

SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE

CHUCK REED, CHAIR
BOB LIVENGOOD, VICE-CHAIR
KEVIN MOORE, MEMBER
PATRICIA MAHAN, MEMBER
MADISON NGUYEN, MEMBER

KEN YEAGER, MEMBER
JOHN GATTO, MEMBER
ED SHIKADA, MEMBER
NORA CAMPOS, MEMBER

AGENDA

4:30 p.m.

September 9, 2010

Room T-1047

1. ROLL CALL

2. MINUTES

A. August 12, 2010

3. UNFINISHED BUSINESS

4. CORRESPONDENCE

5. REPORTS

A. Open Purchase Orders Greater Than \$100,000
The attached monthly Procurement and Contract Activity Report summarizes the purchase and contracting of goods with an estimated value between \$100,000 and \$1 million and of services between \$100,000 and \$250,000.

6. AGREEMENTS

A. Action Item – TPAC Recommendation for Approval: Approval of the consultant agreement with Environmental Science Associates and Jones & Stokes Associates Inc.

The following action item is scheduled to be considered by the San Jose City Council on September 14, 2010:

1. Approval of the consultant agreement with Environmental Science Associates and Jones & Stokes Associates, Inc. for the first phase of environmental documentation services (draft project description, review of environmental studies, existing conditions report and draft Notice of Preparation) related to the San José/Santa Clara Water Pollution Control Plant Master Plan for a term commencing upon approval of the agreement through June 30, 2011 and an amount not to exceed \$600,000; with an option for the City to add services at fixed hourly rates, and increase the maximum amount of compensation up to \$2 million and extend the term

of the agreement when Council selects the preferred alternative for environmental clearance under the California Environmental Quality Act and pursue preparation of environmental compliance documents under the National Environmental Policy Act

- B. Action Item – TPAC Recommendation for Approval: Appointment of Councilmembers Kansen Chu and Pierluigi Oliverio and City of Santa Clara Mayor Patricia Mahan to the Recycled Water Policy Advisory Committee

The following action item is scheduled to be considered by the San Jose City Council on September 21, 2010:

1. Appoint San Jose City Councilmembers Kansen Chu and Pierluigi Oliverio and City of Santa Clara Mayor Patricia Mahan to serve on the joint Recycled Water Policy Advisory Committee established in the recent Recycled Water Facilities and Program Integration Agreement between the City of San Jose and the Santa Clara Valley Water District.

- C. Action Item – TPAC Recommendation for Approval: Report on bids and award of contract for the SJ-25 Recycled Water San Jose Extensions Phase B

The following action item is scheduled to be considered by the San Jose City Council on September 21, 2010:

1. Report on bids and award of contract for the SJ-25 Recycled Water San Jose School Extensions – Phase B project to the low bidder, Northern Underground Construction, Inc., in the amount of \$301,322 and approval of a budget contingency of 15% of the contract amount (\$45,198).

- D. Action Item – TPAC Recommendation for Approval: Report on bids and award of contract for the construction of Guadalupe Regional Park and Gardens Community Garden Expansion Project

The following action item is scheduled to be considered by the San Jose City Council on September 21, 2010:

1. Report on bids and award of a contract for the construction of Guadalupe Regional Park and Gardens Community Garden Expansion Project to the lowest bidder, Blossom Valley Construction, Inc., to include the base bid and both add alternates in the amount of \$329,832, and approval of a budget contingency of 10% of the contract amount.

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

- A. **The following action items were approved by the San Jose City Council on August 17, 2010:**

1. Report on bids and award of contract for the SJ-21 Recycled Water San Jose Schools Extension – Phase A project to the low bidder, Pacific

Underground Construction, Inc., in the amount of \$254,560; and approval of a budget contingency of 15% of the contract amount (\$38,000)

2. Report on bids and award of contract for the SJ-20 Recycled Water San Jose Lateral and Garden Extensions– Phase A project to the low bidder, Pacific Underground Construction, Inc., in the amount of \$137,825; and approval of a budget contingency of 15% of the contract amount (\$21,000).
3. Approval of a change order No. 38 for the “San José/Santa Clara Water Pollution Control Plant, Fiscal Year 2007-2008 Capital Improvement Program, Alternative Disinfection Project,” to extend the project completion date by 109 working days to allow for completion of additional work in the amount of \$41,660. This change order is funded by the existing contingency for this project, approved by the City Council on May 13, 2008.

8. MISCELLANEOUS

- A. The next TPAC meeting will be Thursday, October 14, 2010, at 4:30 p.m. City Hall, Environmental Services, 10th Floor, Room 1047.

9. OPEN FORUM

10. ADJOURNMENT

NOTE: If you have any changes or questions, please contact Monica Perras, Environmental Services, 408-975-2515.

To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please call Monica Perras at (408) 975-2515 or (408) 294-9337 (TTY) as soon as possible, but at least three business days before the meeting/event.

Availability of Public Records. All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at San Jose City Hall, 200 East Santa Clara Street, 10th Floor, Environmental Services at the same time that the public records are distributed or made available to the legislative body.

DRAFT
MINUTES OF THE
SAN JOSÉ/SANTA CLARA
TREATMENT PLANT ADVISORY COMMITTEE
City Hall, Environmental Services, 10th Floor, Room 1047
Thursday, August 12, 2010 at 4:30 p.m.

