



# CITY OF SAN MATEO

City Hall  
330 W. 20th Avenue  
San Mateo CA 94403  
[www.cityofsanmateo.org](http://www.cityofsanmateo.org)

## Agenda Report

Agenda Number: 10

Section Name: {{section.name}}

Account Number: 72-4674

File ID: {{item.tracking\_number}}

**TO:** City Council  
**FROM:** Drew Corbett, City Manager  
**PREPARED BY:** Public Works Department  
**MEETING DATE:** October 17, 2022  
**SUBJECT:**  
Clean Water Program – Amendment

### RECOMMENDATION:

Approve Amendment No. 8 to the agreement with CH2M Hill Engineers, Inc. to authorize scope and funding for the ninth year of program management services for the Clean Water Program in an amount not to exceed \$9,400,769 for Year 9 scope of services; establish a contingency reserve of \$1,410,000; and authorize the Public Works Director to execute this amendment in substantially the form presented and issue change orders within the contingency amount.

### BACKGROUND:

The Clean Water Program (CWP) is a \$1 billion capital improvement program necessary to replace aging infrastructure in the wastewater treatment plant and collection system to meet regulatory requirements. On October 20, 2014, Council approved a professional services agreement with CH2M Hill Engineers, Inc. (CH2M) to provide program management for the Clean Water Program for one year with automatic extensions for five additional years, with scope and funding for subsequent years to be authorized annually by the City Council. Council authorized the scope of services for years two through eight under Amendments No. 1, 2, 3, 4, 5, 6, and 7 respectively. Amendment No. 5 also extended the agreement period through the completion of the Wastewater Treatment Plant (WWTP) Upgrade & Expansion Project. The scope and funding for each subsequent year continues to be jointly developed and negotiated between City and CH2M staff, with annual authorization by Council. The recommended Amendment No. 8 details the scope of services and funding for Year 9 of the contract.

In accordance with the City's municipal code and policy for procurement of services, the City selected CH2M through a Request for Proposals issued in July 2014. City staff selected CH2M based on the quality of the firm's proposal, qualifications, and experience in similar programs; quality of key staff and program organization; understanding of unique project issues; well-defined scope and approach; capacity for innovative approaches; identification of sufficient staffing and appropriate level of effort; and client references.

Year 1 activities focused on developing the structure and team needed to deliver the CWP, performing validation studies for the WWTP, and continuing progress on current improvement projects. Year 2 activities focused on refining established project scopes, budgets, and schedules; shifting project delivery and execution; certifying and adopting the Programmatic Environmental Impact Report; and selecting the In-System Storage Program Approach. Year 3 and 4 activities focused on project implementation; completion of project-level alternative analyses; preliminary and final design; development of financing strategies; evaluation of impacts to ratepayers; public outreach; continuing environmental and permitting requirements for the projects; and evaluation of underground flow equalization system sites. Years 5 and 6 activities focused on shifting to construction phase for most of its projects; implementing financing strategies through bond financing and submission of letters of interest and applications to request State and Federal loans; continuing public outreach; continuing environmental and permitting requirements for projects; and completion of some of the projects.

Year 7 and Year 8 activities have focused largely on construction management services for the WWTP projects and the Underground Flow Equalization System, as well as several other projects in the City's collection system; continued project delivery; and programmatic support.

Year 9 services will continue to focus on project delivery, shifting the remaining projects from design phase to construction phase, and project completions; and continued public outreach during construction. The scope continues to be based on a project and functional services structure designed to support the CWP. Tasks include program administration, program controls, engineering and project management, construction management and inspection, environmental and permitting support, and public outreach. The detailed scope of services is described in Attachment 1 - Exhibit A. The following projects will be in design, in construction, or completed during Year 9:

- **In Design**

- o WWTP Annual Major Components (various packages)
- o Basins 2 & 3 – El Camino Real Relief
- o East San Mateo Lift Station Improvements, Package 2
- o Various Sewer CCTV Inspections and Rehabilitations

- **In Construction**

- o WWTP Upgrade & Expansion (Package 3)
- o WWTP Immediate Action Projects, Package 3
- o WWTP Annual Major Components (various packages)
- o Basins 2 & 3 – Dale Ave Pump Station Improvements
- o Basins 2 & 3 – Delaware Street Relief Sewer
- o Basins 2 & 3 – Underground Flow Equalization System Project
- o Basins 2 & 3 – El Camino Real Relief
- o Annual Sewer CCTV and Rehabilitations

