



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jeffrey Provenzano

SUBJECT: See Below

DATE: May 6, 2026

Approved

Date:

5/18/26

COUNCIL DISTRICT: Citywide

SUBJECT: Master Service Agreements with Carollo Engineers, Inc. and CDM Smith, Inc. for General Wastewater Engineering Consultant Services for the San José-Santa Clara Regional Wastewater Facility

RECOMMENDATION

Adopt a resolution authorizing the City Manager or her designee to execute Master Service Agreements with Carollo Engineers, Inc. and CDM Smith, Inc., for various operations and maintenance projects requiring engineering support and services on an as-needed basis at the San José-Santa Clara Regional Wastewater Facility. The terms of the agreements shall be a five-year term with a total not to exceed amount of \$2,500,000 each, subject to annual appropriation of funds.

SUMMARY AND OUTCOME

Approval of these Master Service Agreements allows the City to obtain professional engineering services, on an as-needed basis, for operations and maintenance (O&M) projects at the San José-Santa Clara Regional Wastewater Facility (RWF). These services will support the modernization, rehabilitation, replacement, and maintenance of aging structures and equipment, including pumps, motors, valves, and pipes, and repairs resulting from unexpected equipment failures to ensure RWF's continuous and efficient operation.

BACKGROUND

The RWF is an advanced wastewater treatment facility with an average dry weather flow design capacity of 167 million gallons per day and a peak wet weather flow design capacity of 261 million gallons per day. It treats an average of approximately 110 million

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gallons per day of wastewater. Originally constructed in the 1950s and expanded over time, the RWF contains aging infrastructure and equipment. Although preventive maintenance is conducted throughout the facility, equipment failures occur and require O&M Engineering projects to repair or replace critical assets.

O&M Engineering support and services under these Master Service Agreements will provide critical as-needed consulting services for O&M-related wastewater projects. Such services may include, but are not limited to, technical expertise across multiple disciplines, including civil, structural, mechanical, electrical, instrumentation and controls, process engineering, geotechnical, environmental, and other related engineering services. Historically, master service agreements with engineering consultants have been used to supplement City staff in delivering general engineering wastewater projects, including support during planning, design, bid and award, construction support, and testing, startup, and commissioning activities. These services augment City staff capacity by providing additional technical resources and specialized expertise to support project delivery.

This support helps ensure the RWF's continuous and efficient operations while the Capital Improvement Program Division of the Environmental Services Department continues implementing the updated Plant Master Plan.

ANALYSIS

The City issued a Request for Proposal (RFP) on August 8, 2025, seeking interested consulting firms to submit proposals to provide wastewater engineering support services for the RWF, with a submission deadline of October 3, 2025.

A Technical Evaluation Panel, which consisted of representatives from the Environmental Services Department, evaluated and ranked the proposal in accordance with the procurement process set forth in the RFP. Each panel member evaluated the proposals using a consistent scoring matrix based on the proposal's general requirements, the firm's experience and qualifications, project approach, local and small business enterprise (LBE/SBE) status. Each firm received a total score comprised of its proposal score and LBE/SBE status. The scored categories were as follows:

- Proposal Responsiveness (Pass/Fail)
- General Requirements (10%)
- Experience and Qualifications (35%)
- Project Approach (15%)
- Local Business Enterprise (5%)
- Small Business Enterprise (5%)

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All seven firms met the minimum qualifications and passed the proposal responsiveness requirement. Seven firms qualified for LBE status, but none of the firms qualified for SBE status. All firms were evaluated on their resources, experience and qualifications, and project approach. On December 12, 2025, the Notification of Interim Proposal Scores was posted on Biddingo, showing the following:

Rank	Firm	General Req. 10%	Experience 55%	Approach 25%	LBE 5%	SBE 5%	Total
1	CDM Smith	10	47	23	5	0	85
2	HDR Engineering	9	46	22	5	0	82
3	Carollo Engineers	9	47	20	5	0	81
4	Brown and Caldwell	9	47	18	5	0	79
5	Black & Veatch	9	45	20	5	0	79
6	AECOM	9	45	17	5	0	76
7	MKN & Associates	9	36	17	5	0	67

Interviews were conducted for the top three firms. On January 22, 2026, the Notice of Intended Award was posted on Biddingo showing the following:

Rank	Firm	Gen. Req. 10%	Experience 35%	Approach 15%	Interview 30%	LBE 5%	SBE 5%	Total
1	CDM Smith	10	30	14	26	5	0	85
2	Carollo Engineers	9	30	12	25	5	0	81
3	HDR Engineering	9	29	13	23	5	0	79

Staff recommends awarding a master service agreement, in an amount not to exceed \$2,500,000 and a duration through December 31, 2031, to each of the top two ranked firms, CDM Smith, Inc., and Carollo Engineers, Inc.