1. ROLL CALL

Minutes of the Treatment Plant Advisory Committee convened this date at 4:30 p.m. Roll call was then taken, with the following members in attendance:

Committee members: Chuck Reed, Kevin Moore, Patricia Mahan, Madison Nguyen, Bob Livengood, Paul Krutko.

Staff present: Monica Perras, John Stufflebean, Bhavani Yerrapotu, Mansour Nasser, Mollie Dent, Kirsten Struve, Nanci Klein, Jennifer Garnett.

Others present: Alan Kurotori (City of Santa Clara), Jeff Janssen (City of San Jose), Marilyn Nickel (City of Milpitas), David Wall (San José City Resident).

2. APPROVAL OF MINUTES

A. Minutes of June 10, 2010.

Item 2.A was approved unanimously.

3. UNFINISHED BUSINESS

4. CORRESPONDENCE

5. REPORTS

A. Open Purchase Orders Greater Than \$100,000
The attached monthly Procurement and Contract Activity Report summarizes the purchase and contracting of goods with an estimated value between \$100,000 and \$1 million and of services between \$100,000 and \$250,000.

Item 5.A was unanimously accepted.

6. **AGREEMENTS**

- A. Action Item – TPAC Recommendation for Approval: Contract for SJ-21 Recycled Water San Jose Schools Extension Phase A

The following action item is scheduled to be considered by the San Jose City Council on August 17, 2010:

1. Report on bids and award of contract for the SJ-21 Recycled Water San Jose Schools Extension – Phase A project to the low bidder, Pacific Underground Construction, Inc., in the amount of \$254,560; and approval of a budget contingency of 15% of the contract amount (\$38,000)

- B. Action Item – TPAC Recommendation for Approval: Contract for SJ-20 Recycled Water San Jose Lateral and Garden Extensions Phase A

The following action item is scheduled to be considered by the San Jose City Council on August 17, 2010:

1. Report on bids and award of contract for the SJ-20 Recycled Water San Jose Lateral and Garden Extensions– Phase A project to the low bidder, Pacific Underground Construction, Inc., in the amount of \$137,825; and approval of a budget contingency of 15% of the contract amount (\$21,000).

- C. Action Item – TPAC Recommendation for Approval: Change order No. 38 “San Jose/Santa Clara Water Pollution Control Plant”

The following action item is scheduled to be considered by the San Jose City Council on August 17, 2010:

1. Approval of a change order No. 38 for the “San José/Santa Clara Water Pollution Control Plant, Fiscal Year 2007-2008 Capital Improvement Program, Alternative Disinfection Project,” to extend the project completion date by 109 working days to allow for completion of additional work in the amount of \$41,660. This change order is funded by the existing contingency for this project, approved by the City Council on May 13, 2008.

Items 6.A-C were approved unanimously.

7. **STATUS OF ITEMS PREVIOUSLY APPROVED BY TPAC**

The following items were approved by the San Jose City Council on May 18, 2010.

- A. **The following action items were approved by the San Jose City Council on June 15, 2010:**

- B. The following action was deferred by the San Jose City Council on May 18, 2010 and was approved by the San Jose City Council on June 15, 2010: This Item was deferred from May 13, 2010 TPAC and recommended for approval by TPAC on June 10, 2010.**

Adopt a resolution authorizing the City Manager to negotiate and execute first amendments to the master agreements with:

- (a) Carollo Engineers for various capital improvements projects at the San Jose/Santa Clara Water Pollution Control Plant increasing the maximum compensation by \$3,000,000 for a total agreement amount not to exceed \$4,000,000 and decreasing the hourly rates by five percent;
- (b) CH2M Hill for various capital improvement projects at the San Jose/Santa Clara Water Pollution Control Plant increasing the maximum compensation by \$3,000,000, for a total agreement amount not to exceed \$4,000,000 and decreasing the hourly rates by five percent; and
- (c) Black & Veatch for various capital improvement projects at the San Jose/Santa Clara Water Pollution Control Plant increasing the maximum compensation by \$3,000,000, for a total agreement amount not to exceed \$4,000,000 and decreasing the hourly rates by four percent.

- C. The following action items were approved by the San Jose City Council on June 22, 2010:**

1. Adopt a resolution authorizing the City Manager to negotiate and execute a First Amendment to the Wholesaler-Retailer Agreement for Supply of Recycled Water between the City of San Jose and San Jose Water Company (SJWC): to permit SJWC to connect approximately 16 miles of pipeline recycled water pipeline, to be built, owned, operated and maintained by SJWC in north and central San Jose, to the South Bay Water Recycling (SBWR) system; to permit SJWC to own, operate maintain and connect such other recycled water pipeline within SJWC's service area as may be approved by the City and SJWC in the future; and to allocate additional responsibility and liability to SJWC related to recycled water operations within SJWC's service area.
2. Adopt a resolution authorizing the Director of Finance to:
 - a. Negotiate and execute the Fifth Amendment (Amendment) to the Environmental Enforcement Data Management System (EEDMS) Agreement with enfoTech & Consulting, Inc. to extend the term of the agreement by eighteen months from July 31, 2010 to January 31, 2012 and increase the compensation by \$318,199 revised not to exceed amount of \$1,381,598 in order to existing EEDMS to a web based system and to add additional features and functionality.

for a
upgrade the

- b. Exercise five additional one-year options to extend the Agreement for ongoing software maintenance and support at a fixed cost of \$49,500 per year subject to the appropriation of funds.
- c. Execute change orders not-to-exceed a contingency amount of \$72,750 to cover any unanticipated changes to the system upgrade and maintenance and support.

