DATE: January 17, 2023

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute Five (5) Eighteen-Month Professional Services Agreements with CSG Consultants, EKI Environment & Water, Harris & Associates, Lee and Ro, and V.W. Housen & Associates for On-Call Engineering Support Services, in an Amount Not-To Exceed $500,000 each, with an Aggregate Amount Not-To-Exceed $1,500,000

RECOMMENDATION

That Council adopts a resolution (Attachment I) authorizing the City Manager to execute five (5) eighteen-month Professional Services Agreements (PSAs) with CSG Consultants (CSG), EKI Environment & Water (EKI), Harris & Associates (Harris), Lee and Ro (L&R), and V.W. Housen & Associates (Housen) for on-call engineering support services at $500,000 each and in an aggregate amount not-to-exceed (NTE) $1,500,000.

SUMMARY

The Utilities Division of the Public Works & Utilities Department maintains and improves the City's water, groundwater, wastewater and recycled water resources and infrastructure. Utilities Engineering staff is responsible for managing design and construction projects as part of the City's Capital Improvement Program (CIP), reviewing encroachment permits and improvement plans for private development projects, and responding to customers' engineering inquiries. Due to staff vacancies and significant CIP and private development workload, staff is requesting authorization to execute PSAs with CSG, EKI, Harris, L&R, and Housen for on-call engineering support and staff augmentation services in an aggregate amount NTE $1,500,000, with individual PSAs in amounts NTE $500,000.

The actual work and compensation for each consultant will depend on which, if any, projects they are selected to provide services for. No guarantees have been made to the firms. When needed, the City will issue Request for Proposals for a specific project with a defined scope to a minimum of three of the consultants on the on-call list most qualified to perform that task. Following review of the proposals, including qualifications of the proposed team, schedule for performing the work, and reasonableness of fee, the City will select and authorize a consultant to perform the work.

BACKGROUND

The Utilities Engineering staff is responsible for design and construction of projects to maintain the Utilities infrastructure, consisting of potable water distribution, groundwater resources, sanitary sewer collection, wastewater treatment, and recycled water production and distribution. As the City's infrastructure has aged, increased effort to repair or replace pipeline, mechanical equipment, and facilities are needed to ensure service reliability and compliance with all State and Federal requirements. Following is a brief overview of City utilities infrastructure:

Water Distribution System

The City is serviced by approximately 375 miles of water distribution pipelines. The City obtains its entire water supply from the San Francisco Public Utilities Commission (SFPUC). Water is delivered to the City by transmission pipelines and pump stations to boost pressure when necessary. The distribution system consists of eight main pressure zones, sixteen water storage tanks, and seven pump stations delivering water to upper pressure zones. The City has approximately 37,500 service connections in various sectors such as commercial, industrial, residential, and institutional/governmental.

Sanitary Sewer System

The City is serviced by approximately 325 miles of sewer mains and nine sewage lift stations. The sewer collection system conveys the wastewater flow to the City's Water Pollution Control Facility (WPCF).

Water Pollution Control Facility

The City owns and operates the WPCF, which provides preliminary, primary, and secondary wastewater treatment. The WPCF treats an average of 11.3 million gallons per day of wastewater generated by the City's residents and businesses.

Recycled Water System

The City's recycled water system consists of a one-million-gallon storage tank, a pump station, and a 0.5 million gallons per day membrane treatment plant at the, as well as approximately 8.4 miles of distribution pipelines to deliver an estimated 290 acre-feet per year, or about 260,000 gallons per day, of recycled water to approximately thirty-one customers.

In addition to designing and implementing CIP projects, Utilities Engineering staff plays a critical role in the City's residential and business develop efforts. Staff reviews private development projects, works with developers and businesses to determine water and sewer connection requirements, and responds to customer inquiries related to engineering aspects of the Utilities systems. The staff also reviews the improvement plans for construction of any water and sewer utilities related to private developments.

Utilities Engineering is experiencing ongoing staff vacancies due to turnover and increased competition for experienced and competent engineers. While the City is working diligently to fill the vacancies, in the meantime, it is a challenge to complete critical CIP projects to

ensure service reliability, including Phase II WPCF Improvements and nutrient management.

DISCUSSION

Staff proposes to use on-call staff augmentation services to provide general engineering, project planning and management, and/or construction management that would normally be performed in-house. In addition, on-call engineering firms could provide assistance with development review, revising grading and improvement plans, inquiries related to water and sanitary sewer connections, review of major and minor encroachment permits, and other tasks as required.

On August 11, 2022, staff issued a Request for Qualifications to consulting firms with specialized experience and knowledge of water and wastewater infrastructure. On September 19, 2022, staff received Statement of Qualifications (SOQs) from CSG, EKI, Harris, L&R, and Housen. After reviewing the SOQs, staff determined all five consultants are qualified to perform the requested work and have experience providing similar services to various clients and municipalities around the Bay Area.

