

SAN JOSÉ/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE

JAMIE MATTHEWS, CHAIR
SAM LICCARDO, VICE CHAIR
PIERLUIGI OLIVERIO, MEMBER
DAVID SYKES, MEMBER
MANH NGUYEN, MEMBER

PAT KOLSTAD, MEMBER
JOSE ESTEVES, MEMBER
STEVEN LEONARDIS, MEMBER
JOHN GATTO, MEMBER

AGENDA/TPAC

4:30 p.m.

February 11, 2016

Room 1734

1. **ROLL CALL**

2. **APPROVAL OF MINUTES**

A. January 14, 2016

3. **UNFINISHED BUSINESS/REQUEST FOR DEFERRALS**

4. **DIRECTOR'S REPORT**

A. Directors Report (verbal)
• Monthly Progress Report

5. **AGREEMENTS/ACTION ITEMS**

A. **Master Agreement Claim Hearing Process**

Staff Recommendations:

- (a) Adopt the hearing procedures.
- (b) Schedule a hearing date by March 25, 2016.

B. **Report on Bids and Award of Contract for the 6970 – Fiber Optic Connection Project at the San José- Santa Clara Regional Wastewater Facility**

Staff Recommendation: Report on bids and award of a construction contract for the 6970 – Fiber Optic Connection Project to the low bidder, All Phase Excavating and Construction, Inc., in the amount of \$240,000 and approval of a 15 percent contingency in the amount of \$36,000.

This item is scheduled for consideration by the City Council on February 23, 2016.

6. **OTHER BUSINESS/CORRESPONDENCE**

7. **STATUS OF ITEMS PREVIOUSLY RECOMMENDED FOR APPROVAL BY TPAC**

A. Report on Bids and Award of Contract for 6717—Iron Salt Feed Station Project at the San José- Santa Clara Regional Wastewater Facility

Staff Recommendations:

- (a) Report on bids and award of construction contract for 6717- Iron Salt Feed Station Project to the lowest bidder, Anderson Pacific Engineering Construction, Inc., in the amount of \$5,205,000 and approve a 15 percent construction contingency in the amount of \$780,750;
- (b) Adopt a resolution authorizing the Director of Public Works to execute one or more change orders in excess of \$100,000 for the remaining duration of the Project, not to exceed the total contingency amount approved for the Project;
- (c) Adopt the following 2015-2016 Appropriation Ordinance Amendments in the San José-Santa Clara Treatment Plant Capital Fund:
 - (1) Decrease the East Primary Rehabilitation, Seismic Retrofit, and Odor Control appropriation to the Environmental Services Department in the amount of \$1,500,000;
 - (2) Decrease the Tunnel Rehabilitation appropriation to the Environmental Services Department in the amount of \$300,000; and
 - (3) Increase the Iron Salt Feed Station appropriation to the Environmental Services Department in the amount of \$1,800,000.

The proposed recommendations were approved by Council on January 26, 2016.

B. Mid-Year Budget Review Strategy for Master Agreement Amendments

Staff Recommendation: Accept the proposed 2015-2016 Mid-Year Budget Review strategy to provide staffing and funding to support amendments to the Master Agreement for Wastewater Treatment between City of San José, City of Santa Clara, and Tributary Agencies.

This item is included in the 2015-2016 Mid-Year Budget Review Report scheduled for City Council on February 9, 2016.

8. **REPORTS**

A. Open Purchase Orders Greater Than \$100,000 (including Service Orders)

The attached monthly Procurement and Contract Activity Report summarizes the purchase and contracting of goods with an estimated value between \$100,000 and \$1.08 million and of services between \$100,000 and \$270,000.

9. **MISCELLANEOUS**

A. The next TPAC meeting is March 10, 2016, at 4:30 p.m. City Hall, Room 1734.

10. **OPEN FORUM**

11. **ADJOURNMENT**

NOTE: If you have any changes or questions, please contact Melrose Cacal, Environmental Services (408) 975-2547.

To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please contact Melrose Cacal (408) 975-2547 or (408) 294-9337 (TTY) as soon as possible, but at least three business days before the meeting/event.

Availability of Public Records. All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at San Jose City Hall, 200 East Santa Clara Street, 10th Floor, Environmental Services at the same time that the public records are distributed or made available to the legislative body.

**MINUTES OF THE
SAN JOSÉ/SANTA CLARA
TREATMENT PLANT ADVISORY COMMITTEE**
City Hall, Council Chambers
Thursday, January 14, 2016 at 4:30 p.m.

1. ROLL CALL

Minutes of the Treatment Plant Advisory Committee convened this date at 4:30 p.m. Roll call was taken with the following members in attendance:

Committee Members: Jose Esteves, John Gatto, Pat Kolstad, Steven Leonardis, Sam Liccardo, Jamie Matthews, Manh Nguyen, Dave Sykes, and Pierluigi Oliverio

2. APPROVAL OF MINUTES

A. December 10, 2015

Item 2.A. was approved to note and file.

Ayes – 8 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Matthews, Nguyen, Sykes)

Nays – 0

Absent – 1 (Oliverio)

3. UNFINISHED BUSINESS/REQUEST FOR DEFERRALS

4. DIRECTORS REPORT

A. Directors Report (verbal)
Monthly progress report

There were no items to report.

5. AGREEMENTS/ACTION ITEMS

A. Report on Bids and Award of Contract for 6717- Iron Salt Feed Station Project at the San José- Santa Clara Regional Wastewater Facility

Staff Recommendations:

- (a) Report on bids and award of construction contract for 6717- Iron Salt Feed Station Project to the lowest bidder, Anderson Pacific Engineering Construction Inc., in the amount of \$5,205,000 and approve a 15 percent construction contingency in the amount of \$780,750;
- (b) Adopt a resolution authorizing the Director of Public Works to execute one or more change orders in excess of \$100,000 for the remaining duration of the Project, not to exceed the total contingency amount approved for the Project;
- (c) Adopt the following 2015-2016 Appropriation Ordinance Amendments in the San José-Santa Clara Treatment Plant Capital Fund:

- (1) Decrease the East Primary Rehabilitation, Seismic Retrofit, and Odor Control appropriation to the Environmental Services Department in the amount of \$1,500,000;
- (2) Decrease the Tunnel Rehabilitation appropriation to the Environmental Services Department in the amount of \$300,000; and
- (3) Increase the Iron Salt Feed Station appropriation to the Environmental Services Department in the amount of \$1,800,000.

This item is scheduled for consideration by the City Council on January 26, 2016.

On a motion by Committee Member Liccardo and a second by Committee Member Kolstad, TPAC recommended approval of the Staff Recommendations for Item 5.A.

Ayes – 8 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Matthews, Nguyen, Sykes)

Nays – 0

Absent – 1 (Oliverio)

B. Mid-Year Budget Review Strategy for Master Agreement Amendments

Staff Recommendation: Accept the 2015-2016 Mid-Year Budget Review strategy to provide staffing and funding to support amendments to the Master Agreement for Wastewater Treatment between City of San José, City of Santa Clara, and Tributary Agencies.

In response to TPAC direction on November 19, 2015, to return with a mid-year budget proposal for potential negotiations regarding additional amendments to the Master Agreement, staff presented a mid-year budget action that would enable funding the cost of negotiations. The initial vote on this item indicated that representatives from the Tributary Agencies including West Valley Sanitation District, Cupertino Sanitary District, and the City of Milpitas opposed recommending approval of the mid-year budget action. TPAC discussed that the impetus for the mid-year budget action was due to the request from the Tributary Agencies to negotiate amendments to the Master Agreements. There was a motion to re-consider, and a second round of voting occurred with the following results:

Ayes – 6 (Kolstad, Liccardo, Matthews, Nguyen, Oliverio, Sykes)

Nays – 3 (Esteves, Gatto, Leonardis)

Absent – 0

6. OTHER BUSINESS/CORRESPONDENCE

7. **STATUS OF ITEMS PREVIOUSLY RECOMMENDED FOR APPROVAL BY TPAC**

A. San José- Santa Clara Regional Wastewater Facility Ten-Year Funding Strategy Report Update

Staff Recommendations: Accept the status report on the Ten-Year Funding Strategy For the San José-Santa Clara Regional Wastewater Facility Capital Improvement Program, and approve staff's recommendation of projects for which to seek State Revolving Fund loans.