Items 7.A, B & C were accepted.

8. MISCELLANEOUS

- A. The next TPAC was announced for September 9, 2010 at 4:30 p.m. City Hall, Environmental Services, 10th Floor, Room 1047.

9. PUBLIC COMMENT

- A. David Wall submitted speaker cards supporting an audit of Fund 513 and Hourly rate reductions concerning TPAC Item 6.B.a-c. .

10. ADJOURNMENT

- A. The Treatment Plant Advisory Committee adjourned at 4:40 p.m.

Chuck Reed, Chair
Treatment Plant Advisory Committee

City Manager's Contract Approval Summary
For Procurement and Contract Activity between \$100,000 and \$1 Million for Goods and \$100,000 and \$250,000 for Services

August 2010

| Description of Contract Activity ¹ | Fiscal Year | Req#/RFP# | PO# | Vendor/Consultant | Original \$ Amount | Start Date | End Date | Additional \$ Amount | Total \$ Amount |
|---|-------------|-----------|-------|------------------------|--------------------|------------|----------|----------------------|-----------------|
| CYLINDER HEADS RE-BUILD | FY10-11 | 12873 | 00000 | CAMERON | \$130,000 | | | | |
| TAPPET ASSEMBLY, PARTS | FY10-11 | 12876 | 00000 | CAMERON | \$146,200 | | | | |
| CAMSHAFT ASSEMBLY, HVA ENTERPRISE, 1A-7800 | FY10-11 | 12877 | 00000 | CAMERON | \$120,000 | | | | |
| PISTON RECONDITIONING | FY10-11 | 12885 | 00000 | CAMERON | \$100,000 | | | | |
| LED LIGHTING FOR WPC | FY10-11 | 12951 | 00000 | RJUD LIGHTING | \$105,586 | | | | |
| LIQUID SODIUM HYPOCHLORITE 12.5% | FY10-11 | 13052 | 00000 | OLIN CORPORATION | \$1,300,000 | | | | |
| ELECTRICAL PARTS AND SUPPLIES | FY10-11 | 12992 | 45236 | BUCKLES SMITH ELECTRIC | \$180,000 | 9/1/10 | 8/31/11 | | |
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¹ This report captures in process contract activity (Requisition Number or RFP Number) and completed contract activity (Purchase Order Number, Contract Term, and Contract Amount)



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 08-23-10

Approved  Date *8/26/10*

SUBJECT: CONSULTANT AGREEMENT FOR WATER POLLUTION CONTROL PLANT MASTER PLAN ENVIRONMENTAL DOCUMENTATION SERVICES WITH ENVIRONMENTAL SCIENCE ASSOCIATES AND JONES & STOKES (ESA+J&S)

RECOMMENDATION

Approval of the consultant agreement with Environmental Science Associates and Jones & Stokes Associates, Inc. for the first phase of environmental documentation services (draft project description, review of environmental studies, existing conditions report and draft Notice of Preparation) related to the San José/Santa Clara Water Pollution Control Plant Master Plan for a term commencing upon approval of the agreement through June 30, 2011 and an amount not to exceed \$600,000; with an option for the City to add services at fixed hourly rates, and increase the maximum amount of compensation up to \$2,000,000 and extend the term of the agreement when Council selects the preferred alternative for environmental clearance under the California Environmental Quality Act and pursue preparation of environmental compliance documents under the National Environmental Policy Act.

OUTCOME

Approval of the Environmental Science Associates and Jones & Stokes Associates, Inc (ESA+J&S) agreement will allow securing the environmental documentation necessary to present the San José/Santa Clara Water Pollution Control Plant (Plant) Master Plan to the San José and Santa Clara Councils for approval. The recommended agreement will provide for the completion of the first phase (project description, environmental studies, and Notice of Preparation) of the requirements and documentation mandated by California Environmental Quality Act (CEQA). The agreement will also provide the City with an option to be exercised at fixed hourly rates, to amend the agreement to complete the CEQA documentation for the Master Plan once Council has selected the preferred alternative and to have the consultants prepare National Environmental Policy Act (NEPA) documentation if approved by Council.

BACKGROUND

On November 20, 2007, the Council awarded an agreement to Carollo Engineers to develop a Master Plan for the Plant. This has entailed a three-year planning process scheduled for completion by spring 2011. Once developed, the Plan will involve a 30-year implementation horizon. The Plant Master Plan addresses both the technical wastewater operations of the Plant and the land uses of the 2,600 acres of Plant lands. The Plan also includes a major outreach component to identify and incorporate the community and stakeholder comments.

The Plant Master Plan has released three land use alternatives for public comment (see www.rebuildtheplant.org for details). Over the next few months, staff will be analyzing comments collected at the five community workshops in May and survey results from the website while working with the Community Advisory Group (CAG), stakeholders, and regulators, to develop a staff recommended alternative. A recommendation for a preferred alternative will be presented to the San José and Santa Clara Councils for comment in early 2011. Staff will solicit further comments and feedback from the community in spring 2011 and return to the San José and Santa Clara Councils in late spring of 2011 with a request to move forward on the environmental analysis of a recommended preferred alternative. Certification of the environmental documents and final approval of the Plan are anticipated to be completed by early 2013.

