



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jeff Provenzano

SUBJECT: See Below

DATE: October 27, 2025

Approved

Date:

10/23/25

COUNCIL DISTRICT: Citywide

SUBJECT: Master Consultant Agreement with HydroScience Engineers, Inc. for Consultant Engineering Services for the South Bay Water Recycling System Condition Assessment

RECOMMENDATION

Approve a two-year term Master Consultant Agreement with HydroScience Engineers, Inc., to support completion of a condition assessment of the South Bay Water Recycling system for a total maximum compensation of \$500,000.

SUMMARY AND OUTCOME

Approval of the recommendation will allow the City of San José (City) to execute an agreement with HydroScience Engineers, Inc. to conduct a condition assessment of the existing South Bay Water Recycling (SBWR) distribution system and provide an infrastructure report summary. Deliverables for this contract will include a condition assessment report, staffing evaluation and recommendation plan, updated hydraulic model, infrastructure risk assessment/replacement cost estimation, and an operational improvement plan.

BACKGROUND

The SBWR Program in the Environmental Services Department is responsible for the production and distribution of recycled water in the South Bay serving customers in the cities of San José, Milpitas, and Santa Clara. SBWR began its operation in 1998 by diverting treated wastewater from the San José-Santa Clara Regional Wastewater Facility. Currently, the SBWR system is comprised of 165 miles of pipeline servicing more than 1,090 customers.

The SBWR Master Plan was completed in 2014 to establish a strategic vision for recycled water in the South Bay. Since then, SBWR's infrastructure needs have evolved. Key system assets—including mainlines, valves, pump stations, reservoirs, and other facilities—are aging and require evaluation for replacement or rehabilitation.

SBWR is working to enhance the reliability and performance of its recycled water system. Upgrades such as additional pipe network redundancy, new recycled water valves and access points, and expanded storage capacity are increasingly important. A new condition assessment will provide the foundation to evaluate and prioritize infrastructure investments, ensuring SBWR can continue delivering a dependable level of service into the future.

In February 2025, the City completed a Request for Proposals process to secure professional consulting services for a condition assessment of the SBWR system. Two proposals were received: HydroScience Engineers, Inc., and Brown & Caldwell. Following a thorough evaluation, HydroScience Engineers, Inc. was selected as the top-ranked consultant.

The condition assessment will evaluate the remaining useful life of the SBWR system assets and assess future staffing needs. Building on these findings, the updated infrastructure report will establish project priorities, cost estimates, and both near- and long-term goals to ensure reliability and effective recycled water management use throughout the South Bay.

Over a two-year period, and pursuant to individual service orders, HydroScience Engineers, Inc. will provide professional consulting services to complete the condition assessment for the City.

ANALYSIS

The Request for Proposals was advertised on October 15, 2024, and closed on November 26, 2024. A total of two proposals were received and evaluated with the criteria and results listed in the table below.

Consultant	HydroScience Engineers, Inc.	Brown & Caldwell
General Requirements – 10%	10	9
Experience and Qualifications – 50%	48	47
Project Approach – 15%	14	14
Technical Capabilities – 15%	14	14
Local Business Preference – 5%	5	5
Small Business Preference – 5%	0	0
Evaluation Total	91	89

Both proposals demonstrated strong expertise and capability in developing a condition assessment for SBWR. To further evaluate their qualifications, the two firms were invited to participate in oral interviews. A panel of three SBWR staff members conducted the interviews, and the evaluation criteria and results are summarized in the table below.

Consultant	HydroScience Engineers, Inc.	Brown & Caldwell
General Requirements – 5%	5	5
Experience and Qualifications – 30%	29	28
Project Approach – 10%	9	9
Technical Capabilities – 10%	9	9
Oral Interview – 35%	33	29
Local Business Preference – 5%	5	5
Small Business Preference – 5%	0	0
Evaluation Total	90	85

While both firms demonstrated extensive qualifications, the evaluation panel selected the top-rated firm for the contract award. The two-year contract term (2025-2026 through 2026-2027) will provide consulting services continuity for this project and savings in administrative costs as compared to the administrative costs of soliciting and awarding a new contract for each deliverable.

Staff recommends awarding a master consultant services agreement to HydroScience Engineers, Inc. in an amount not to exceed \$500,000.

The Notice of Intended Award was posted on February 18, 2025, and no objections were received during the 10-day protest period.

EVALUATION AND FOLLOW-UP

The memorandum will not require any additional follow-up from staff.

COST SUMMARY/IMPLICATIONS

1. TOTAL COST OF CONTRACT/AGREEMENT

Estimated Cost by Type of Services:

- Condition Assessment	\$ 200,000
- SBWR Master Plan Update	<u>\$ 300,000</u>

TOTAL CONTRACT/AGREEMENT AMOUNT	\$ 500,000
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2. SOURCE OF FUNDING: Fund 570 – South Bay Water Recycling Operating Fund

3. FISCAL IMPACT: Funding of the agreement compensation will have no impact on operating and maintenance costs or the General Fund.

BUDGET REFERENCE

The table below identifies the funds and appropriations to fund the master consultant agreement recommended as part of this memorandum.

Although an appropriation is not required for the execution of the master consultant agreement, an appropriation will be required for the execution of each service order authorized under the agreement. The appropriation listed in the table below is included in the 2025-2026 Adopted Operating Budget and may be used for service orders issued in fiscal year 2025-2026. Future funding is subject to the appropriation of funds and, if additional funding is needed, a recommendation will be included in the development of future year budgets during the annual budget process.

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Fund #	Appn. #	Appropriation Name	Total Appn.	Amount for Agreement	2025-2026 Proposed Budget Page*	Last Budget Action (Date, Ord. No.)
570	0762	Environmental Services Department Non-Personal/Equipment	\$10,118,090	\$500,000	946	10/21/2025 31252

**The 2025-2026 Adopted Operating Budget was approved on June 10, 2025, and adopted on June 17, 2025, by the City Council.*

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the November 18, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

This item is scheduled to be heard at the November 13, 2025 Treatment Plant Advisory Committee meeting. A supplemental memorandum with the Committee's recommendation will be included in the amended November 18, 2025 City Council meeting agenda.

CEQA

Not a Project, File No. PP17-002, Consultant services for design, study, inspection, or other professional services with no commitment to future action.

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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
Director, Environmental Services
Department

For questions, please contact Darwin Lasat, Senior Environmental Program Manager, Environmental Services Department, at Darwin.Lasat@sanjoseca.gov or (408) 794-6781.