The recommendations were approved by Council on January 12, 2016.

B. Master Consultant Agreement with Kennedy/Jenks Consultants, Inc. for Engineering Services for “#7448-Filter Rehabilitation Project” at the San José-Santa Clara Regional Wastewater Facility

Staff Recommendation: Approve a master consultant agreement with Kennedy/Jenks Consultants, Inc., to provide engineering services for the “#7448-Filter Rehabilitation Project” at the San José-Santa Clara Regional Wastewater Facility from the date of execution through June 30, 2023, in a total amount not to Exceed \$4,950,000 subject to the appropriation of funds.

The recommendation was approved by Council on December 15, 2015.

All items under Section 7 were approved to note and file.

Ayes – 9 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Matthews, Nguyen, Oliverio, Sykes)

Nayes – 0

Absent – 0

8. **REPORTS**

A. Open Purchase Orders Greater Than \$100,000 (including Service Orders)

The attached monthly Procurement and Contract Activity Report summarizes the Purchase and contracting of goods with an estimated value between \$100,000 and \$1.08 million of services between \$100,000 and \$270,000.

Item 8.A. was approved to note and file.

Ayes – 9 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Matthews, Nguyen, Oliverio, Sykes)

Nayes – 0

Absent – 0

9. **MISCELLANEOUS**

A. The next TPAC meeting is February 11, 2016, at 4:30 p.m., City Hall, Room 1734.

10. **PUBLIC COMMENT**

11. **ADJOURNMENT**

A. The Treatment Plant Advisory Committee adjourned at 5:02 p.m.

Jamie Matthews, Chair
TREATMENT PLANT ADVISORY COMMITTEE



San José-Santa Clara
Regional Wastewater Facility

Capital Improvement Program Monthly Status Report: December 2015

February 4, 2016

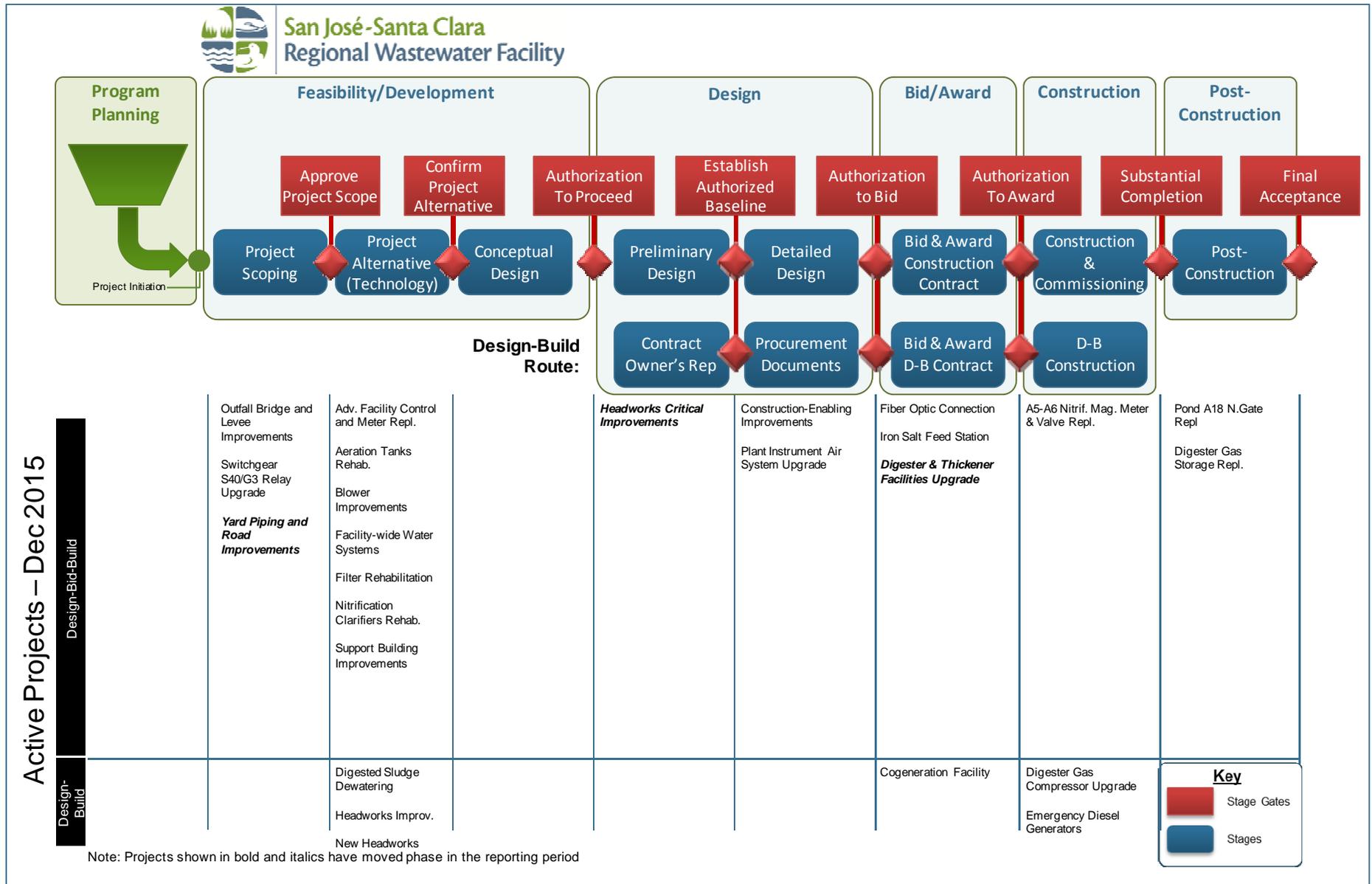
This report provides a summary of the progress and accomplishments of the Capital Improvement Program (CIP) for the San José-Santa Clara Regional Wastewater Facility (RWF) for December 2015.

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Project Delivery Model



Program Summary

December 2015

In December, the CIP progressed on multiple fronts, including the successful advancement of two projects through the Project Delivery Model (PDM) stage gate process. The Digester Gas Storage Replacement Project successfully completed the Substantial Completion stage gate, and the Digester and Thickener Facilities Upgrade Project successfully completed the Authorization to Bid stage gate.

The CIP also met a number of key procurement milestones and advertised two Requests for Qualifications (RFQ) for projects requiring consultant design services. In addition, a third RFQ was advertised for programmatic support to provide construction management services. The three RFQs advertised in December were:

- **Aeration Tanks and Blower Rehabilitation Project.** This project will result in improvements within the RWF's secondary and nitrification processes to ensure continued operation and adequate aeration for treatment.
- **Facility Wide Water Systems Improvements Project.** This project was re-advertised and will improve RWF's water supply reliability by rehabilitating, replacing, and optimizing piping, valves, pumps, controls, and other ancillary equipment across the RWF's four water systems.
- **Construction Management and Inspection Services.** This procurement will supplement existing City construction management (CM) staff by providing CM and inspection services for various capital projects.

Staff also completed the assessment of the Nitrification Clarifiers Rehabilitation Project procurement this month and notified the successful consultant. Negotiations on final scope and agreement terms will commence in January.