The completion of a program-level Environmental Impact Report (EIR) is required by the CEQA to consider implementing whole or part of the actions recommended in the Plant Master Plan. An Environmental Impact Statement (EIS) or Environmental Assessment (EA) may be required to comply with the NEPA if funds or partnerships for actions in the Plant Master Plan will utilize federal funding. The NEPA strategy will be developed over the next few months, but subsequent NEPA actions will be part of a later phase.

ANALYSIS

On May 3, 2010, the City began a qualifications based selection process and issued a request for qualifications (RFQ# 091007 ESD) for environmental documentation services associated with CEQA and NEPA. The Request for Qualification (RFQ) was advertised on the City's Bidsync and Environmental Services Department (ESD) webpage. Two statements of qualifications were received by the City: one by ESA+J&S, and the other by David J. Powers & Associates (DJPA).

The selections were based on the proposing firm and project manager's experience with major CEQA/NEPA wastewater and land use projects, the overall project approach, corporate sustainability efforts, and Local/Small Business Enterprise status (LBE/SBE). Both proposals qualified for the LBE preference and DJPA qualified for SBE. A five-person team made up of members from San Jose's ESD, San Jose's Planning Building and Code Enforcement (PBCE) Department, and City of Santa Clara Planning Division, scored the above criteria on a 100 point scale.

Scores:

| | |
|--------------------------------|------|
| ESA+J&S | 83.7 |
| David J. Powers and Associates | 74.8 |

ESA+J&S provided superior project management experience, a greater understanding and specific work related to large wastewater treatment plants and master planning, and a clearer project approach. The ESA+J&S team also has extensive experience with local projects related to land use and environmental impacts, which include: preparation of the Santa Clara Valley Habitat Plan by Jones and Stokes, land use development plans completed by HMM, traffic and circulation analysis by Fehr & Peers, hazard analysis by Arcadis, water quality regulatory expertise from EOA, and hydrology, sea-level rise, and flood management analysis from Philip Williams & Associates.

The ESA+J&S team has completed similar environmental documentation projects for the Sacramento Regional County Sanitation District Master Plan and the San Francisco Public Utilities Commission Sewer System Master Plan. The team has also completed major environmental work for the East Bay Municipal Utility District and the Santa Clara Valley Habitat Plan. References on similar projects also gave positive marks to the consultant team and the project manager.

The environmental documentation included in this contract, to be completed prior to the summer of 2011, will focus on documenting existing conditions, identifying a federal NEPA responsible agency, and providing preliminary input to the Plant Master Plan consultant team on potential CEQA and NEPA issues pertaining to the land use alternatives. Staff has negotiated this scope of work for a not to exceed amount of \$600,000, and believe it is appropriate for the level of effort required to complete this phase. Final certification of the Plan as part of the contract option, however, requires a significantly larger effort which would involve, finalizing a CEQA compliant project description and Notice of Preparation, completing required technical studies, preparing a Draft EIR, responding to Draft EIR comments, and preparing a Final EIR. In addition, if the City elects, the consultants will also prepare NEPA documentation with this contract option. This work described in the contract option will commence after the Council approval of the preferred alternative, which is anticipated to be in spring 2011. Hence, staff is recommending the inclusion of an option to extend the contract beyond spring 2011 and increase the total contract amount to not to exceed \$2,000,000. The recommendation to Council on the preferred alternative will include the final negotiated not to exceed amount for the option and identification of the funds necessary to exercise the option.

POLICY ALTERNATIVES

Alternative #1: Direct staff to complete the environmental documentation

Pros: May reduce overall contract costs

Cons: Limited City resources to complete the complex set of tasks. General lack of experience in handling large wastewater facilities environmental documentation.

Reason for not recommending: The complexity of the environmental documentation for the Plant Master Plan would likely include the use of many outside specialists. Individual contracting for the many specialists would yield a challenge for the contract manager, likely would result in less efficiency than a single contract manager with expertise in this area and a delay of this critical project.

PUBLIC OUTREACH/INTEREST

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

This recommendation meets criterion 1 above. The initial RFQ was posted on the city's website, Bidsync to solicit proposals.

COORDINATION

This memorandum and scope of services for this contract has been coordinated with the City Manager's Budget Office, the City Attorney's Office, and PBCE. This item is scheduled to be heard by the Treatment Plant Advisory Committee (TPAC) on September 9, 2010.

EVALUATION AND FOLLOW-UP

Staff will continue to provide verbal updates to the Transportation and Environment Committee until the Plant Master Plan is completed and approved by the San José and Santa Clara Councils. Updates on the environmental documentation scope of work will be a key component of these updates beginning early 2011. After the initial environmental documentation is complete, exercise of the option will be brought to Council.

FISCAL/POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, "We must focus on protecting our vital core City services." The Plant Master Plan is also in

alignment with current Envision 2040 General Plan Update alternative approved by Council for environmental analysis.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$600,000
2. SOURCE OF FUNDING: 512 – San José/Santa Clara Treatment Plant Capital Improvement Fund
3. FISCAL IMPACT: This will be funded through existing funds in the Environmental Services Department’s 2010-2011 Adopted Operating Budget. No additional funding appropriation is necessary to approve this request.