Policy Alternatives

Alternative #1: Direct City staff to provide the required services with in-house resources.

Pros: The work would be done by City staff.

Cons: In-house staff does not possess the capacity or all the required technical capability and specialized equipment across the broad range of expertise anticipated for the wide array of O&M-related projects. A significant amount of anticipated work will require engineering oversight in various technical specialties.

Reason for not recommending: The lack of experienced staff resources in the varied engineering disciplines required would increase project delivery risks.

Alternative #2: Direct City staff to issue RFPs for individual projects.

Pros: Issuing RFPs for individual projects could result in more competition and more proposals received, which will provide the City with a selective advantage.

Cons: The RFP selection process typically takes six months or more and involves multiple staff to develop a project scope, solicit responses, evaluate proposals, interview consultants, negotiate contracts, and obtain City Council approval if needed. Most O&M projects require rapid responses and timely decisions due to the critical nature of various unit operations and processes at the facility. Implementing a separate RFP process for each small O&M project results in significant delays affecting operations at the facility.

Reason for not recommending: Individual RFPs are not an efficient method for delivering small O&M projects. Using existing staffing resources, this approach would divert staff from design and project implementation to contract administration, reducing the City's flexibility and ability to respond quickly. As a result, critical equipment and processes could face delays, increasing the risk of operational disruptions or failures.

EVALUATION AND FOLLOW-UP

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

FISCAL IMPACTS

Funding for service orders issued under the Master Service Agreements will be made available from the San José-Santa Clara Treatment Plant Operating Fund (Fund 513). Funds will be encumbered, as needed, from various project appropriations when service orders are developed and will not exceed \$500,000 during the first year of the initial term and \$500,000 annually for the following four years, for a five-year aggregate not-to-exceed amount of \$2,500,000. All encumbrances are subject to the annual appropriation of funds.

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|----|---|--------------------|
| 1. | TOTAL COST OF PROJECT/AMOUNT OF RECOMMENDATION: | \$5,000,000 |
| | CDM Smith, Inc. | \$2,500,000 |
| | <u>Carollo Engineers, Inc.</u> | <u>\$2,500,000</u> |
| | TOTAL | \$5,000,000 |
2. COST ELEMENTS OF CONTRACT AS RECOMMENDED AS PART OF THE MEMORANDUM: The Consultant's services will be reimbursed based on actual hourly rates in accordance with the schedule of rates and charges included in each master agreement. These rates will remain fixed for the duration of the agreement term. The firms are also compensated for pre-approved

subconsultants and contract personnel, as well as certain reimbursable expenses.

3. SOURCE OF FUNDING: 513 – San José-Santa Clara Treatment Plant Operating Fund.

BUDGET REFERENCE

The table below identifies the fund and appropriation to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2026-2027 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
513	0762	Environmental Services Department Non-Personal/Equipment	\$64,332,557	\$5,000,000	953	N/A

*The 2026-2027 Proposed Operating Budget was released on May 2, 2026 and is scheduled to be reviewed on June 9, 2026 and adopted on June 16, 2026 by the City Council.

COORDINATION

This memorandum has been coordinated with the City Attorney’s Office, City Manager’s Budget Office, Finance Department, and the Planning, Building, and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the June 16, 2026 City Council meeting following the Treatment Plant Advisory Committee meeting on May 28, 2026.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

This item is scheduled to be heard at the May 28, 2026, Treatment Plant Advisory Committee meeting. A supplemental memorandum with the Committee’s recommendation will be included in the amended June 16, 2026, City Council meeting agenda.

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CEQA

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

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/

Jeffrey Provenzano, P.E.
Director, Environmental Services

For questions, please contact Mariana Chavez-Vazquez, RWF General Manager, Environmental Services Department, at mariana.chavez-vazquez@sanjoseca.gov or (408) 635-4008.