Council approved the following items that TPAC previously recommended for approval in November:

- Authorize the City Manager to negotiate a design-build contract with CH2M Hill for the Cogeneration Facility Project;
- Award a master consultant agreement with CDM Smith for the Headworks Project(s); and
- Provide direction to staff on proposed amendments to the RWF master agreements.

Staff presented the following recommendations to the Treatment Plant Advisory Committee (TPAC) and the City Council (Council) in December:

- Award a master consultant agreement to Kennedy/Jenks for the Filter Rehabilitation Project;
- Accept recommendations related to Clean Water State Revolving Fund (SRF) for the Digester and Thickener Facilities Upgrade project.

The 100 percent design review for the Digester and Thickener Facilities Upgrade Project was completed and the project is scheduled to be advertised in January 2016. The 90 percent design review milestone was also reached on the Construction Enabling Improvements Project; this project is scheduled to be advertised in February 2016.

In addition, construction continued on the Emergency Diesel Generators Project and the Digester Gas Compressor Upgrades Project. The new digester gas holder, constructed as part of the Digester Gas Storage Replacement Project, was successfully commissioned and is now operational.

Look Ahead

In January, staff will continue to move forward with efforts related to consultant procurements, including the Nitrification Clarifiers Rehabilitation Project and the Advanced Facility Control and Meter Replacement Project. Procurements for a number of programmatic services will also continue to advance, including General Engineering Services; Design and Construction Management Software (DCMS); Value Engineering and Peer Review Services; and Audit Services.

Also next month, staff will present recommendations to TPAC and Council to award a construction contract to Anderson Pacific Engineering Construction, Inc. for the Iron Salt Feed Station Project, and to accept the proposed 2015-2016 Mid-Year Budget review strategy. The Plant Instrument Air System Upgrade Project will reach the 90 percent design review milestone in January, and the Construction-Enabling Improvements Project will seek to advance through the PDM Authorization to Bid stage gate. In addition, all CIP project managers and project engineers will continue formal staff training in January with a session planned on Project Scheduling.



Program Highlight – Project Management Training

The CIP Project Management (PM) training program helps staff develop their professional skills by:

- Increasing CIP staff understanding and knowledge of PM practices;
- Creating a common platform for CIP project management execution;
- Building staff project management skills;
- Aligning CIP staff practices with industry project management practices;
- Sharing practical experiences and lessons learned across the CIP team; and
- Training current staff who aspire to move into project management roles.

The program is based on the project management structure endorsed by the Project Management Institute (PMI). Certified Project Management Professionals (PMPs), who work as part of the CIP team, present the program to CIP staff.

Each month, using 90-minute modules of direct instruction and practical exercises, up to three PMPs involve participants and provide examples of key principles. Additionally, a 30-minute session focuses on one project manager who presents lessons learned from a current project and invites discussion of specific issues. This session brings important issues to the attention of all project staff and serves as a valuable opportunity to share experiences. Staff find the training relevant to their work. "I like the practical exercises we are given because they apply directly to our project work," said Helena Choi, a Senior Engineer in the Department of Public Works. As an added benefit, the training time counts towards PM experience required to qualify for the PMP exam or continued education credits for active PMPs.

Program topics cover a wide range of issues that are essential to project management and CIP success. Topics covered to date include:

- Duties and expectations of a project manager;
- Project scope definition;
- QA/QC planning and implementation;
- Budgets, estimates, and cost control;
- Reports, accruals, and use of project data;
- Scope and time management; and
- Project schedule baselines and network diagrams.

Knowledge Areas	Project Management Process Groups				
	Initiating	Planning	Executing	Monitoring & Controlling	Closing
Integration	✓	✓	✓	✓	✓
Scope	✓	✓		✓	
Time	✓	✓		✓	
Cost	✓	✓		✓	
Quality	✓	✓	✓	✓	✓
Human Resources	✓	✓	✓	✓	
Communications	✓	✓	✓	✓	
Risk	✓	✓		✓	
Procurement	✓	✓	✓	✓	✓
Stakeholder	✓	✓	✓	✓	

Knowledge Area applicable to Project Management Process Group

Figure 1 – The PM Training aligns to PMI Knowledge Areas and Project Management Process Groups



Program Performance Summary

Eight key performance indicators (KPIs) have been established to measure the overall success of the CIP. Each KPI represents a metric that will be monitored on a regular frequency. Through the life of the CIP, KPIs will be selected and measured that best reflect the current maturity of the program.

Program Key Performance Indicators – Fiscal Year 2015-2016

KPI	Target	Year to Date			Fiscal Year End		
		Actual	Status	Trend	Forecast	Status	Trend
Stage Gates	80%	100% (15/15) ¹			100% (28/28)		
Measurement: Percentage of initiated projects and studies that successfully pass each stage gate. Criteria: Red: < 70%; Amber: 70% to 80%; Green: >=80%							
Schedule	85%	33% (1/3)			25% (1/4)		
Measurement: Percentage of CIP projects delivered within 2 months of approved baseline Beneficial Use Milestone. Criteria: Red: < 75%; Amber: 75% to 85%; Green: >=85%							
Budget	90%	100% (4/4)			83% (5/6)		
Measurement: Percentage of CIP projects that are completed within the approved baseline budget. Criteria: Red: < 80%; Amber: 80% to 89%; Green: >=90%							
Expenditure	\$154M	\$71M			\$192M		
Measurement: CIP Fiscal Year 15/16 committed costs. Committed cost meets or exceeds 70% of planned Budget (70% of \$220M = \$154M)							
Procurement	80%	90% (9/10) ²			100% (17/17)		
Measurement: Number of consultant and contractor procurements for initiated projects and program-wide services advertised compared to planned for the fiscal year. Criteria: Red: < 70%; Amber: 70% to 79%; Green: >=80%							
Safety	0	0			0		
Measurement: Number of OSHA reportable incidents associated with CIP construction for the fiscal year. Criteria: Red: > 2; Amber: 1 to 2; Green: zero incidents							
Environmental	0	0			0		
Measurement: Number of permit violations caused by CIP construction for the fiscal year. Criteria: Red: > 2; Amber: 1 to 2; Green: zero incidents							
Staffing³	80%	86% (6/7) ⁴			86% (25/29)		
Measurement: Number of planned positions filled for the fiscal year. Criteria: Red: < 70%; Amber: 70% to 79%; Green: >=80%							

Notes

- For the Stage Gate KPI Year to Date (YTD), the number of completed stage gates increased from 13 to 15. The following projects successful completed their stage gates in December – Digester Gas Storage Replacement and Digester & Thickener Facilities Upgrade.
- For the Procurement KPI Year to Date, the number of procurements increased from 7 to 9. The Consultant Services for the Aeration Tanks & Blower Rehabilitation Project and Program-Wide Construction Management Consultant Services was advertised in December 2015. The Program-Wide Audit Consultant Services procurement has slipped to February.
- The City Staffing level KPI for planned recruitments for positions that are vacant at the start of the fiscal year, KPI measured quarterly; all other KPIs measured are monthly. KPI measurement does not account for staff turnover throughout the fiscal year.
- Five positions have been filled this quarter: two Senior Engineers, two Associate Engineers, and one Analyst.