BUDGET REFERENCE

| Fund # | Appn. # | Appn. Name | RC. | Total Appn. | Amt. For This Recommendation | 2010-2011 Proposed Capital Budget (Page)* | Last Budget Action (Date, Ord. No.) |
|--------|---------|-------------------|--------|-------------|------------------------------|---|-------------------------------------|
| 512 | 4120 | Plant Master Plan | 162822 | 3,445,000 | 600,000 | V-168 | 06/29/2010 28765 |

*The 2010-2011 Adopted Capital Budget was approved by City Council on June 29, 2010, and will be published in late summer 2010.

CEQA

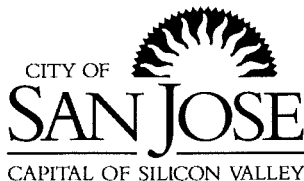
Statutorily Exempt, File No. PP10-066 (d), CEQA Guidelines Section 15262, Feasibility and Planning Studies.

/s/

JOHN STUFFLEBEAN

Director, Environmental Services

For questions please contact Bhavani Yerrapotu, Division Manager, Environmental Services Department, at (408) 945-5321.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 08-23-10

Approved

Date 8/30/10

COUNCIL DISTRICT: 47 & 8

SUBJECT: APPOINTMENT OF SAN JOSE CITY COUNCILMEMBERS CHU AND OLIVERIO AND SANTA CLARA MAYOR MAHAN TO THE RECYCLED WATER POLICY ADVISORY COMMITTEE

RECOMMENDATION

Appoint San Jose City Councilmembers Kanson Chu and Peirluigi Oliverio and City of Santa Clara Mayor Patricia Mahan to serve on the joint Recycled Water Policy Advisory Committee established in the recent Recycled Water Facilities and Program Integration Agreement between the City of San Jose and the Santa Clara Valley Water District.

OUTCOME

Approval of this recommendation will allow Councilmembers Chu and Oliverio and Mayor Mahan to serve as the three members of the Policy Advisory Committee representing cities or agencies that are voting members of the Treatment Plant Advisory Committee.

BACKGROUND

In April 2010 the City executed the "Recycled Water Facilities and Program Integration Agreement" with the Santa Clara Valley Water District. The goal of that agreement was for the District and City to financially support the production and use of recycled water in Santa Clara County and to coordinate and cooperate their efforts "to achieve the most cost effective, environmentally beneficial utilization of recycled water to meet both water supply and wastewater treatment and disposal needs." Under the provisions of that agreement, the agencies agreed to form a Recycled Water Policy Advisory Committee whose purpose is to "tender its advice to the Board of Directors of the Santa Clara Valley Water District and the City Council of the City of San José with respect to policy matters under consideration by those legislative bodies relating to the production, distribution and use of recycled water."

ANALYSIS

Councilmembers Chu and Oliverio were both appointed by Mayor Reed to the District-City Recycled Water Liaison Committee, whose mission was, in part, to develop the recently executed Integration Agreement. Mayor Mahan also served on that committee, appointed by the City of Santa Clara City Council. In that capacity, the three attended numerous meetings and heard testimony on a wide variety of matters related to the production and use of recycled water. They also visited facilities in southern California in order to gain a perspective on recent developments in the potable use of recycled water. As a result, they are all knowledgeable about and interested in the topic of recycled water and will be able to represent the interests of the agencies tributary to the San Jose/Santa Clara Water Pollution Control Plant and the community as a whole.

EVALUATION AND FOLLOW-UP

If appointed to the Policy Advisory Committee, Councilmembers Chu and Oliverio and Mayor Mahan will serve at the pleasure of the Council until alternative appointments are made. Their performance will be evident in the advice and recommendations provided to the Council concerning, among other things, proposed extensions to the recycled water system and the annual budget submitted to the Council and District for production and distribution of recycled water.

PUBLIC OUTREACH/INTEREST

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

This item does not meet any of the above criteria, and no special notice is required.

COORDINATION

This project and memorandum have been coordinated with the City Attorney's Office and is scheduled to be heard at the September 9, 2010 Treatment Plant Advisory Committee (TPAC) meeting.

FISCAL/POLICY ALIGNMENT

There are no cost implications to the General Fund as a result of this action. This recommendation meets the general principles of the 2010-2011 Mayor's June Budget Message of providing essential public services while valuing financial sustainability and cost recovery.

COST SUMMARY/IMPLICATIONS

N/A

BUDGET REFERENCE

N/A

CEQA

Not a project, File Number PP10-068, "General Procedure & Policy Making Public Project."

/S/
JOHN STUFFLEBEAN
Director, Environmental Services

For questions please contact Mansour Nasser, Deputy Director, Environmental Services Department, at (408) 277-3671.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean
Katy Allen

SUBJECT: SEE BELOW

DATE: 08-30-10

Approved

Date

9/2/10

COUNCIL DISTRICT: 4, 7 & 8

SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT TO NORTHERN UNDERGROUND CONSTRUCTION, INC. FOR THE SJ-25 RECYCLED WATER SAN JOSE SCHOOL EXTENSIONS – PHASE B PROJECT

RECOMMENDATION

Report on bids and award of contract for the SJ-25 Recycled Water San Jose School Extensions – Phase B project to the low bidder, Northern Underground Construction, Inc., in the amount of \$301,322 and approval of a budget contingency of 15% of the contract amount (\$45,198).

OUTCOME

Approval of this contract will allow construction of a pipeline to expand the recycled water system in accordance with the cooperative agreement between the City of San José and the US Bureau of Reclamation (Bureau). Approval of a 15% contingency will provide funding for any unanticipated work necessary for the completion of the project.

