

File No. 110872

Committee Item No. 8
Board Item No. 15

COMMITTEE/BOARD OF SUPERVISORS AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: September 28, 2011

Board of Supervisors Meeting

Date 10/4/11

Cmte Board

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OTHER

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Completed by: Victor Young

Date: Sept 23, 2011

Completed by: Victor Young

Date: 9/29/11

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Engineering Design Agreement No. CS-879C - Water System Improvement Program - Not to
2 Exceed \$16,500,000]

3 **Resolution authorizing the General Manager of the San Francisco Public Utilities**
4 **Commission to execute amendments to increase Engineering Project Design Services**
5 **Agreement No. CS-879C for Water System Improvement Program (WSIP)-funded**
6 **projects with total revised agreement amounts not to exceed \$16,500,000 pursuant to**
7 **Charter Section 9.118.**

8
9 WHEREAS, On October 9, 2007 the San Francisco Public Utilities Commission
10 (SFPUC) awarded Agreement No. CS-879C, Engineering Project Design Services, and
11 authorized the General Manager to execute a professional services agreement, in the amount
12 of \$9,000,000, and with a duration of seven (7) years, concluding on December 6, 2014, with
13 Kennedy/Jenks Consultants; and

14 WHEREAS, On July 28, 2009, pursuant to Resolution No. 09-0130, the SFPUC
15 approved Amendment No. 1 for \$4,800,000, increasing the total not-to-exceed agreement
16 amount to \$13,800,000, and extending the agreement term by two (2) years for a total
17 contract duration of nine (9) years, to provide engineering services for additional scopes of
18 work and engineering support during construction in order to accommodate contract closeout
19 and potential claims settlement, subject to Board of Supervisors approval pursuant to Charter
20 Section 9.118; and

21 WHEREAS, This Board of Supervisors adopted Resolution No. 404-09 on October 20,
22 2009, pursuant to Charter Section 9.118, authorizing Amendment No. 1 to the Agreement;
23 and

24 WHEREAS, Amendment No. 2 is being requested for \$2,700,000, increasing the total
25 not-to-exceed agreement amount to \$16,500,000, with no change to the agreement duration,

1 to provide continued engineering services for support during construction due to additional
2 scopes of work; and

3 WHEREAS, A Human Rights Commission (HRC) subconsulting goal of 10% Local
4 Business Enterprise (LBE) participation has been established for this agreement; and

5 WHEREAS, Funds for this amendment are available from the following projects: Harry
6 Tracy Water Treatment Plant (HTWTP) Long-Term Improvements and Regional and San
7 Francisco Groundwater projects; and

8 WHEREAS, On July 12, 2011, by its Resolution No. 11-0128, the SFPUC approved
9 Amendment No. 2 to Water Enterprise, Water System Improvement Program-funded
10 Agreement No. CS-879C, Engineering Project Design Services, with Kennedy/Jenks
11 Consultants to provide continued engineering services for WSIP Projects; and authorized the
12 General Manager to execute this amendment, increasing the agreement by \$2,700,000, for a
13 total agreement amount of \$16,500,000, with no change to the agreement duration, subject to
14 Board of Supervisors approval pursuant to Charter Section 9.118; now, therefore, be it

15 RESOLVED, That this Board of Supervisors hereby approves and authorizes the
16 General Manager of the SFPUC to execute Amendment No. 2 to Engineering Project Design
17 Services Agreement No. CS-879C, with Kennedy/Jenks Consultants, to increase the
18 agreement by \$2,700,000 for a total amount of \$16,500,000, with no change to the agreement
19 duration, in substantially the form on file with the Clerk of the Board and in such final form as
20 approved by the General Manager and the City Attorney.

Items 6, 7, 8, 9 and 10
Files 11-0870, 11-0871, 11-0872, 11-0874 & 11-0875

Department:
Public Utilities Commission (PUC)

EXECUTIVE SUMMARY

Legislative Objectives

- File No. 11-0870: The proposed resolution would authorize the General Manager of the San Francisco Public Utilities Commission (PUC) to execute amendments to increase Engineering Project Design Services Agreement No. CS-879A for Water System Improvement Program (WSIP)-funded projects.
- File No. 11-0871: The proposed resolution would authorize the General Manager of the PUC to execute amendments to increase Engineering Project Design Services Agreement No. CS-879B for WSIP-funded projects.
- File No. 11-0872: The proposed resolution would authorize the General Manager of the PUC to execute amendments to increase Engineering Project Design Services Agreement No. CS-879C for WSIP-funded projects.
- File No. 11-0874: The proposed resolution would authorize the General Manager of the PUC to execute amendments to increase Construction Management Services Agreement No. CS-918 for WSIP-funded projects.
- File No. 11-0875: The proposed resolution would authorize the General Manager of the PUC to execute amendments to increase Program Construction Management Services Agreement No. CS-963 for WSIP-funded projects.