- **Scheduled for Anticipated Construction Completion**

- o WWTP Upgrade & Expansion (Packages 1 and 2)
- o WWTP Immediate Action Projects, Package 2
- o WWTP Annual Major Components (various packages)
- o Basin A Sewer Rehabilitation
- o Basins 2 & 3 – Dale Avenue Pump Station Improvements
- o Basins 2 & 3 – Delaware Street Relief Sewer

CH2M will continue to provide project and construction management for the wastewater treatment plant and construction management oversight of the collection system projects. Amendment No. 8 includes the jointly developed scope of services for Year 9 and the associated budget of \$9,400,769. The level of effort and fee was negotiated based on quantity and complexity of projects and program needs anticipated for the ensuing year. Fee rates for base salaries of CH2M staff will be fixed for Year 9.

**BUDGET IMPACT:**

On October 20, 2014, City Council approved a professional services agreement with CH2M to provide program management for the Clean Water Program. Amendments were approved for each subsequent year. The table on the next page shows the agreement and amendment contracted values and the actuals spent per year.

Year	Agreement / Amendment	Amount Approved by Council	Actuals Spent	Underrun
1	Original Agreement	\$4,856,900	\$4,856,900	\$0
2	Amendment No. 1	\$8,998,731	\$8,998,731	\$0
3	Amendment No. 2	\$14,366,405	\$11,270,001	\$3,096,404
4	Amendment No. 3	\$17,493,206	\$13,722,696	\$3,770,510
5	Amendment No. 4	\$23,670,000	\$12,180,400	\$11,489,600
6	Amendment No. 5	\$17,600,000	\$13,641,446	\$4,235,092
7	Amendment No. 6	\$14,330,000	\$13,198,689	\$1,155,237
8	Amendment No. 7	\$11,132,000	\$11,334,058*	(\$202,058)**
<b>TOTAL</b>		<b>\$112,447,242</b>	<b>\$89,202,921*</b>	<b>\$23,244,321*</b>

\* Value includes Year 8 Actuals as an estimate at completion and will be confirmed in November 2022.

\*\*Year 8 Actuals are anticipated to exceed the Year 8 Contracted amount. However, a contingency reserve of \$1,113,000 was established by Council during the Amendment No. 7 (Year 8) approval. The Public Works Director will execute a task amendment using the contingency reserve to fund any overrun, if actualized.

The level of effort for Amendment No. 8 for Year 9 is estimated at an amount not to exceed \$9,400,769, including a contingency budget of \$1,410,000, to fund increased level of effort for certain tasks if determined necessary and authorized by the Public Works Director. Program Management tasks constitute approximately \$2,552,759 and will be charged to the Program Management Project. Project-specific tasks such as project management and construction inspection, estimated at approximately \$6,848,010, have been included in the budgets for, and will be charged to, the individual projects to which they pertain. The breakdown of proposed funding for Year 8 is below.

#### **Program Management**

There is sufficient funding in project account 469981 to fund the \$2,552,759 (\$9,400,769 total - \$6,848,010 project-specific charges) associated with Program Management costs.

#### **Project Management**

There is sufficient funding in the following accounts to fund the \$6,848,010 (\$9,400,769 total - \$2,552,759 program management charges) associated with Project Management costs.

Project Accounts: 469988, 46S003, 46S005, 46S090, 46S091, 46S092, 46S093, 46T003, 46T009, 46T010, 46T090

#### **ENVIRONMENTAL DETERMINATION:**

Council approval of Amendment No. 8 to the Agreement between the City and CH2M is exempt from CEQA review because entering into a professional services agreement amendment for continued program management can be seen with certainty that there is no possibility that the amendment may have a significant effect on the environment. (CEQA Guidelines section 15061(b)(3).) In addition, the City prepared a Final Programmatic Environmental Impact Report (Final PEIR) for the Clean Water Program in accordance with the California Environmental Quality Act (CEQA) (SCH No. 2015032006). Council on June 6, 2016, certified the PEIR. In accordance with CEQA, the Final PEIR serves as the primary environmental compliance document for the implementation of the Clean Water Program. The City prepared Addenda to the Final PEIR that was approved on July 16, 2018 (Addendum 1) and April 15, 2019 (Addendum 2).

#### **NOTICE PROVIDED**

All meeting noticing requirements were met.

#### **ATTACHMENTS**

Att 1 - Amendment No. 8

**STAFF CONTACT**

Deryk Daquigan, Engineering Manager  
ddaquigan@cityofsanmateo.org  
(650) 522-7287

Matt Fabry, Deputy Director  
mfabry@cityofsanmateo.org  
650 522-7309