BACKGROUND

In March 2009, the Bureau announced a grant program funded by the American Recovery and Reinvestment Act of 2009 (ARRA). The City of San José submitted an application to the Bureau identifying several recycled water projects which would qualify for federal funding under the program. In April 2010, the City Council adopted a resolution authorizing the City Manager to execute an agreement with the Bureau to accept \$6.46 million in ARRA grant funding towards the design and construction of \$14.8 million in South Bay Water Recycling pipeline extensions and related facilities. The SJ-25 Recycled Water San Jose Schools Extension project is one of eight projects defined in the agreement. A cooperative agreement between the City and the Bureau was subsequently executed on April 30, 2010.

This project involves the construction of approximately 2,820 feet of 6-inch and 4-inch recycled waterlines. This recycled waterline will increase the amount of recycled water usage, enhance future reliability expansions of the system, and minimize capital cost. One extension, consisting of 1,890 feet of pipeline, will be installed in McLaughlin Avenue and Lightland Road. A second extension, consisting of 930 feet of pipeline, will be constructed in Classico Avenue, Bianco Way, and Magnum Drive. Work is scheduled from October 2010 to January 2011. Some prospective users and customers include City parks, a church, County of Santa Clara facilities, and local schools. Prospective customers will need to complete a permitting process in order to be able to connect to the recycled water system.

Pursuant to the cooperative agreement between the City and the Bureau, this project qualifies for funding reimbursement for 44% (\$179,080) of the total project cost (\$407,000), which includes the recommended construction contract, project delivery, and contingency.

ANALYSIS

The project was advertised for bid and a total of eleven bids were received and opened on August 27, 2010 with the following results:

| <u>Contractor</u> | <u>City</u> | <u>Bid Amount</u> | <u>Variance</u> | |
|--|-------------------|-------------------|--------------------------------------|----------------|
| | | | <u>Over/(Under)</u> <u>Amount</u> | <u>Percent</u> |
| Ranger Pipelines | San Francisco, CA | \$623,516 | \$223,516 | 56% |
| Pfister Excavating, Inc. | Vallejo, CA | \$552,414 | \$152,414 | 38% |
| Stoloski & Gonzalez, Inc. | Half Moon Bay, CA | \$541,094 | \$141,094 | 35% |
| Preston Pipelines | Milpitas, CA | \$506,116 | \$106,116 | 27% |
| Sanco Pipelines, Inc. | Campbell, CA | \$485,576 | \$ 85,576 | 21% |
| J&M, Inc. | Livermore, CA | \$454,297 | \$ 54,297 | 14% |
| Lewis & Tibbitts, Inc. | San José, CA | \$445,026 | \$ 45,026 | 11% |
| Engineer's Estimate | | \$400,000 | | |
| Robert F. Enz Construction, Inc. | San José, CA | \$388,927 | (\$ 11,073) | (3%) |
| Pacific Underground Construction | San José, CA | \$342,142 | (\$ 57,858) | (14%) |
| Platinum Pipeline, Inc. | Dublin, CA | \$322,754 | (\$ 77,246) | (19%) |
| Northern Underground Construction, Inc. | San José, CA | \$301,322 | (\$ 98,678) | (25%) |

The bid documents submitted by the low bidder, Northern Underground Construction, Inc. were evaluated and found to be in order. The low bid submitted by Northern Underground Construction, Inc. in the amount of \$301,322 is 25% below the Engineer's Estimate. The median and average bid amounts are 14 percent and 13 percent above than the Engineer's Estimate, respectively. Considering the current steep competition in the construction industry in the Bay Area, staff considers the bid proposal submitted by Northern Underground Construction, Inc. reasonable for the work involved.

Council Policy provides for a standard contingency of 10% on public works projects involving utilities. However, staff recommends a 15% contingency for this project. While staff has made efforts during the design phase to locate all existing underground utilities and structures by reviewing existing record drawings and performing site surveillance, experience on recent projects has shown that conflicts with existing utilities can occur. Due to the relatively low construction cost, 10% may not adequately cover the cost of unanticipated work. A 15% contingency is expected to provide enough funding to cover for any unanticipated tasks necessary for proper completion of this work.

EVALUATION AND FOLLOW-UP

The project is currently within budget and on schedule with a projected completion date of January 2011. No additional follow up actions with the Council are expected at this time.

POLICY ALTERNATIVES

Alternative # 1: Reject all bids and drop the project

Pros: Capital cost savings

Cons: Recycled water will not be available for use at local schools, parks, cooling towers, and a church

Reason for not recommending: Low construction costs due to competitive bidding climate and 44% federal reimbursement if constructed

PUBLIC OUTREACH/INTEREST

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

This item does not meet any of the above criteria. To solicit contractors, this project was advertised in the *San José Mercury News*, as well as on the Public Works Bid Hotline. This memorandum is posted on the City's website for the September 21, 2010 City Council agenda.

COORDINATION

This project and memorandum have been coordinated with Risk Management, Equality Assurance, the City Attorney's Office, and the City Manager's Budget Office and is scheduled to be heard at the September 9, 2010 Treatment Plant Advisory Committee (TPAC) meeting.

