



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: May 5, 2021

Approved

Date

5/6/2021

SUBJECT: MASTER CONSULTANT AGREEMENT WITH BLACK & VEATCH CORPORATION FOR CONSULTING SERVICES AT THE SAN JOSE-SANTA CLARA REGIONAL WASTEWATER FACILITY

RECOMMENDATION

Approve the Master Consultant Agreement with Black & Veatch Corporation for various Operations and Maintenance (O&M) training and support activities at the San José-Santa Clara Regional Wastewater Facility (RWF) for a full term through June 30, 2026 for a maximum not-to-exceed aggregate compensation amount of \$3,750,000, subject to the annual appropriation of funds.

OUTCOME

Approval of the Master Consultant Agreement (MCA) will provide as-needed technical support to RWF O&M staff with the implementation of the Capital Improvement Program (CIP). The consultant will supplement O&M expertise in reviewing design documents; providing technical support for startup, commissioning, and process shutdown activities; developing standard operating procedures for various new wastewater treatment processes; and providing any specialty training on various new unit processes at the RWF.

BACKGROUND

The \$1.4 billion CIP that is underway at the RWF to upgrade/rehabilitate/replace major treatment facilities has entered its peak construction period, which will last for the next few years. The RWF O&M staff play a critical role supporting CIP projects by providing operational expertise in the form of subject matter experts (SME) for each project. These SMEs are senior operations staff with many years of experience in the operation of RWF unit processes. The SMEs provide invaluable input to the CIP delivery teams to ensure that each project takes into consideration

operational requirements during design and construction. SME involvement is particularly important when a project consists of new technology and/or processes to ensure adequate involvement and familiarization by O&M staff prior to operation. O&M SMEs are involved throughout the project delivery process, providing review/comment on technical deliverables, attending design workshops, and witnessing factory acceptance testing. Two of the most critical roles provided by O&M are the review and approval of all process shutdown requests (PSRs) required before a project contractor can perform any activities that impact RWF operation, and field support during testing, startup and commissioning activities. O&M staff are also required to obtain training on all new processes and equipment, and develop new standard operating procedures (SOP), while keeping the RWF continuously operating. The participation of O&M SMEs is critically important to the successful delivery of each CIP project.

Although RWF O&M staff have a substantial level of expertise and experience with respect to wastewater operations and maintenance of existing unit processes at the RWF, they do not possess all the technical capabilities for some of the newer types of wastewater treatment unit processes being implemented as part of the CIP, such as the operation of the planned digested sludge dewatering centrifuges. Additionally, due to the volume of CIP projects currently in design and construction, there are insufficient O&M resources available to support all upcoming project design, construction and startup and commissioning activities. Hiring a consultant with the necessary engineering and operational expertise, resources and skillset will assist in training O&M staff in the new unit processes and will supplement O&M staff input on each CIP project. This will reduce the peak workload demands on the O&M staff and will allow them to focus on their primary task of managing the RWF efficiently to minimize the risk of disruption to the wastewater treatment process.

ANALYSIS

The City issued a Request for Proposal (RFP) on September 2, 2020, seeking interested firms to submit proposals for consulting services for operations and maintenance training and support activities. A total of 29 consulting firms downloaded the RFP and the City received proposals from two firms by the submission deadline of October 2, 2020, namely: Black & Veatch Corporation and Veolia Water West Operating Services. The number of proposals received were possibly low due to the numerous wastewater construction projects throughout the region and the limited availability of qualified professionals.

A five-member panel evaluated the two proposals based on general requirements, experience and qualifications, project approach, technical capabilities, local and/or small business enterprise.

The evaluations were performed using a consistent scoring matrix. The summary of the scoring categories is shown below:

Description	Weight
Proposal Responsiveness	Pass/Fail
General Requirements	10%
Experience and Qualifications	50%
Project Approach	20%
Technical Capabilities	10%
Local Business Enterprise	5%
Small Business Enterprise	5%

Both firms met the minimum qualifications and passed the proposal responsiveness requirement. The table below provides a summary of the evaluation results. Local and small business preferences were not factors in the evaluation.

	General Requirements	Experience and Qualifications	Project Approach	Technical Capabilities	TOTAL
Black & Veatch Corporation	9	39	14	9	71
Veolia Water West Operating Services, Inc	7	23	7	5	42

The City completed the evaluation process in February 2021. References for Black & Veatch Corporation confirmed a positive track record and experience in fulfilling the scope of work for similar municipalities and programs of comparable size to the RWF.

The MCA with Black & Veatch Corporation establishes the rates for the term and will require separate approval for each service order on the use of subconsultants and allowable reimbursable expenses. Subconsultants shall be preauthorized and all travel-related expenses must be consistent with the Employee Travel Policy (City Policy Manual, Sections 1.8.2 and 1.8.3). Service Orders will be project-specific with duration and scope depending on the size and complexity of the project.

CONCLUSION

The MCA with Black & Veatch Corporation would provide the O&M staff at the RWF the necessary technical support and training capabilities it requires through June 30, 2026.

EVALUATION AND FOLLOW-UP

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

CLIMATE SMART SAN JOSE

The master consultant agreement will not affect energy or water consumption. The recommendation in this memo will have no effect on Climate Smart San José energy, water, or mobility goals.

POLICY ALTERNATIVES

Alternative: Continue to have the RWF O&M staff provide sole operational expertise.

Pros: This would provide additional work opportunities and experience for in-house staff.

Cons: The workload of RWF's O&M staff is increasing significantly, and this could have a negative impact on the RWF's core function of wastewater treatment process. Many hours of overtime will be needed to supplement the increased CIP support workload which could result in burnout and fatigue on staff and possible lack of adequate operational oversight, resulting in process upsets and regulatory non-compliance. In addition, professional expertise for new wastewater treatment process will not be sufficiently available to current staff which could similarly result in process upsets.

Reason for not recommending:

The City will need to hire additional temporary staff with expertise and experience supporting large CIP. Finding qualified professionals with the necessary knowledge skills and certifications to fill these temporary positions is not likely.

PUBLIC OUTREACH

The request for proposal was advertised in the online bidding portal, [Biddingo.com](https://www.biddingo.com) on September 2, 2020. This memorandum will be heard at the May 20, 2021, TPAC meeting and will be posted on the City's Council Agenda website for the June 8, 2021 Council Meeting.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

This memorandum is scheduled to be heard at the Treatment Plant Advisory Committee (TPAC) meeting on May 20, 2021. A supplemental memo with TPAC's recommendation will be included in the amended June 8, 2021, City Council meeting agenda.

COST SUMMARY/IMPLICATIONS

Funding for service orders issued under the MCA will be made available from the San Jose/Santa Clara Treatment Plant Operating Fund (513). Funds will be encumbered as needed when service orders are developed and will not exceed \$750,000 per fiscal year, for a five-year total not-to-exceed aggregate amount of \$3,750,000. All encumbrances will be subject to the annual appropriation of funds.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amount Requested	2020-2021 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
513	0762	Non-Personal/ Equipment	\$35,152,940	\$750,000	X - 91	10/20/2020 30494

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 Amit Mutsuddy, Deputy Director, Wastewater Management Division, at (408) 635-4007.