



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jeff Provenzano

SUBJECT: See Below

DATE: May 21, 2025

Approved

Date:

5/28/25

COUNCIL DISTRICT: Citywide

SUBJECT: Master Service Agreements for On-Call Environmental Consulting Support for Various City Projects

RECOMMENDATION

Authorize City Manager or her designee to negotiate and execute Master Service Agreements with the following firms for on-call environmental consulting services for various City projects:

- (a) Kleinfelder, Inc. from the date of execution through June 30, 2029, in an amount not to exceed \$1,000,000;
- (b) Haley & Aldrich, Inc. from the date of execution through June 30, 2029, in an amount not to exceed \$1,000,000;
- (c) Cornerstone Earth Group, Inc. from the date of execution through June 30, 2029, in an amount not to exceed \$1,000,000; and
- (d) WSP USA, Inc. from the date of execution through June 30, 2029, in an amount not to exceed \$1,000,000.

SUMMARY AND OUTCOME

Approval of these master service agreements (MSAs) will provide the City with access to on-call environmental consultant services for City staff to successfully assess, investigate, and remediate impaired City-owned properties, assess properties under consideration for acquisition and maintain regulatory compliance. The contract term will be four years and up to \$1,000,000 per consultant.

BACKGROUND

The Environmental Services Department (ESD) is responsible for the due diligence, regulatory compliance, and risk-management of city-owned properties that have environmental issues. ESD also provides support services during the development of new City facilities, including for the San José-Santa Clara Regional Wastewater Facility's operations and the Capital Improvement Program. ESD functions as a resource to other City departments as well, such as Public Works, City Manager's Office of Economic Development and Cultural Affairs, and Parks, Recreation and Neighborhood Services.

Environmental compliance issues continue to be increasingly complex and specialty oriented. Work to address these issues typically involves diverse subject matter experts with specialized environmental professional expertise to conduct environmental due diligence evaluations; soil, soil gas, and groundwater contamination characterization and remediation; closed landfill operation and maintenance; compliance permitting; and health risk assessments. This work requires specialized equipment and tools in addition to unique training and regulatory knowledge.

Properties of concern include legacy contaminated sites such as closed landfills and former underground storage tank sites, as well as newly acquired properties with potential or confirmed environmental impairments, and properties undergoing redevelopment. ESD provides environmental due diligence (e.g. Phase I and 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, limited existing resources, or must be performed by independent third-party consultants. In the past several years, ESD has used these agreements to perform numerous evaluations of properties proposed for interim housing, frequently with an expedited deadline.

Prior to 2008, staff relied on a project-by-project approach to acquiring consultant services for projects that required outside expertise. 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 MSAs for on-call environmental consultant services with multiple firms for four-year terms. The most recent four-year agreements expire on June 30, 2025.

ANALYSIS

On March 24, 2025, the City issued an RFP for interested firms to submit proposals for environmental review and permitting services in support of various projects and programs managed by the ESD and other departments. Nine proposals were received

by the April 25, 2025 submittal deadline. Staff reviewed the written proposals and ranked all firms.

Evaluation of the proposals was based on each firm's expertise, experience, and approach that consisted of:

- Qualifications/expertise of firm and lead staff.
- Experience with variety of projects of similar scope and complexity.
- Approach to managing technical and budget challenges.
- Experience with local and state regulators, knowledge of regulations and regulatory policies, and knowledge of local geological and hydrogeological condition.
- City's Local and Small Business Preference.

The consultants were selected based on the following scores and ranking:

<u>Consultant Firm</u>	<u>Total Score</u>	<u>Rank</u>
Kleinfelder, Inc.	88	1
Haley & Aldrich, Inc.	87	2
Cornerstone Earth Group, Inc.	85	3
WSP USA, Inc.	85	4

All consultants qualified for the Local Business Preference.

Kleinfelder, Inc., Haley & Aldrich, Inc., Cornerstone Earth Group, Inc., and WSP USA, Inc. all demonstrated a high level of technical expertise and relevant experience in providing a broad range of environmental consultant services including but not limited to Phase I and II Environmental Investigations, closed landfill compliance, leaking underground storage tanks cases, remediation expertise including installation of vapor intrusion mitigation systems, and experience with emerging contaminants including per- and polyfluoroalkyl substances (PFAS).

These MSAs will provide necessary technical expertise and support on an as-needed basis for ESD's own projects, and citywide.

Some anticipated projects that require consultant services and the respective estimated costs are listed below:

Environmental Compliance Activities at City's Closed Landfills - The City currently manages environmental compliance at several City-owned closed landfills on behalf of Public Work's and Parks, Recreation and Neighborhood Services under the oversight of the State Regional Water Quality Control Board. Some 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 about \$125,000 per year. Additionally, consultant support is used for compliance with air quality regulations oversight by the Bay Area Air Quality Management District, at the Singleton Road landfill, to operate and maintain an active landfill gas flare and collection system at an annual cost of \$200,000.