FISCAL/POLICY ALIGNMENT

There are no cost implications to the General Fund as a result of this action. This recommendation meets the general principles of the 2010-2011 Mayor's June Budget Message of providing essential public services while valuing financial sustainability and cost recovery.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: **\$301,322**

2. COST OF PROJECT:

| | |
|----------------------------|-------------------|
| Construction | \$ 301,322 |
| Project Delivery | \$ 60,480 |
| Contingency | \$ 45,198 |
| Total Project Costs | \$ 407,000 |

Prior Year Expenditures **\$0**

Remaining Project Costs \$407,000

3. SOURCE OF FUNDING: 512 – San José/Santa Clara Treatment Plant Capital Fund

08-30-10

Subject: Award of Contract for SJ-25 Recycled Water San José Schools Extensions – Phase B

Page 5

BUDGET REFERENCE

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

| Fund # | Appn. # | Appn. Name | RC # | Total Appn. | Amt. For Contract | 2010-2011 Proposed Capital Budget (Page) * | Last Budget Action (Date, Ord. No.) |
|--|---------|---|--------|---------------------|-------------------|--|-------------------------------------|
| Total Project Costs | | | | | \$301,322 | | |
| Current Funding Available | | | | | | | |
| 512 | 6589 | Revised SBAP-SBWR Extension | 164545 | \$9,989,000 | \$168,741 | V-163 | 6/29/2010, Ord. No. 28765 |
| 512 | 7161 | Recovery Act-South Bay Water Recycling Phase 1C | 164545 | \$5,794,000 | \$132,581 | N/A | 6/29/2010, Ord. No. 28765 |
| Total Current Funding Available | | | | \$15,783,000 | \$301,322 | | |

*The 2010-2011 Adopted Capital Budget was approved by City Council on June 29, 2010, and will be published in fall 2010.

CEQA

CEQA: Resolution No. 64667, PP10-018

/s/

KATY ALLEN

Director, Public Works Department

/s/

JOHN STUFFLEBEAN

Director, Environmental Services

For questions please contact Mansour Nasser, Deputy Director, Environmental Services Department, at (408) 277-3671.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean
Katy Allen

SUBJECT: SEE BELOW

DATE: 08-30-10

Approved

Date

9/2/10

COUNCIL DISTRICT: 3

SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT TO BLOSSOM VALLEY CONSTRUCTION, INC., FOR GUADALUPE REGIONAL PARK AND GARDENS COMMUNITY GARDEN EXPANSION PROJECT.

RECOMMENDATION

Report on bids and award of a contract for the construction of Guadalupe Regional Park and Gardens Community Garden Expansion Project to the lowest bidder, Blossom Valley Construction, Inc., to include the base bid and both add alternates in the amount of \$329,832, and approval of a budget contingency of 10% of the contract amount.

OUTCOME

Award of this contract will allow the City of San José to construct an expansion of the Guadalupe Regional Park and Gardens Community Garden by more than doubling the number of local individuals able to plant and harvest crops for personal use on plots irrigated with recycled water. In addition, award of this contract will enable the City to complete construction of this project which is receiving federal funding through the 2009 American Recovery and Reinvestment Act (ARRA) according to the terms of an agreement with the US Bureau of Reclamation.

BACKGROUND

In March 2009, the Bureau announced a grant program funded by the American Recovery and Reinvestment Act of 2009 (ARRA). The City of San José submitted an application to the Bureau identifying several recycled water projects which would qualify for federal funding under the program. In April 2010, the City Council adopted a resolution authorizing the City Manager to execute an agreement with the Bureau to accept \$6.46 million in ARRA grant funding towards the design and construction of \$14.8 million in South Bay Water Recycling pipeline extensions and related facilities. The Guadalupe Regional Park and Gardens Community Garden Expansion

08-30-10

Subject: Report on Bids and Award of Contract for Guadalupe Regional Park and Gardens Community Garden Expansion Project

Page 2

Project is one of eight projects defined in the agreement. A cooperative agreement between the City and the Bureau was subsequently executed on April 30, 2010.

The Guadalupe Regional Park and Gardens Community Garden Expansion Project involves the expansion of the existing community garden constructed in 2008, by increasing the amount of plots available for cultivation from thirty-one (31) to seventy-six (76) plots. The community garden is located on a half-acre vacant parcel located at the corner of Walnut and Taylor Streets across from Columbus Park. The project is approximately 26,000 square feet and will be located adjacent to the existing community garden. The Engineer's Estimate for construction of this project based on the current market condition is \$271,000.

The chart below shows the Engineer's Estimate and scope of work for the base bid, as well as two Add Alternate bid items:

| Bid Component | Scope of Work | Engineer's Estimate |
|----------------------|--|----------------------------|
| Base Bid | Expansion of existing community garden | \$271,000 |
| Add Alternate 1 | Chain link fence to be replaced with tubular steel fence and a decorative gate. | \$39,000 |
| Add Alternate 2 | Phase one chain link fence and gates to be removed and replaced with tubular steel fence and gates | \$41,000 |
| Total: | | \$351,000 |

The total project cost, including project delivery, construction, and contingency is estimated not to exceed \$406,000. Of this, \$16,000 was expended in prior years on project delivery, so the remaining costs are not expected to exceed \$390,000. Pursuant to the cooperative agreement between the City and the Bureau, this project qualifies for funding reimbursement for 44% of the total project cost. The anticipated amount of reimbursement is estimated to be approximately \$171,600.