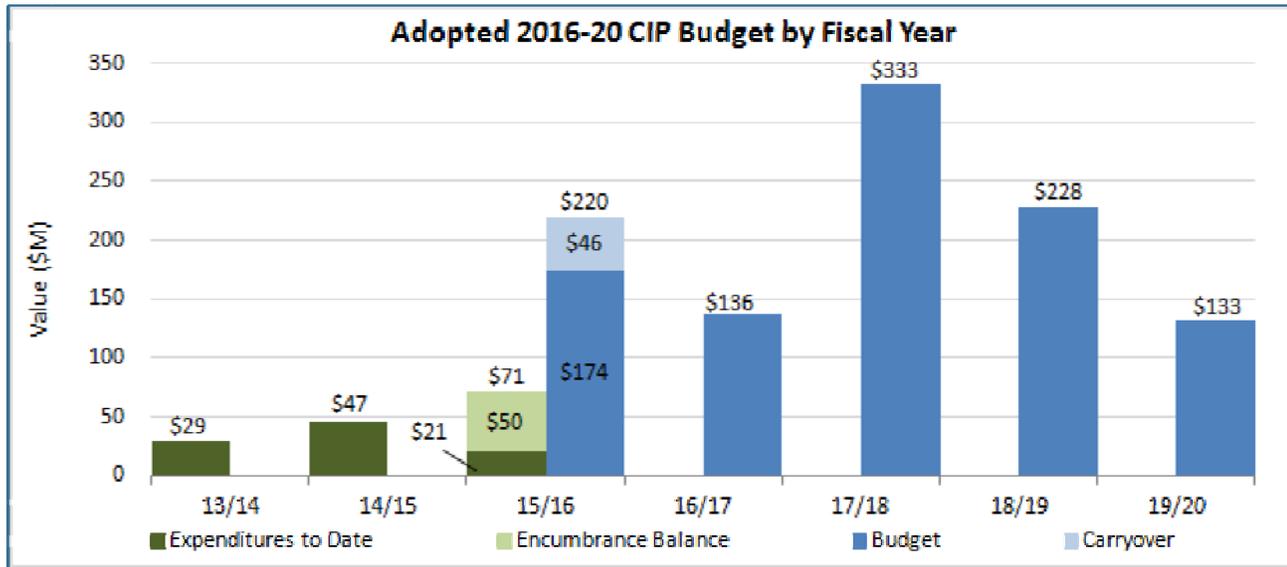


Program Cost Performance Summary

This section provides a summary of CIP cost performance for all construction projects and non-construction activities for FY15-16 and the 2016-2020 CIP.

Adopted 2016-2020 CIP Expenditure and Encumbrances

To accommodate the proposed increase in expenditures and encumbrances over the next five years, the City is implementing a long-term financial strategy to fund needed, major capital improvements while minimizing the impact to ratepayers. FY13-14 and FY14-15 expenditures have been adjusted to reflect the CIP portion of the Treatment Plant Capital Fund, Fund 512, excluding South Bay Water and Urgent and Unscheduled Cost (\$2.6M and \$1.5M, respectively).



Notes

Expenditure: Actual cost expended, either by check to a vendor or through the City's Financial System for expense such as Payroll or non-personal expenses that do not require a contract.

Encumbrance: Financial commitments, such as purchase orders or contracts, which are committed to a vendor, consultant, or contractor. The encumbrance reserves the funding within the appropriation and project.

Encumbrance Balance: The amount of the remaining encumbrance committed after payments.

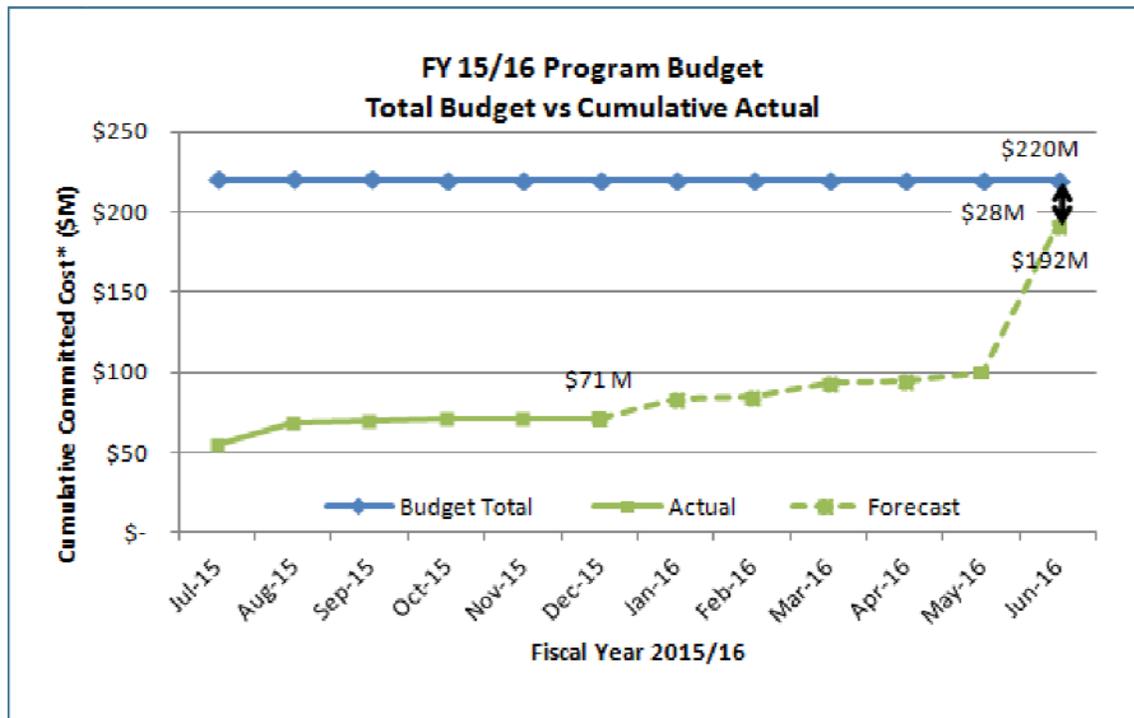
Budget: Adopted FY 2016-2020 Budget. This is new funding plus rebudgeted funds.

Carryover: Encumbrance Balances at the end of a FY become Carryover Funding. This is different from rebudgets, in that this is done automatically in order to utilize the funding previously committed, but not yet paid.



Fiscal Year 2015-2016 Program Budget Performance

The fiscal year program budget is \$220 million. The budget amount of \$220 million represents the 2015-2016 budget of \$174 million plus carryover of \$46 million. The budget amount excludes Reserves, Ending Fund Balance, South Bay Water Recycling, Public Art, and Urgent and Unscheduled Rehabilitation items.



*Committed costs are expenditures and encumbrance balances, including carryover (encumbrance balances from the previous fiscal year).



Project Performance Summary

There are currently five active projects in the construction or post-construction phase, with a further 20 projects in feasibility/development, design, or bid and award phases (see PDM graphic, page 2). All active projects are listed in the tables below. Projects in the construction phase have cost and schedule baselines established and are monitored using the City's Capital Staff System (CPMS). Green/red icons are included in the table below to indicate whether these projects are on budget and schedule, using the CPMS data as a source.

Project Performance – Baselined Projects

Project Name	Phase	Estimated Beneficial Use Date ¹	Cost Performance ²	Schedule Performance ²
Pond A18 Northern Gate Structure	Post-Construction	Aug 2015 ³	N/A ⁴	N/A ⁴
Digester Gas Storage Replacement	Post-Construction	Nov 2015 ³		
A5-A6 Nitrification Mag. Meter & Valve Replacement	Construction	Mar 2016		
Emergency Diesel Generators	Construction	Aug 2016		
Digester Gas Compressor Upgrade	Construction	Sep 2016		

KEY:

Cost:		On Budget		>1% Over Budget
Schedule:		On Schedule		>2 months delay

Notes

- Beneficial Use is defined as when the work is sufficiently complete, in accordance with the contract documents, so that the City can occupy or use the work. Beneficial Use dates are being reviewed as part of project schedule reviews.
- An explanation of cost and schedule variances on specific projects identified in this table is provided on page 12.
- Actual Beneficial Use date.
- Due to the emergency nature of the Pond A18 Northern Gate Replacement project, cost and schedule performance measurement criteria have not been applied.



