



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: June 14, 2021

Approved

Date

06/17/21

SUBJECT: APPROVE MASTER SERVICE AGREEMENTS WITH CORNERSTONE EARTH GROUP, GOLDER ASSOCIATES, HALEY & ALDRICH AND KLEINFELDER FOR ON-CALL ENVIRONMENTAL CONSULTING SUPPORT FOR VARIOUS CITY PROJECTS

RECOMMENDATIONS

Approve master service agreements with the following firms for on-call environmental consulting services for various City projects:

1. Cornerstone Earth Group from the date of execution through June 30, 2025 in an amount not to exceed \$1,000,000;
2. Golder Associates from the date of execution through June 30, 2025 in an amount not to exceed \$1,000,000;
3. Haley & Aldrich from the date of execution through June 30, 2025 in an amount not to exceed \$1,000,000; and
4. Kleinfelder from the date of execution through June 30, 2025 in an amount not to exceed \$1,000,000.

OUTCOME

Approval of master service agreements with Cornerstone Earth Group, Golder Associates, Haley & Aldrich, and Kleinfelder will provide the City with the ability to provide on-call environmental consultant services for City staff to successfully investigate and remediate impaired City-owned properties and maintain regulatory compliance.

BACKGROUND

The Environmental Services Department (ESD) is responsible for regulatory compliance for environmental issues at many City-owned properties and is a resource to other City departments during development of new City facilities. Environmental issues are becoming increasingly complex and specialty oriented. They typically involve many diverse areas of professional expertise such as: soil and groundwater contamination characterization and remediation, air quality and permitting, compliance permitting, health risk assessments, and asbestos and lead-based paint surveys. The work frequently requires specialized equipment and tools in addition to unique training, expertise, and regulatory knowledge.

Properties of concern include various legacy contaminated sites such as closed landfills and former underground storage tank sites, as well as newly acquired properties with (potential and/or confirmed) environmental impairments and properties undergoing redevelopment. ESD provides environmental due diligence (e.g. Phase I & II Environmental Site Assessments) as part of the City's property acquisition process. In some instances, environmental consultant services are necessary to perform work that is beyond in-house expertise or existing resources or must be performed by independent third-party consultants.

Prior to 2008, staff relied on a project-by-project approach in acquiring consultant services for projects that required outside expertise and/or third parties. This approach was inefficient and time-consuming resulting in project delays and difficulties with meeting regulatory compliance deadlines. Since 2008, ESD has conducted a Request for Proposals (RFP) process to enter into master service agreements (MSAs) for on-call environmental consultant services with multiple consulting firms for three or four-year terms. The most recent four-year agreements expire on June 30, 2021.

Staff began the RFP process to select consultants in April 2021. Of the 10 firms who responded to the RFP, the top five were selected for interviews and were interviewed on May 20 and 24, 2021. A combination of the written submittal and the interview scores were used to rank the firms. The top four ranked firms were selected for contract negotiation:

- 1 Cornerstone Earth Group
- 2 Golder Associates
- 3 Kleinfelder
- 4 Haley & Aldrich

The RFP process encourages local consultant participation by awarding additional points to firms that satisfied local preference City Council policy. Cornerstone Earth Group, Golder Associates, and Kleinfelder qualified as having local offices and have extensive experience in San José.

ANALYSIS

These master agreements will provide necessary technical expertise and support on an as-needed basis. In addition to ESD's own projects, the Department provides support services to other City departments such as Public Works, Office of Economic Development, and Parks, Recreation and Neighborhood Services to assist in environmental investigations and regulatory compliance.

Some anticipated projects and respective estimated costs are listed below.

Various Environmental Compliance Activities at City's Closed Landfills - The City currently manages environmental compliance at several City-owned closed landfills under the oversight of the State Regional Water Quality Control Board. Several of the closed landfills (Martin Park, Happy Hollow Parking Lot, Story Road and Singleton Road) have routine groundwater monitoring requirements at an estimated cost of \$80,000 per year. Consultant support is needed at Singleton Road landfill to operate and maintain an active landfill gas flare and collection system at an annual cost of \$150,000. The flare and collection system are over 30 years old and will be rebuilt starting in fiscal year 2021-2022, requiring additional consultant support services for the bid design and award and for construction management oversight at an estimated cost of \$100,000.

New City of San José Fire Training Facility – The new San José Fire Training Facility at 1591 Senter Road is currently being constructed on property that has been impacted with contaminated soil, soil gas, and groundwater from chemicals associated with a past railroad line and a historic chemical storage. Consultant support is needed in fiscal year 2021-2022 and 2022-2023 to oversee a required regulatory approved Site Management Plan to address the contamination found to ensure the development is safe for the future occupants. Estimated costs for support range from \$50,00 to \$100,000.