Key Points

- The PUC is requesting amendments to increase the not-to-exceed amounts for five existing WSIP services agreements: Agreement CS-879A (File 11-0870); Agreement CS-879B (File 11-0871); Agreement CS-879C (File 11-0872); Agreement CS-918 (File 11-0874); and Agreement CS-963 (File 11-0875) and to extend terms for two of the existing WSIP services agreements: Agreement CS-918 (File 11-0874) and Agreement CS-963 (File 11-0875).
- The PUC is requesting the five amendments to adjust for previously unforeseen changes in scale, scope, and timing for their respective WSIP projects.
- According to the PUC, delay or failure to approve the proposed amendments would likely result in (a) delays to the construction for WSIP regional projects (Files 11-0870, 11-0871, and 11-0872); (b) potentially inadequate quality assurance inspections of the tunnel construction and the fabrication of the new pipe for the tunnel (File 11-0874); and (c) a lack of capacity to complete the WSIP as outlined in the June 2011 Revised WSIP proposal recently approved by the PUC (File 11-0875).

Fiscal Impact

- The total increased cost of the five increased not-to-exceed amounts is \$17,200,000. The PUC advises that using surplus funds from other previously approved WSIP projects will be used to fund the increased costs of \$17,200,000.

Recommendations

- Approve the four proposed resolutions under Files 11-0870, 11-0871, 11-0872, and 11-0874.
- Because the PUC has requested the transfer of responsibilities from one existing agreement, previously awarded through a competitive process, to another existing agreement, also previously awarded through a competitive process, without first conducting a separate additional competitive process, approval of the fifth resolution, File 11-0875, is a policy matter for the Board of Supervisors.

MANDATE STATEMENT AND BACKGROUND

Mandate Statement

In accordance with City Charter Section 9.118(b), (a) any contract or agreement that exceeds \$10,000,000 in anticipated expenditures, and (b) any contract amendment that exceeds \$500,000 is subject to Board of Supervisors approval.

Background

The San Francisco Public Utilities Commission (PUC)'s Water System Improvement Program (WSIP) consists of 81 projects (35 local projects and 46 regional projects) to repair, replace, and seismically upgrade the Hetch Hetchy water system's aging pipelines, tunnels, pumps, tanks, reservoirs and dams. PUC commenced the WSIP in FY 2002-2003 and is scheduled to complete all projects by the end of July 2016. Total estimated costs for the 81 WSIP projects are \$4,585,556,260, including financing costs.

Files No. 11-0870, 11-0871, and 11-0872

On October 9, 2007, as the result of a competitive Request for Qualifications (RFQ) process, PUC awarded four separate agreements with identical scopes to provide as-needed engineering design services for WSIP projects. Three of the agreements are germane to this report:

- The Sunol Valley Water Treatment Plant (SVWPT) Expansion and Treated Water Reservoir (TWR) and the Tesla Treatment Facility (File 11-0870)
- Seismic Upgrade of Bay Division Pipeline Nos. 3&4 at Hayward Fault Crossing; Crystal Springs/San Andreas Transmission Upgrade; and Lower Crystal Springs Dam Improvements; SVWTP Expansion and TWR (File 11-0871)
- Harry Tracy Water Treatment Plant Long Term Improvements and the Regional and San Francisco Groundwater projects (File 11-0872)

Each of the three engineering design services agreements was for a not-to-exceed amount of \$9,000,000, and each had a term of seven years, from December 7, 2007 through December 6, 2014. Because each of the three agreements was under the \$10,000,000 threshold established in Charter Section 9.118(b), these agreements were not subject to approval by the Board of Supervisors. However, on October 20, 2009, the Board of Supervisors approved amendments to increase each of the three agreements' not-to-exceed amounts above \$10,000,000 (File 09-1068), as summarized in Table 1 below:

Table 1: Summary of Three Engineering Project Design Service Agreements

File Nos.	Contract No.	Contractor	Original Not-to-Exceed Amount	Amended Not-to-Exceed Amount*
11-0870	CS-879A	MWH/AGS/Lee Inc. (a Joint Venture)	\$9,000,000	\$11,000,000
11-0871	CS-879B	URS Corporation	\$9,000,000	\$14,000,000
11-0872	CS-879C	Kennedy/Jenks Consultants	\$9,000,000	\$13,800,000

* Approved by the Board of Supervisors on October 20, 2009 (File 09-1068).

File No. 11-0874

Based on a competitive Request for Proposals (RFP) process, and as previously approved by the Board of Supervisors on August 11, 2009 (File 09-0869), on September 1, 2009, the PUC entered into an agreement with Hatch Mott MacDonald to provide construction management services for the New Irvington Tunnel Project for a not-to-exceed amount of \$15,000,000 with a term of up to five years, from August 1, 2009 through July 31, 2014.