Project Performance – Pre-Baselined Projects

Project Name	Phase	Estimated Beneficial Use Date ¹
Fiber Optic Connection	Bid & Award	Sept 2016
Iron Salt Feed Station	Bid & Award	Mar 2017
Cogeneration Facility	Bid & Award	Mar 2019
Construction-Enabling Improvements	Design	Nov 2016
Headworks Critical Improvements	Design	May 2017
Plant Instrument Air System Upgrade	Design	Jan 2018
Digester & Thickener Facilities Upgrade	Design	Jun 2019
Blower Improvements	Feasibility/Development	Mar 2019
Adv. Facility Control & Meter Replacement	Feasibility/Development	May 2020
Switchgear S40 Upgrade, M4 Replacement, G3 & G3A Removal	Feasibility/Development	Sept 2020
Headworks Improvements	Feasibility/Development	Feb 2021
Outfall Bridge and Levee Improvements	Feasibility/Development	Nov 2021
Digested Sludge Dewatering Facility	Feasibility/Development	Dec 2021
Facility Wide Water Systems Improvements	Feasibility/Development	Feb 2022
Filter Rehabilitation	Feasibility/Development	Feb 2022
New Headworks	Feasibility/Development	July 2022
Nitrification Clarifiers Rehabilitation	Feasibility/Development	Aug 2022
Yard Piping and Road Improvements	Feasibility/Development	Aug 2022
Aeration Tanks Rehabilitation	Feasibility/Development	Nov 2023
Support Building Improvements	Feasibility/Development	Jan 2027

Notes

- Beneficial Use is defined as when the work is sufficiently complete, in accordance with the contract documents, so that the City can occupy or use the work. Beneficial Use dates are being reviewed as part of project schedule reviews.



Significant Accomplishments

The projects below are described under different “packages.” In the CIP, packages are groups of projects organized within the same treatment process area.

Biosolids Package

Digester and Thickener Facilities Upgrade

- The design consultant completed final plans and specifications. The final design includes more than 700 design drawings and 1400 pages of specifications.
- Staff is currently preparing the bid documents for final signoff. The bid period is planned for January to March 2016.

Facilities Package

Cogeneration Facility

- On December 1, Council approved the design-builder ranking and authorized staff to begin negotiations with the top-ranked firm. Negotiations began on December 2, with a target for Council approval of spring 2016.

Construction-Enabling Improvements

- The project reached the 90 percent design review milestone. Staff anticipates bid advertisement in February 2016.

Facility Wide Water Systems Improvements

- The RFQ for consultant engineering services was re-advertised on December 23 and proposals are due on February 3.

Yard Piping and Road Improvements

- The project was initiated on December 4. Staff has begun to develop the scope and expects to proceed to the Approve Scope stage gate in May 2016.

Liquids Package

Aeration Tanks and Blower Rehabilitation

- The RFQ for consultant engineering services was advertised on December 23 and proposals are due on February 19.

Filter Rehabilitation

- On December 15, Council awarded a consultant agreement for engineering services to Kennedy/Jenks.
- The consultant’s first task will be to perform a comprehensive condition assessment of the filters. Staff expects the assessment to be completed in summer 2016.

Headworks Improvements and New Headworks

- Council awarded a consultant agreement for engineering services to CDM Smith on December 1.
- Design of the first phase of the project is expected to begin in spring 2016.

Iron Salt Feed Station

- Staff met with representatives of the Bay Area Air Quality Management District (BAAQMD) to discuss the Authority to Construct (ATC) permit, and received the ATC on December 24. Staff anticipates the construction contract award will be recommended to TPAC and Council in January 2016.

Power and Energy

Digester Gas Compressor Upgrade

- The gas compressor motors have been shipped from Hyundai in Korea; staff expects they will be delivered to Unison Solutions (Gas Skid Packager) at the end of January.
- The chillers and cooling tower equipment has been partially installed in the cooling equipment area.
- The Motor Control Center has been installed in the electrical room.



Explanation of Project Performance Issues

A5-A6 Nitrification Magnetic Meter & Valve Replacement

In September 2014, during startup, the project team discovered that the actuators that had been specified and installed were incompatible with the available power supply. Engineering staff determined it would cost more to modify the electrical system than to order and install compatible actuators. Operations and Maintenance (O&M) staff requested that the actuators match the custom actuators used in the other 14 clarifiers. The City pursued various options to resolve the issue and has received a proposal from the contractor to install new actuators based on a revised specification. A counterproposal was provided to the contractor in December and discussions between senior management from both sides have been productive. A negotiated agreement to resolve all outstanding contract issues is expected in January. Lead time of between 14 to 16 weeks will be required for ordering custom-built actuators. Contractor mobilization, actuator installation, wiring, troubleshooting, and "punch list" sign off will take a minimum of three weeks. Beneficial Use is forecasted for late March 2016.

Digester Gas Compressor Upgrade

During the course of the design portion of this design-build project, it was determined that some of the equipment for this project would need to meet the explosion-proof classification of Class 1, Division 1 of the National Electric Code. This classification was more stringent than what was originally called for in the bid documents. Cost and schedule impacts were received from contractor, Anderson Pacific. In June, Council approved additional project funding and a three-month time extension due to a motor upgrade. Beneficial Use is expected by September 2016.

Digester Gas Storage Replacement

During a comprehensive review of the gas storage tank design submitted by the design consultant, Brown and Caldwell, it was noted that the removable piston legs used in the subcontractor's proposed design did not meet design standards and could cause problems with the tank's intended use. The contractor was granted a three-month, no-cost time extension to September 28 to complete design modifications to the gas holder support structure. Several owner-requested changes were evaluated during the prestartup period, resulting in three additional change orders for additional minor work. All work requiring welding or other spark-producing activities was completed prior to the introduction of gas. The tank has successfully passed its required leakage test and was successfully commissioned in November. The tank is in use, the project is within budget, and final contract closeout activities are expected to be completed no later than March 2016.



Project Profile

Digester Gas Storage Replacement Project

The RWF's previous digester gas holding tank, built in 1984, experienced a mechanical failure in 2012 and was taken out of service. A new digester gas storage project was commenced to replace the existing tank with a reliable facility.

The Digester Gas Storage Replacement Project included the design and construction of a new, 50,000 cubic feet digester gas storage tank with a construction value of \$1.8 million. Successfully put into service November 28, the new facility allows the digester gas management system to reliably utilize digester gas in the RWF's combined heat and power system.

The Consultant and O&M staff met to discuss standard operating procedures (SOPs) for the gas holder. As a result, four SOPs were written covering:

- Startup of gas holder;
- Taking the gas holder out of service;
- Preventative maintenance on pressure relief valves; and
- Preventative maintenance of the flame arrestors.

All final deliverables were received, including as-built drawings and the O&M Manual.

Currently, the project team is working on completing minor "punch list" items, such as painting touchups and equipment adjustments. Staff anticipates that final acceptance will be issued in mid-February. This project will be completed under budget.