Staff recommends entering into a PSA with each of the five engineering firms, in an amount not to exceed $500,000 for each firm, for on-call engineering services as needed. Having multiple agreements will provide staff the option of soliciting proposals from the three most qualified for each particular service, as well as flexibility to quickly pivot to an alternate consultant depending on availability. When consultant assistance is needed, the City will prepare a scope of work and request proposals and budget estimates from a minimum of three of the most qualified consultants for the particular project. Following review of the qualifications of proposed team, schedule for performing the work, and reasonableness of fee, the City will select and authorize a consultant to perform the work. The term of the PSAs will be eighteen months, and the actual work and amount for each consultant is not guaranteed. Project priorities will be identified based on the Utilities Division needs.

Staff recognizes that the $500,000 ceiling for each PSA times the number of consulting firms exceeds the $1,500,000 aggregate total requested. This arrangement is proposed to maximize the City's flexibility to utilize the funds. Staff would return to Council under either of the following conditions:

1. If an individual firm’s total contract amount would reach $500,000; or,
2. If the total aggregated expenditures would reach $1,500,000.

ECONOMIC IMPACT

Replacing and improving the City’s water and wastewater infrastructure are part of an effort to, pursuant to Council direction, modernize and upgrade existing infrastructure. The various projects will reduce operations and maintenance costs associated with servicing the systems. The community will enjoy the benefits of the projects, including the continued service reliability of the water and wastewater systems. Furthermore, robust and reliable

water and wastewater infrastructure can help foster economic development and viability in the City.

FISCAL IMPACT

The PSAs will be funded from both CIP and operating funds, depending on the nature of the work. The Adopted FY 2023 through FY 2032 CIP includes funding for the services and projects described below. Examples of projects for which consultant assistance may be used are listed in Tables 1 through 4 with the estimated design effort budget for the CIP projects. Table 5 shows the estimated budget for staff augmentation services in the operating funds, which will be funded by salary savings from several vacancies. In addition, the cost for the staff augmentation services will also be partially reimbursed by development plan review fee collected from the developer.

Table 1. Water Replacement Fund (Fund 603)

Project No.	**Project Title**	**Estimated Design Budget**
07059	Garin South Reservoir Coating	$45,000
	Subtotal	*$45,000*

Table 2. Water Improvement Fund (Fund 604)

Project No.	**Project Title**	**Estimated Design Budget**
07177	GIS Data Development and Conversion	$175,000
	Subtotal	*$175,000*

Table 3. Sewer Replacement Fund (Fund 611)

Project No.	**Project Title**	**Estimated Design Budget**
07739	Valle Vista Lift Station VFD Replacement	$70,000
07762	Airport Lift Station Improvements	$50,000
	Subtotal	*$120,000*

Table 4. Sewer Improvement Fund (Fund 612)

Project No.	**Project Title**	**Estimated Design Budget**
07177	GIS Data Development and Conversion	$175,000
07745	Marathon Lift Station Motor Control Center Replacement	$38,000
	Subtotal	*$213,000*

Table 5. Operating Funds for Staff Augmentation Services

Operating Fund	**Estimated Budget**
Water Operating Fund (Fund 605)	$100,000
Wastewater Operating Fund (Fund 610)	$100,000
Subtotal	*$200,000*

Total (Table 1 through 5)	**$753,000**

Staff is requesting an aggregate not-to-exceed amount of $1,500,000 in the event that unforeseen work arises for which consultant assistance would benefit the City.

Work will only commence as authorized by the City and after staff has implemented the process described in the Discussion section of this report. The total available amount for all the on-call engineering support and staff augmentation services will not exceed $1,500,000 during the term of the PSAs.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority to Invest in Infrastructure. Specifically, this item relates to the following priority:

Invest in Water Supplies, Sanitation Infrastructure & Storm Sewers
N19: Update the WPCF Facility Improvements Phase II Plan
N19a: Design the upgrade

SUSTAINABILITY FEATURES

The replacement and improvement of sewer facilities reduce the risk of sewer overflows, which can cause untreated wastewater to flow into public waterways. Furthermore, the replacement and improvement of water facilities reduce potable water and energy losses. Finally, investment in improving WPCF infrastructure helps maintain and improve the health of the San Francisco Bay which is vital for the region and state.

PUBLIC CONTACT

There is no public contact associated with this item.

NEXT STEPS

If Council approval, staff will finalize a PSA with CSG Consultants, EKI Environment & Water, Harris & Associates, Lee and Ro, and V.W. Housen & Associates and issue a Request for Proposals for specific services and projects as needed.

Prepared by: Tay Nguyen, Senior Utilities Engineer

Reviewed by: Suzan England, Acting Utilities Engineering Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:

Kelly McAdoo, City Manager