TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DATE: JUNE 19, 2006

DEPARTMENT: PUBLIC WORKS

SUBJECT: APPROVAL OF AN ENTERPRISE FUND CONTRACT WITH RMC WATER AND ENVIRONMENT CORPORATION IN THE AMOUNT OF $299,940 FOR THE PREPARATION OF A DISINFECTION FACILITY PLAN FOR THE REGIONAL WATER QUALITY CONTROL PLANT (WASTEWATER TREATMENT FUND FY 05-06)

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the City Manager or his designee to execute the attached contract with RMC Water and Environment Corp. (RMC) in the amount of $299,940 for the preparation of a Disinfection Facility Plan for the Regional Water Quality Control Plant (RWQCP).

2. Authorize the City Manager or his designee to negotiate and execute one or more revisions to the contract with RMC for related, additional services which may include preparation of environmental documents beyond a mitigated negative declaration, attend/conduct additional meetings or workshops that are not included in the basic scope of services, and additional research and reports beyond the basic scope of services, the total value of which shall not exceed $29,990.

DISCUSSION

Scope of Services Description

The work to be performed under the contract is for the preparation of a facility plan for a technically sound, environmentally friendly, and financially viable ultra-violet (UV) disinfection facility as a replacement to the existing chlorine disinfection facility at the RWQCP. Consultant services under this project include: technical analyses, refinement and confirmation of facility requirements, lifecycle analyses, environmental review, and economic review for the comparisons of UV and Chlorine disinfection. A detailed scope of services is attached to the contract as Exhibit “A”.

Background

The RWQCP presently uses chlorine gas, a conventional but controversial chemical, to disinfect its treated water prior to discharge to the Bay. There are growing concerns over the safety and chlorine byproducts associated with the chlorine disinfection process. Minimization/elimination of chlorine use is a core element of the RWQCP’s long-term goals that were established in 2002. During the fall of 2004, the RWQCP embarked on a project entitled the Disinfection Alternatives Study. During the course of the Disinfection Alternatives Study, the RWQCP engaged with
stakeholders in a series of workshops. The stakeholders and the RWQCP collaborated to identify, develop and screen candidate disinfection technologies. Through the screening process, the stakeholders concluded that UV technology presented the most viable alternative to chlorine gas for effluent disinfection at the RWQCP. The result of the year-long collaborative study was documented in a report entitled “Disinfection Alternatives Study”. Therefore, the RWQCP is focusing on a UV system as the alternative to chlorine disinfection.

Changing the existing chlorine disinfection to UV disinfection would allow the RWQCP to accomplish several long-term goals including minimization of chemical use. However, if the change were to be made, the implementation needs to be planned carefully so that it would not impact a competing goal, “To Minimize or Justify Financial Impact on Ratepayer”. One of the objectives of the Facility Plan project is to provide the proper planning so that the implementation would be financially viable if the RWQCP were to proceed with the change. As part of the planning effort, the RWQCP is monitoring State and Federal funding possibilities. The timing of this project is triggered by the availability of funding from the following sources:

1. State funding is presently available through the State Water Resources Control Board. The RWQCP has taken an initial step to place the project on the State funding priority list. However, application cannot be submitted without completing the Facility Plan.
2. Federal funding will be available through the Wastewater Treatment Security Bill.

If the Disinfection Facility Plan project does not proceed at this time, the RWQCP will lose the window of opportunity to obtain outside funding to minimize financial impact to RWQCP partners and the ratepayers. Staff recommends that a consultant performs the Disinfection Facility Plan project to ensure a non-bias comparison between the existing chlorine system and the UV system.

Selection Process
A request for proposal (RFP) for the project was posted at City Hall and sent to nine consulting firms on April 10, 2006. Firms were given 29 days to respond to the request. Two proposals were received on May 9, 2006. The proposals ranged from $298,987 to $299,940. Those firms not responding indicated that they did not submit a proposal because they are busy on other projects.

<table>
<thead>
<tr>
<th>Proposal Description/Number</th>
<th>Disinfection Facility Plan / RFP #116829</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>10 months</td>
</tr>
<tr>
<td>Number of Proposals Mailed</td>
<td>9</td>
</tr>
<tr>
<td>Total Days to Respond to Proposal</td>
<td>29</td>
</tr>
<tr>
<td>Pre-proposal Meeting Date</td>
<td>None</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-proposal Meeting</td>
<td>N.A.</td>
</tr>
<tr>
<td>Number of Proposals Received:</td>
<td>2</td>
</tr>
<tr>
<td>Company Name</td>
<td>Location (City, State)</td>
</tr>
<tr>
<td>1. Kennedy/Jenks Consultant</td>
<td>Palo Alto, CA</td>
</tr>
<tr>
<td>2. RMC Water &amp; Environment</td>
<td>San Jose, CA</td>
</tr>
<tr>
<td>Range of Proposal Amounts Submitted</td>
<td>$298,987 to $299,940</td>
</tr>
<tr>
<td>Selected for oral interview?</td>
<td>Yes</td>
</tr>
</tbody>
</table>
The RFP process allows the City to negotiate the price of the work upon selection of the successful firm.

An evaluation committee consisting of staff from the Environmental Compliance Division, staff from the RWQCP, a representative from the City of Los Altos, and a Palo Alto resident representing the stakeholders reviewed the proposals. Both firms were invited to participate in oral interviews on May 22, 2006. The committee carefully reviewed each firm's qualifications and submittal in response to the criteria identified in the RFP. The criteria used to select the recommended firm include: specialized experience, past performance, qualifications of project team and principal, understanding of project goals, ability to work with the public, familiarity with issues associated with project, proposal clarity, among other criteria.

RMC was selected because of its qualifications and experience. It presented a clear understanding of the issues, challenges, and objectives of the project. Upon completion of this project, the City has the option of retaining RMC for the design and construction management services if the City decides to proceed with the implementation. Staff, with the concurrence of the City Attorney, has determined that the firm is exempt from complying with the financial disclosure provisions of the City's conflict of interest code, because the firm's range of duties and services to be provided under the contract are limited in scope or are primarily ministerial in nature.

**RESOURCE IMPACT**
Funds for the Disinfection Facility Plan project have been appropriated under the FY 2005-2006 Wastewater Treatment fund.

**POLICY IMPLICATIONS**
The recommendation of this staff report is consistent with City policies.

**ENVIRONMENTAL REVIEW**
Environmental review is a part of the scope of this project.

**ATTACHMENTS**
Attachment A: Contract (includes Scope of Services)

PREPARED BY: Daisy Stark, Senior Engineer/RWQCP
William D. Miks, Manager/RWQCP

DEPARTMENT HEAD: GLENN S. ROBERTS
Director of Public Works

CITY MANAGER APPROVAL: EMILY HARRISON
Assistant City Manager