Figure 2 – Digester Gas Storage Tank

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Regional Wastewater Facility Treatment – Proposed Treatment Process Flow Diagram

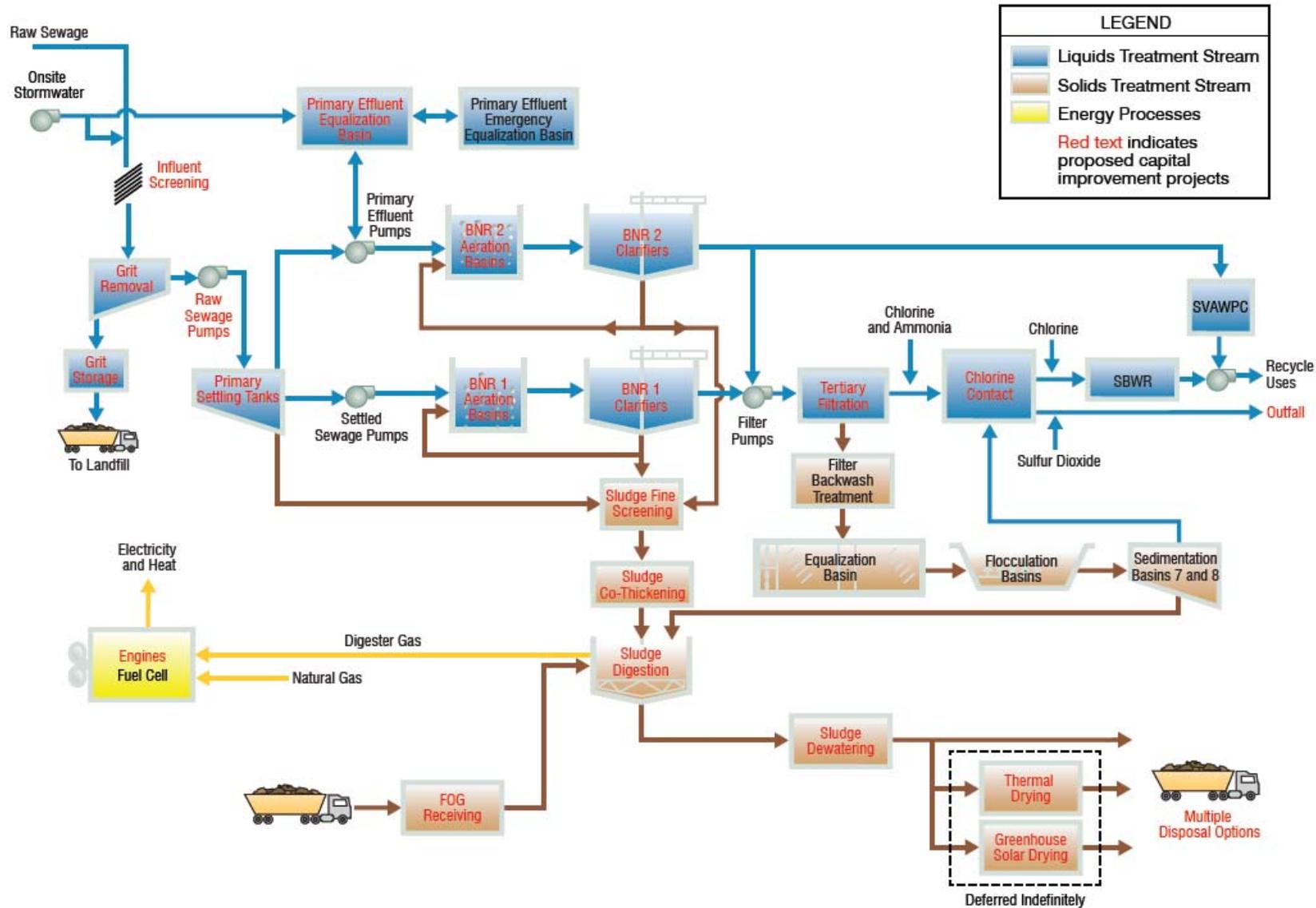


Figure 5 — Proposed Treatment Process Flow Diagram



Active Construction Projects – Aerial Plan

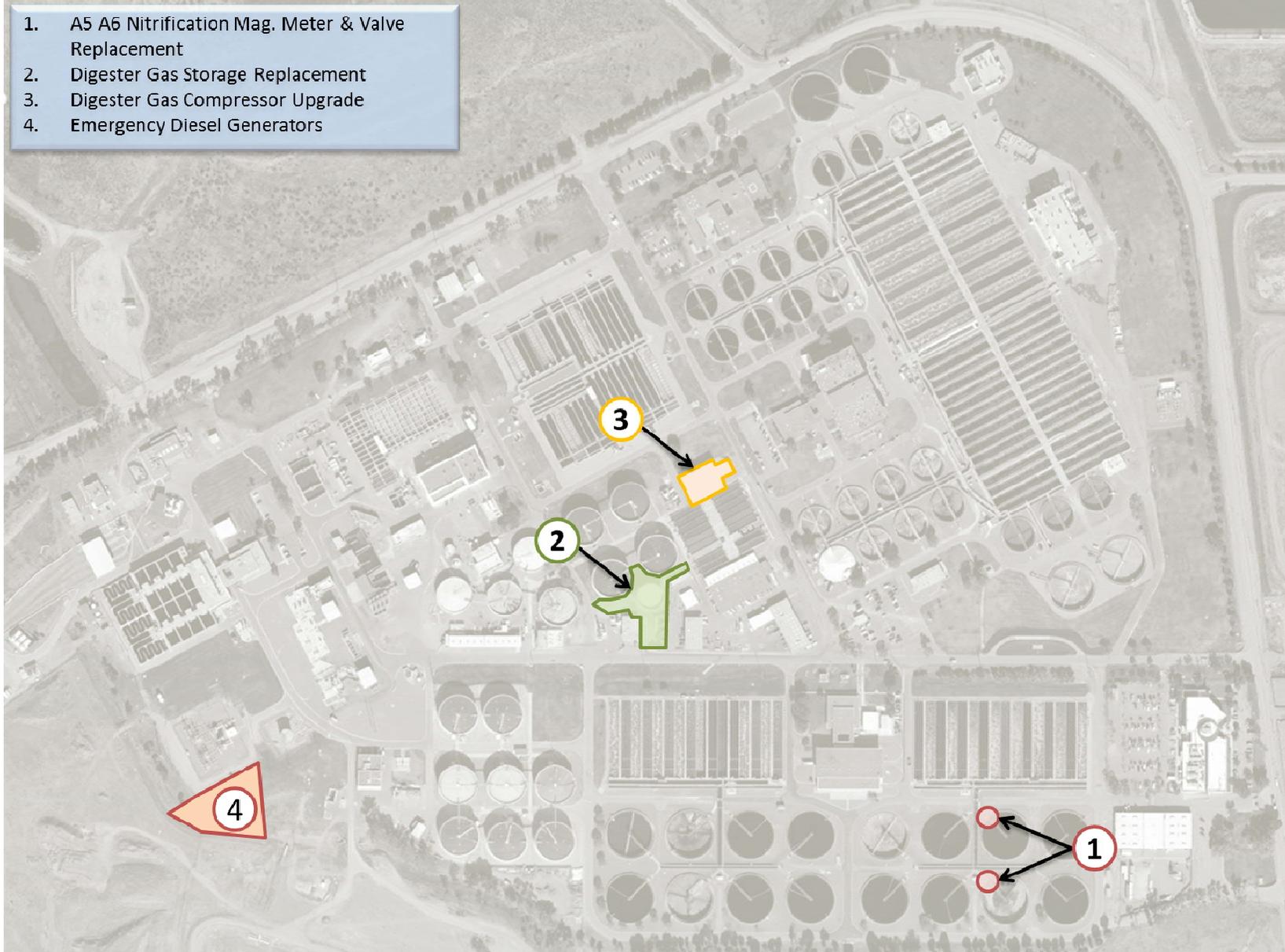


Figure 6—Active Construction Projects

TO: Honorable Chair and Members of
the Treatment Plant Advisory
Committee

FROM: Rosa Tsongtaatarii
Senior Deputy City
Attorney

**SUBJECT: Master Agreement Claim
Hearing Process**

DATE: February 2, 2016

INFORMATIONAL MEMO

On January 25, 2016, the City of San Jose received a claim from the Tributary Agencies (i.e. City of Milpitas, West Valley Sanitation District, Cupertino Sanitary District, Burbank Sanitary District and CSD 2-3). The claim alleges a breach of contract and inequities under the terms of the master agreements for wastewater treatment services between the cities of San Jose and Santa Clara and each of the Tributary Agencies.