Former Fire Training Facility – Soil and groundwater contamination was discovered at the City's former Fire Training Facility, located at 255 Barack Obama Boulevard, during due diligence environmental investigations by Google prior to their purchase of the property in 2020. As part of the sales agreement, the City retained responsibility for the investigation and cleanup of contamination caused by the past use of fire-fighting foams that contained PFAS. A groundwater contamination investigation showed PFAS contamination both on- and off-site. On behalf of the San José Fire Department, ESD is managing the ongoing investigation to characterize the extent and boundaries of contamination. Budget has been identified for the initial groundwater monitoring work. Final remediation costs won't be known until further assessment, groundwater monitoring, and investigation is completed.

Measure T Public Safety Project – ESD has been involved in managing mitigation of petroleum and solvent contamination found at Fire Stations 7 and 32 that are currently under construction. The remedial activities include installation of a vapor intrusion mitigation system to prevent potential harmful vapors from entering the fire stations. Consultant support is estimated to be \$100,000 over the next few years.

Compliance Investigations at several Fire Stations – The Regional Water Quality Control Board issued a letter to the City in 2024, to investigate the potential for PFAS contamination at seven fire stations. The work includes soil and groundwater testing at the stations. ESD has completed the required investigations at four fire stations this fiscal year but is required to investigate three additional fire stations in 2025-2026. The estimated cost is \$100,000

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 is required to help characterize these areas for worker health and safety and to manage or dispose of any contaminated soil. These services are estimated at \$75,000 each year for the next four years.

Other potential projects over the next several years include the investigation and remediation of Five Wounds Trail, Bassett Street Park, Columbus Park, and Spartan Keyes Park.

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 best suited and 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 multiple bids to ensure project costs are efficiently managed with projects from other City departments.

Policy Alternatives

Alternative: Perform a separate RFP process for each project.

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 request for quote selection process typically takes six months or more to complete and involves substantial staff time to develop project-specific RFPs, solicit responses, interview consultants, negotiate contracts, and obtain City Council approval. Most projects require a timelier response due to restrictive regulatory and/or construction deadlines. By having consultants attached to specific projects, it allows for continuity of work leading to improved responsiveness, efficiencies, and cost savings.

Reason for not recommending: This approach would limit the City's flexibility and increase response time for handling unforeseen or new environmental projects, possibly leading to missing regulatory deadlines, and possibly subject the City to violations and/or fines.

EVALUATION AND FOLLOW-UP

No additional follow up action with the Council is expected.

COST SUMMARY/IMPLICATIONS

The total cost of the agreements is not to exceed \$4,000,000. The contracts as recommended as part of this memorandum are: Kleinfelder, Inc. - \$1,000,000, Haley & Aldrich, Inc. - \$1,000,000, Cornerstone Earth Group, Inc. - \$1,000,000, WSP USA, Inc. - \$1,000,000. No funding is needed to approve these MSAs; however, funding is necessary for each service order issued under these MSAs. Costs anticipated to be incurred in 2025-2026, include approximately \$200,000 for closed landfill monitoring, \$145,000 for former fire training facility remediation, \$100,000 for compliance investigations at three fire stations, and \$75,000 for compliance support at the Regional

Wastewater Facility. All funding for these agreements is subject to appropriation by City Council.

BUDGET REFERENCE

Work performed by the consultants under these agreements will be authorized by service orders. Appropriation of funds is not required for execution of these master consultant agreements but is required for each service order authorized under these agreements. Funding for projects anticipated to continue or proceed in 2025-2026 is included in the 2025-2026 Proposed Operating and Capital budgets, which are scheduled to be adopted by the City Council on June 17, 2025. Future funding is subject to the appropriation of funds and, if needed, actions to accommodate additional needs will be included as part of future budget processes.

COORDINATION

The memorandum has been coordinated with the City Attorney's Office, City Manager's Budget Office, and the Planning, Building and Code Enforcement Department. The item is scheduled to be heard at the June 12, 2025, Treatment Plant Advisory Committee meeting.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the June 17, 2025 City Council agenda.

COMMISSION RECOMMENDATION AND INPUT

This item is scheduled to be heard at the June 12, 2025, Treatment Plant Advisory Committee meeting. A supplemental memorandum with the committee's recommendation will be included in an amended City Council meeting agenda.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) Resulting in No Physical Changes to the Environment.

HONORABLE MAYOR AND CITY COUNCIL

May 21, 2025

**Subject: Master Service Agreement for Environmental Consulting Services for On-Call
Environmental Consulting Support**

Page 7

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Jeff Provenzano, P.E.

Director, Environmental Services

For questions, please contact Jennifer Voccola Brown, Division Manager,
Environmental Services Department, at jennifer.brown@sanjoseca.gov or (408) 975-
2594.