projects are underway, there are numerous structures, utilities, equipment, system, and unit operations associated with the operation of the Facility that have more immediate needs to maintain functional use.

The O&M Engineering projects are predominantly process related and routine. The majority of the O&M Engineering support and services that will be utilized under this master service agreement will be focused on as-needed consulting services for the modernization, rehabilitation, replacement, and maintenance of existing aging structures or equipment such as pumps, motors, valves, pipes, as well as equipment repairs due to unexpected failure to ensure the Facility's continuous and efficient operations while the CIP progresses with a focus on Plant Master Plan implementation.

The O&M Engineering's near term anticipated projects include, but are not limited to, the following:

- Electric Utility Cart Storage Facility
- Administration Building Lab Renovation
- Facility's Main Lab Improvement
- Filtration Building Roof Replacement
- East Primary Concrete Walkway Removal and Replacement
- Outfall Bridge Work to repair or replace miscellaneous structural members
- Nitrification Area Pedestrian Grates Modifications
- Environmental Services Building Boiler Replacement
- Boat Ramp at the Outfall Location
- Residual Sludge Management Asphalt Road Repair
- Residual Sludge Management Sanitary Sewer Lines
- Residual Sludge Management Recycled Water Connection to the Fill Station
- Residual Sludge Management Drying Bed Restoration
- Sludge Screening Building Stair/Catwalk Improvements

ANALYSIS

The City issued a Request for Proposal (RFP) on August 6, 2022, seeking interested consulting firms to submit proposals to provide engineering support services for the Facility, with a submission deadline of September 6, 2022. Two firms out of 1176 invited accounts accessed the full bid documents and the City received one proposal from HydroScience Engineers, Inc.

Possible reason for receiving only one proposal may be due to numerous wastewater projects throughout the region and the limited availability of qualified professionals.

A three-member panel evaluated the proposal based on the following criteria:

- General Requirements (5%)
- Experience and Qualifications (35%)
- Project Approach (25%)
- Technical Capabilities (25%)
- Classification as Local/small firm (10%)

The panel rated HydroScience Engineers, Inc. as highly qualified with a score of 81 of 100 possible points to provide the required services. References for HydroScience Engineers, Inc. confirmed a positive track record and direct experience in fulfilling the scope of required work. The RFP process encourages participation by awarding additional points to local and small firms as identified by San José Municipal Code. The selected firm, HydroScience Engineers, Inc., qualified as having a local office in San José. A notice of intended award was issued on September 30, 2022, and no protests were filed.

CONCLUSION

Based on staff's evaluation of the proposal received from HydroScience Engineers, Inc., staff considers the submitted proposal acceptable and recommends awarding the agreement to this firm and requests delegated authority for the City Manager or designee to negotiate and execute the corresponding Master Services Agreement.

EVALUATION AND FOLLOW-UP

No additional follow up action with City Council is expected at this time.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

POLICY ALTERNATIVES

Alternative #1: An alternative approach to accomplish this effort would be for all work to be performed by City staff in lieu of the proposed partnership effort with an outside professional engineering firm.

Pros: The work would be done by City staff.

Cons: In-house staff does not possess the capacity or all the required technical capability and specialized equipment across the broad range of expertise anticipated for the wide array of O&M related projects. A significant amount of anticipated work will require engineering oversight in various technical specialties.

Reason for not recommending: City staff would need to hire additional staff with the knowledge, expertise, and/or certification in a variety of engineering areas. Specialized equipment would need to be obtained or leased to perform these duties and staff would need to be trained and certified to use the equipment. Furthermore, with an extensive CIP program underway at the Facility, there is already an increased demand for engineering support and construction services and existing staff will not be able to meet the demand.

Alternative #2: An alternative approach to accomplish this effort would be to perform separate RFP processes for each of the projects described in the Background section of this memorandum or other future needed O&M projects.

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

Cons: The RFP selection process typically takes six months or more to complete and involves the work of many staff members to develop a specific project scope, solicit response, evaluate proposals, and interview consultants, negotiate contracts, and obtain City Council approval, if needed. Most of the O&M projects require a limited short time response and decision due to the critical nature of various unit operations and processes at the Facility. Implementing a separate RFP selection process for each O&M project would result in significant delays affecting operations at the Facility.

Reason for not recommending: This approach will limit the City's flexibility and response time for handling the O&M projects, resulting in a high possibility of equipment and process failures that are critical to the safe and sound operation of the Facility.

PUBLIC OUTREACH

The request for proposal was advertised in the online bidding portal [biddingo.com](https://www.biddingo.com) on August 6, 2022. This memorandum will be posted on the City's Council Agenda website for the December 13, 2022 City Council meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, and Finance Department.

COMMISSION RECOMMENDATION/INPUT

This item is scheduled to be heard at the Treatment Plant Advisory Committee meeting on December 8, 2022. A supplemental memorandum with the committee's recommendation will be included in the amended December 13, 2022 City Council meeting agenda.

FISCAL/POLICY ALIGNMENT

This project is consistent with the following General Budget Principles "We must focus on protecting our vital core city services for both the short- and long-term."

COST SUMMARY/IMPLICATIONS

Funding for service orders issued under the Master Services Agreement will be made available from San José/Santa Clara Treatment Plant Operations & Maintenance Fund (Fund 513). Funds will be encumbered as needed from various project appropriations when service orders are developed and will not exceed \$1,000,000 during the first year of the initial term and a maximum of \$500,000 per year for the following three years, with a four-year total not-to-exceed aggregate amount of \$2,500,000. All encumbrances will be subject to the annual appropriations of funds.

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$2,500,000.00
2. COST ELEMENTS OF AGREEMENT/CONTRACT: \$2,500,000.00
This includes project management, engineering, contractor procurement and construction management services.
3. SOURCE OF FUNDING: San José/Santa Clara Treatment Plant Operations & Maintenance Funds (Fund 513).
4. FISCAL IMPACT: The approval of the Master Service Agreement for this consultant services will have no fiscal impacts to operation and maintenance costs.

BUDGET REFERENCE

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

Fund #	Appn #	Appn. Name	Total Appn.	Amount for Contract	2022-2023 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
513	0762	ESD Non-Personal/Equipment	\$38,660,941	\$2,500,000	927	10/18/2022 30833

** The 2022-2023 Operating Budget was approved on June 14, 2022, and adopted on June 21, 2022, by the City Council.*

CEQA

Not a project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/

KERRIE ROMANOW

Director, Environmental Services Department

For questions, please contact Lorenzo King, Senior Engineer, Environmental Services Department, at (408) 635-2014.