Under Part VII, Section G of the master agreements, the Treatment Plant Advisory Committee ("TPAC") is required to conduct a meeting to hear the matter within two (2) months of receiving the claim or on or before March 25, 2016. TPAC must then prepare a full report of its findings and recommendations to the city councils of San Jose and Santa Clara, the co-owners of the Regional Wastewater Facility. The report is advisory. If any party disagrees with the report and recommendations, the legislative bodies of the agencies with the dispute shall meet jointly within two (2) months of receiving the report. No parties may file a separate action, or seek to rescind or terminate the master agreement until:

1. The parties have met and conferred as set forth above; and
2. The complaining party(ies) has first given the other party(ies) three (3) months from the conclusion of the joint meeting of the legislative bodies to cure any breach or alleged breach.

TPAC has discretion to adopt hearing procedures. We recommend that TPAC establish the following deadlines for submission of documents to TPAC and the other party(ies):

1. The cities of San Jose and Santa Clara answer to the claim shall be filed with TPAC no later than February 26, 2016;
2. The Tributary Agencies' response to the answer shall be filed with TPAC no later than March 4, 2016;
3. All parties shall submit any supplemental responses it wishes to be considered by TPAC no later than March 11, 2016;
4. The meeting to hear the matter should be set on either March 24 or 25, 2016 barring a mutual agreement between the parties for an alternative date, and to provide seven (7) calendar days to post all documents before the meeting.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Barry Ng
Kerrie Romanow

SUBJECT: SEE BELOW

DATE: February 3, 2016

Approved

Date

2/4/16

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE
6970 – FIBER OPTIC CONNECTION PROJECT AT THE
SAN JOSE-SANTA CLARA REGIONAL WASTEWATER FACILITY**

RECOMMENDATION

Report on bids and award a construction contract for the 6970 –Fiber Optic Connection Project to the low bidder, All Phase Excavating and Construction, Inc., in the amount of \$240,000 and approval of a 15 percent contingency in the amount of \$36,000.

OUTCOME

Award of the construction contract to All Phase Excavating and Construction, Inc. will allow for the construction and completion of the Fiber Optic Connection Project (“Project”) at the San José-Santa Clara Regional Wastewater Facility¹ (“RWF”), resulting in a faster and more reliable communications network. Approval of a 15 percent contingency will provide funding for any unanticipated work that is necessary for the proper completion of the project.

BACKGROUND

The RWF uses a microwave dish as the primary access to the City network. The dish is capable of connection speeds up to one gigabit per second. The connection is subject to environmental interference, such as weather, resulting in frequent interruptions to network access. This Project will install approximately 3,500 linear feet of fiber optic cable in new and existing conduit, and termination work in pull boxes along the alignment and in the Transmission Pump Station building at the RWF. The Project will result in a faster, more reliable direct connection to the

¹ The legal, official name of the facility remains San Jose/Santa Clara Water Pollution Control Plant, but beginning in early 2013, the facility was approved to use a new common name, the San José-Santa Clara Regional Wastewater Facility.

City network and provide additional capacity for future needs. The existing microwave dish will be retained to serve as the RWF's backup/failover network connection.

ANALYSIS

This Project will provide a connection between the RWF and the terminus of the City's existing fiber optic communications network located at the northwest corner of Zanker Road and State Route 237. Please refer to the attached location map. In order to lower Project costs and to minimize construction impacts, the Project will utilize nearly 2,000 feet of existing empty conduit installed with the South Bay Water Recycling project in the late 1990's. This "last mile" connection between the City's network and the RWF will provide high-speed reliability as the RWF undergoes its significant rehabilitation.

This Project was first initiated in March 2012 and was originally planned to be delivered in partnership with the Valley Transportation Authority (VTA) and City Departments of Public Works, Transportation, Environmental Services, and Information Technology. The location of the Project required an Addendum to the San José/Santa Clara Water Pollution Control Plant Masterplan Environmental Impact Report (EIR), adding to the Project timeline. The Project site has also been designated as a culturally and biologically sensitive area which requires environmental and cultural resource monitoring services during construction. The complexity of coordinating this Project with the various stakeholders has been challenging and has required significant effort.

The Project was advertised for bidding on July 8, 2015. Bids were publicly opened on Thursday, July 30, 2015. One bid was received by All Phase Excavating and Construction, Inc. The next day, an unopened bid package was discovered on the desk of a Public Works manager. Procurement staff determined that the bid package was delivered by the required date and time to the correct location indicated on the Notice to Contractors but had been misrouted. In order to ensure that all interested bidders had an opportunity to participate in the bid opening process for the Project, an additional bid opening was scheduled. A notice of special bid opening was posted on the City's bidline on August 3, 2015. The second bid package, submitted by Aegis ITS, Inc. was opened on August 5, 2015. The bid results are summarized as follows:

Contractor	Bid Amount	Variance Amount	Over/(Under) Percent
All Phase Excavating and Construction, Inc. (Redding)	\$240,000	(\$50,000)	(17)
Aegis ITS, Inc. (San Jose)	\$271,692	(\$18,308)	(6)
Engineer's Estimate	\$290,000	---	---

All Phase Excavating and Construction, Inc., of Redding, CA, submitted the lowest bid, which is 17 percent below the Engineer's Estimate. The lower than estimated bid was due to lower costs

for purchase, installation, and testing of the fiber optic cable. The bid is considered acceptable for the work involved and staff recommends that the construction contract be awarded to All Phase Excavating and Construction, Inc. All Phase Excavating and Construction has satisfactorily performed similar work at the RWF and is familiar with the RWF personnel, facilities, and procedures. Council Policy provides for a standard contingency of ten percent on public works projects involving utility and underground construction, however due to the cultural and biological sensitivity of the area and the unknown condition of the existing conduit, staff recommends a 15 percent contingency for this Project to cover unforeseen issues.

Project delivery costs for this Project are estimated to be \$366,000, which is significantly higher than the City and industry benchmarking standards; however, given the relatively small construction cost and the significant coordination required on this project, a higher delivery cost was unavoidable. Staff will closely manage the Project delivery budget and the use of environmental monitoring consultants during construction.

The Project was initially scheduled to be awarded in September 2015; however, the award was delayed due to a re-examination of the CEQA exemption. The Project was initially granted an exemption under CEQA; however, re-evaluation of the Project location by the Planning Department concluded that an addendum to the Plant Master Plan Final EIR would be the more appropriate determination, which was ultimately granted.

The Project allows for 150 working days. Construction is scheduled to begin in March 2016 with substantial completion by fall 2016.

EVALUATION AND FOLLOW-UP

No follow-up action with City Council is expected at this time. A progress report on this and other RWF capital projects will be made to the Transportation and Environment Committee and the Council on a semiannual basis. Monthly progress reports of the RWF Capital Improvement Program will also be submitted to the Treatment Plant Advisory Committee (TPAC) and posted on the City's website.

PUBLIC OUTREACH

This project was advertised on BidSync on July 8, 2015 and advertised in the *San José Post Record*. This memorandum will be posted on the City's Council Agenda website for the February 23, 2016 Council meeting.