Current City of San José Fire Training Facility – Soil and groundwater contamination was discovered at the current Fire Training Facility at 255 S. Montgomery during due diligence environmental investigations by Google prior to their purchase of the property in 2020. As part of the sales agreement, the City has retained responsibility for the investigation and cleanup of contamination caused by the past use of fire-fighting foams that contained chemicals of concern. A groundwater contamination investigation was initiated in fiscal year 2020-2021 and is anticipated to continue thru the term of these agreements. Groundwater remediation is anticipated to be implemented in late fiscal year 2021-2022 and likely to continue for several years or more. Groundwater monitoring and clean-up costs are yet to be determined but could range from \$500,000 to \$1,000,000.

Measure T Public Safety Project – ESD has been involved in pre-project environmental investigations of two recently purchased properties that will be the site of future Fire Stations 8 and 32. Prior to purchase, extensive investigations were performed, and remediation estimates developed to negotiate deductions in the purchase price. The remediation estimates for Fire Station 8 is approximately \$350,000 and Fire Station 32 is \$150,000.

Compliance Support at the San José-Santa Clara Regional Wastewater Facility (RWF) – The RWF is undergoing a large-scale capital improvement program. The RWF historically had underground petroleum storage tanks that leaked. Prior to construction on most projects, environmental consultant support will be needed to help characterize these areas for worker health and safety and to manage or dispose of any contaminated soil. These services are estimated at approximately \$75,000 each year for the next four years.

Other potential projects include the investigation and remediation of Five Wounds trail, several park properties that have minor soil contamination.

Staff will determine the award of individual service orders to each of the consultant firms based on their expertise, cost and availability. Having multiple firms available will enable staff to issue a service order to the firm that is able to complement staff expertise in a specific technical discipline, ensuring the most cost effective and efficient use of staff and consultant resources. Staff will negotiate costs with the consultants on individual project proposals. When appropriate, ESD will obtain bids to ensure project costs are efficiently managed.

CONCLUSION

Approval of these master agreements will allow the City to continue to provide environmental services to numerous on-going projects, support future projects and respond to unanticipated environmental issues that may arise in the most cost effective and timely manner. These master agreements are necessary to meet regulatory requirements and ensure public safety.

EVALUATION AND FOLLOW-UP

These master agreements will provide staff with the ability to engage the services of environmental consultants on an as-needed basis, thereby enabling a more cost effective and timely delivery of projects. No additional follow up action with the Council is expected at this time.

CLIMATE SMART SAN JOSE

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

POLICY ALTERNATIVES

Alternative: Perform a separate RFP process for each of the large projects described in the analysis section of this memo.

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

Cons: The RFP selection process typically takes six months or more to complete and involves a large amount of staff time to develop project specific RFP's, solicit responses, interview consultants, negotiate contracts, and obtain City Council approval. The proposed large projects require more timely response due to upcoming regulatory and/or construction deadlines. By having consultants attached to specific projects, there will be less capacity to respond to unforeseen projects that require immediate response.

Reason for not recommending: This approach will limit the City's flexibility and response time for handling unforeseen environmental projects, possibly leading to missing regulatory deadlines and possibly subjecting the City to regulatory violations and/or fines from regulating agencies. Multiple RFP's for similar services will lead to higher workloads for ESD staff, other City departments, and the City Council.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for June 29, 2021, City Council agenda.

COORDINATION

The memorandum has been coordinated with the City Manager's Budget Office and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

This item is scheduled to be heard at the August 12, 2021, Treatment Plant Advisory Committee (TPAC) meeting. These master agreements will not be used for work at the RWF until TPAC approval.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$4,000,000

2. COST ELEMENTS FOR AGREEMENT/CONTRACT:
 - a. Cornerstone Earth Group - \$1,000,000
 - b. Golder Associates - \$1,000,000
 - c. Kleinfelder - \$1,000,000
 - d. Haley & Aldrich - \$1,000,000

3. **SOURCE OF FUNDING:** No funding is needed to approve these MSAs; however, funding is necessary for each service order issued under these MSAs. All future year costs are subject to appropriation and will be brought forward, as necessary, during the annual budget process.

BUDGET REFERENCE

Services performed under these agreements will be authorized by Service Orders. An appropriation is not required for execution of the Master Consultant Agreements but is required for each Service Order authorized under these agreements. Funding for each Service Order is project specific and will be identified upon execution.

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

For questions please contact Jennifer Voccola-Brown, Division Manager, Sustainability and Compliance Manager at 408-975-2587.