ANALYSIS

The project was advertised for bid and a total of four bids were received and opened on August 27, 2010 with the following results:

| Contractor | Base Bid | Add Alt. 1 | Add Alt. 2 | Total Bid | Variance | Over/(Under) Percent |
|--|-----------------|-------------------|-------------------|------------------|-----------------|-----------------------------|
| CF Contracting (Fairfax) | \$294,000 | \$68,000 | \$48,000 | \$410,000 | 59,000 | 17 |
| Lone Star Landscape, Inc. (San Martin) | 315,500 | 18,000 | 35,000 | 368,500 | 17,500 | 5 |
| Golden State General Eng. (San José) | 289,035 | 39,373 | 33,182 | 361,590 | 10,590 | 3 |
| Engineer's Estimate | 271,000 | 80,000 | | 351,000 | --- | --- |

| | | | | | | |
|---|-----------|----------|----------|-----------|------------|-----|
| Blossom Valley Constr., Inc. (San José) | \$247,472 | \$37,720 | \$44,640 | \$329,832 | (\$21,168) | (6) |
|---|-----------|----------|----------|-----------|------------|-----|

The bid documents submitted by the low bidder, Blossom Valley Construction, Inc., were evaluated and found to be in order. The low bid submitted by Blossom Valley Construction, Inc. in the amount of \$329,832 for the base bid and both add alternates is 6% below the Engineer's Estimate. The average bid amounts are 5% above the Engineer's Estimate. Staff considers the bid proposal submitted by Blossom Valley Construction, Inc. reasonable for the work involved.

Council Policy provides for a standard contingency of 5% on public works projects involving parks. However, staff recommends a 10% contingency for this project. While staff has made efforts during the design phase to locate all existing underground utilities and structures by reviewing existing record drawings and performing site surveillance, experience on recent projects has shown that conflicts with unknown existing utilities can occur. Due to the relatively low construction cost, 5% may not adequately cover the cost of unanticipated work. A 10% contingency is expected to provide enough funding to cover any unanticipated tasks necessary for proper completion of this work.

EVALUATION AND FOLLOW-UP

The project is currently within budget and on schedule with a projected construction start date of October 2010, with completion in January 2011. The project will be inspected by City staff prior to acceptance to ensure conformance with the City's project plans and specifications.

POLICY ALTERNATIVES

Alternative # 1: Reject all bids and drop the project

Pros: Capital cost savings

Cons: The Guadalupe Community Gardens will not be expanded and no additional residents will grow table crops on plots irrigated with recycled water.

Reason for not recommending: Low construction costs due to competitive bidding climate and 44% federal reimbursement of construction costs.

PUBLIC OUTREACH/INTEREST

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

a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item does not meet any of the above criteria. To solicit contractors, this project was advertised in the *San Jose Mercury News*, as well as on the Public Works Bid Hotline. This memorandum is posted on the City's website for the September 21, 2010 City Council agenda.

COORDINATION

This project and memorandum have been coordinated with the Department of Parks, Recreation and Neighborhood Services, Risk Management, Equality Assurance, the City Attorney's Office, and the City Manager's Budget Office and is scheduled to be heard at the September 9, 2010 Treatment Plant Advisory Committee (TPAC) meeting.

FISCAL/POLICY ALIGNMENT

There are no cost implications to the General Fund as a result of this action. This recommendation meets the general principles of the 2010-2011 Mayor's June Budget Message of providing essential public services while valuing financial sustainability and cost recovery.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: **\$329,832**

2. COST OF PROJECT:

| | |
|--------------------------------|------------------|
| Construction | \$329,832 |
| Project Delivery | 43,000 |
| Contingency | <u>33,000</u> |
| Total Project Costs | \$405,832 |
| Prior Year Expenditures* | <u>15,970</u> |
| Remaining Project Costs | \$389,862 |

* A total of \$15,970 was expended in fiscal year 2009-2010 for project delivery costs including survey and design.

3. SOURCE OF FUNDING: 512 – San José/Santa Clara Treatment Plant Capital Fund

BUDGET REFERENCE

08-30-10

Subject: Report on Bids and Award of Contract for Guadalupe Regional Park and Gardens Community Garden Expansion Project

Page 5

The table below identifies the funds and appropriations proposed to fund the contract recommended as part of this memo and remaining project costs, including project delivery, construction, and contingency costs.

| Fund # | Appn. # | Appn. Name | RC # | Total Appn. | Amt. For Contract | 2010-2011 Proposed Capital Budget (Page)* | Last Budget Action (Date, Ord. No.) |
|--|---------|--------------------------------------|--------|---------------------|-------------------|---|-------------------------------------|
| Remaining Project Costs | | | | \$389,862 | | | |
| Current Funding Available | | | | | | | |
| 512 | 6589 | Revised SBAP-SBWR Extension | 159695 | \$9,989,000 | \$184,706 | V-163 | 6/29/2010, Ord. No. 28765 |
| 512 | 7161 | ARRA-S. Bay Water Recycling Phase 1C | 159695 | \$5,794,000 | \$145,126 | N/A | 6/29/2010, Ord. No. 28765 |
| Total Current Funding Available | | | | \$15,783,000 | \$329,832 | | |

*The 2010-2011 Adopted Capital Budget was approved by City Council on June 29, 2010, and will be published in fall 2010.

CEQA

CEQA: Resolution No. 64667, PP10-019

/s/

KATY ALLEN

Director, Public Works Department

/s/

JOHN STUFFLEBEAN

Director, Environmental Services

For questions please contact Dave Sykes, Assistant Director, Public Works Department, at (408) 535-8300.