COORDINATION

This project and memorandum have been coordinated with the Departments of Finance and Planning, Building and Code Enforcement, City Manager's Budget Office, and the City Attorney's Office. This memorandum is scheduled to be heard at the February 11, 2016 TPAC meeting.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$240,000

Project Delivery	\$ 366,000*
Construction	\$ 240,000
Contingency	<u>\$ 36,000</u>
Total Project Costs	\$ 642,000

Prior Year Expenditures	<u>\$175,825</u>
Remaining Project Costs	\$466,175

* Project delivery includes \$77,000 for project management during feasibility and development, \$72,000 for design consultant services, \$52,000 for project management during design, \$51,000 for bid and award, \$57,000 for construction management, \$40,000 for environmental consultant services during construction, \$8,000 for permit fees, and \$9,000 for post construction and project closeout (see "Analysis" section for an explanation on delivery costs).

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

This is a lump sum contract for \$240,000.

3. SOURCE OF FUNDING: 512 -San José -Santa Clara Treatment Plant Capital Fund.
4. OPERATING COSTS: No additional funding is necessary for the approval of the recommendation, which will have no significant adverse impact on the General Fund operating budget or the San José-Santa Clara Treatment Plant Operating Fund.

BUDGET REFERENCE

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

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2015-2016 Adopted Capital Budget Page*	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$466,175			
Remaining Funding Available						
512	5690	Plant Infrastructure Improvements	\$1,000,000	\$240,000	V-190	06/23/2015 Ord. No. 29589
Total Current Funding Available			\$1,000,000	\$240,000		

CEQA

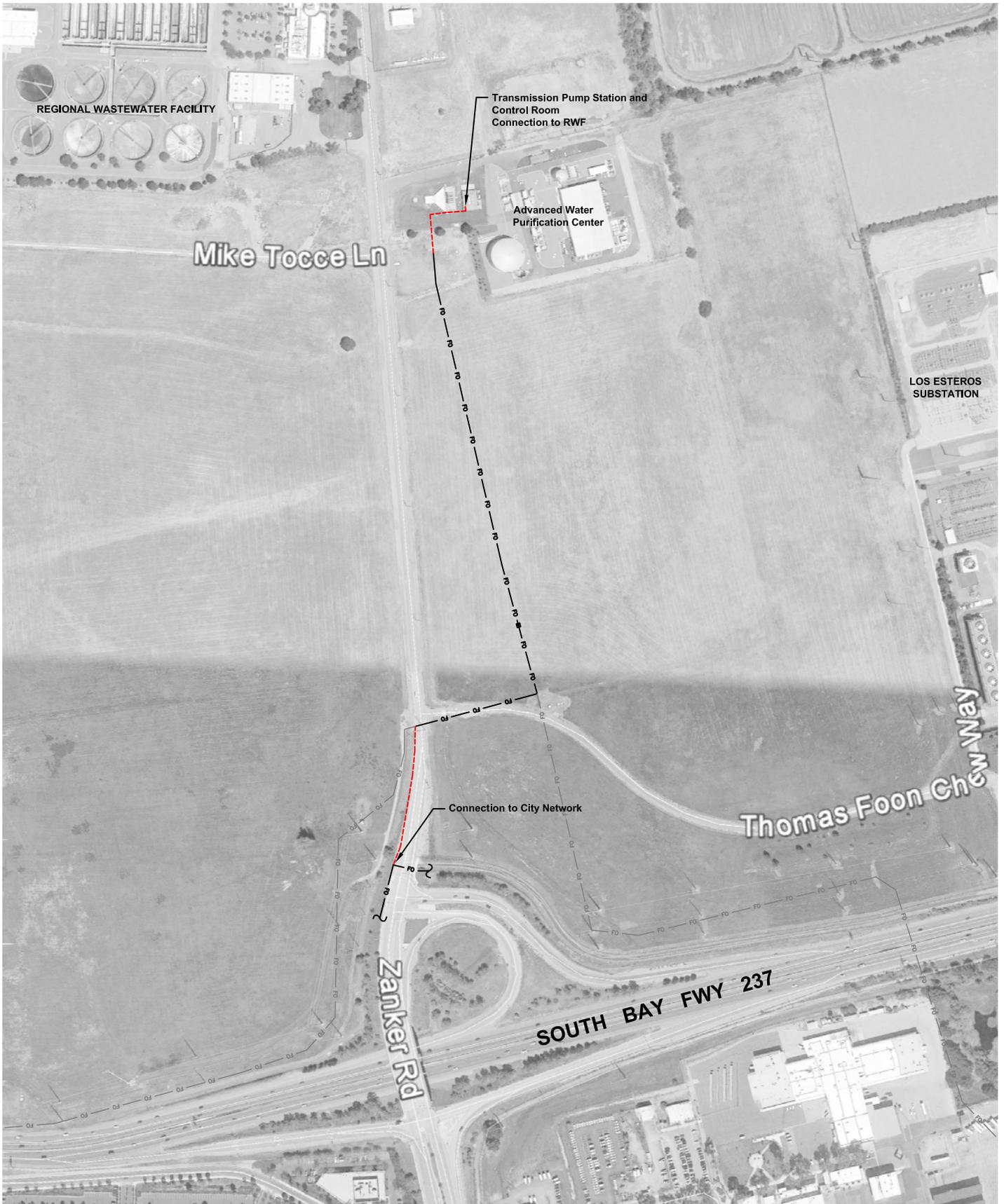
Addendum to the San José/Santa Clara Water Pollution Control Plant Master Plan Final EIR, File No. PP15-040.

/s/Ashwini Kantak for
 KERRIE ROMANOW
 Director, Environmental Services

/s/
 BARRY NG
 Director of Public Works

For questions, please contact John Cannon, Principal Engineer, Department of Public Works at (408) 635-4006.

Attachment: Location Map



6970 - FIBER OPTIC CONNECTION

LOCATION MAP



San José-
Santa Clara
Regional
Wastewater
Facility

- NEW CONDUIT
- FO — FO — FO — FO — EXIST CONDUIT (USED FOR THIS PROJECT)
- FO — FO — FO — FO — EXIST CONDUIT (NOT USED)



City Manager's Contract Approval Summary
For Procurement and Contract Activity between \$100,000 and \$1.08 Million for Goods and \$100,000 and \$270,000 for Services

JANUARY 1, 2016 - JANUARY 31, 2016

Description of Contract Activity ¹	Fiscal Year	Req#/RFP#	PO#	Vendor/Consultant	Original \$ Amount	Start Date	End Date	Additional \$ Amount	Total \$ Amount	Comments
ANNUAL DIFFUSER REPLACEMENTS (MEMBRANES, CORES & CLAMPS) IN BNR TANKS	15-16	21958	52256	ENVIRONMENTAL DYNAMICS INC	\$141,000	12/1/2015	11/30/2016			
CHRONIC TIE/TRE TESTING AND RELATED LAB SERVICES	15-16	22056	52311	PACIFIC ECORISK LABORATORY	\$200,000	3/1/2016	2/28/2016			
WELDING EQUIPMENT SERVICES (IN-HOUSE), SUPPLIES & COMPRESSED GASES	15-16	22058	52310	AIRGAS USA, LLC	\$100,000	3/17/2016	3/16/2017			\$60K FOR MAINTENANCE DIVISION & \$40K FOR LAB DIVISION
SERVICE & COMPONENTS FOR CUBICLE RECONFIGURATION IN ESB FIRST FLOOR	15-16	22070	78944	WESTERN CONTRACT INTERIORS	\$137,291	2/10/2016	2/9/2017			
ENGINE PARTS AND SERVICE	15-16	22072	52297	NRG ENERGY SERVICES LLC	\$180,000	1/3/2016	1/2/2017			

¹ This report captures completed contract activity (Purchase Order Number, Contract Term, and Contract Amount)