The existing Irvington Tunnel, which connects the water collected from the Sierra Nevada mountains and the Alameda Watershed to the Bay Area water distribution pipelines, was completed in 1930 and has served a steadily increasing number of Bay Area water customers to the point where the Tunnel cannot be taken out of service for repairs or maintenance without impacting the water supply to existing Bay Area water customers. In addition, the eastern end of the Irvington Tunnel is within 2,000 feet of the Calaveras Fault, such that a major earthquake along the Calaveras Fault or any of the smaller nearby faults could result in significant structural damage to the existing Tunnel.

The New Irvington Tunnel Project involves (a) constructing a second Irvington Tunnel, from the Alameda West Portal¹ to the Irvington Portal in the City of Fremont, and (b) replacing the existing Alameda West Portal and Irvington Portal with new, more seismically reliable portals. The New Irvington Tunnel will allow for the shut down and repair of the existing Irvington Tunnel and will improve the seismic reliability of this section of the Hetch Hetchy Water System.

File No. 11-0875

Based on a competitive RFP process, and as previously approved by the Board of Supervisors on February 3, 2009 (File 08-1536), on March 8, 2009, the PUC entered into a seven-year agreement, extending from March 8, 2009 through March 7, 2016 with AECOM USA Inc. (AECOM) for AECOM to provide overall program construction management services to the PUC WSIP for a not-to-exceed amount of \$26,000,000. Under this agreement, AECOM's overall program construction management services include (a) oversight of the regional and project-specific construction management teams, (b) quality assurance oversight and management, (c) oversight of construction contractor compliance with the WSIP safety plan, (d) implementation (including training and technical support to PUC staff and other WSIP consultants) of the construction controls information system, and (e) administrative oversight of construction contracts.

DETAILS OF PROPOSED LEGISLATION

The five proposed resolutions would authorize the General Manager of the San Francisco Public Utilities Commission (PUC) to execute amendments to existing agreements to increase the not-to-exceed amounts for five Water System Improvement Program (WSIP) service agreements and to extend the terms for two of the five existing WSIP service agreements, as summarized in Table 2 below.

¹ Portals are the connections at the entrance and exit of a tunnel.

Table 2: Summary of Five Proposed Service Agreement Amendments

File No.	Agreement	Contractor	Proposed Term Extension	Existing Agreement Not-to-Exceed Amount	Proposed Amendment Not-to-Exceed Amount	Proposed Not-to-Exceed Increase	Percent Increase	Average Hourly Billing Rate	Additional Services (in hours)	Additional FTEs*
11-0870	Engineering Project Design Services, Agreement No. CS-879A	MWH/AGS/Lee Inc. (a Joint Venture)	None	\$11,000,000	\$14,000,000	\$3,000,000	27.3%	\$127.44	7,600	3.10
11-0871	Engineering Project Design Services, Agreement No. CS-879B	URS Corporation	None	14,000,000	15,000,000	1,000,000	7.1%	\$116.00	7,600	1.13
11-0872	Engineering Project Design Services, Agreement No. CS-879C	Kennedy/Jenks Consultants	None	13,800,000	16,500,000	2,700,000	19.6%	\$144.56	7,600	2.46
11-0874	Construction Management Services, Agreement No. CS-918	Hatch Mott MacDonald	1 year	15,000,000	17,500,000	2,500,000	16.7%	\$156.10	9,500	5.39
11-0875	Construction Management Services, Agreement No. CS-963	AECOM USA, Inc.	4 months, 22 days	26,000,000	34,000,000	8,000,000	30.8%	\$119.04	4,750	4.42
		Total		\$79,800,000	\$97,000,000	\$17,200,000	21.6%			

* Full-time Equivalencies

Source: PUC.

As shown in Table 2 above, two of the proposed amendments would extend the agreement term. File 11-0874 would extend the agreement between the PUC and Hatch Mott MacDonald by one year (from its current term of five years from August 1, 2009 through July 31, 2014 to a new term of six years from August 1, 2009 through July 31, 2015). File 11-0875 would extend the agreement between the PUC and AECOM by four months and 22 days (from its current term of seven years, from March 8, 2009 through March 7, 2016 to a new term of seven years, four months, and 22 days, from March 8, 2009 through July 29, 2016).

The reasons for the requested increased amounts for the five existing agreements and for the requested extended terms of two of those five agreements are explained below.

File 11-0870

According to Ms. Kathryn How of the PUC, the proposed \$3,000,000 increase to the Engineering Project Design Services Agreement with MWH/AGS/Lee Inc. (Joint Venture), from \$11,000,000 to \$14,000,000 is for new engineering services to relocate underground utilities and provide additional geotechnical engineering support during construction for the Sunol Valley Water Treatment Plant Expansion (SVWTP) and Treated Water Reservoir (TWR) Project. Ms. How advises that the proposed amendment is necessary for three reasons: (1) a major scoping change involving the replacement of chemical tanks and chemical boilers; (2) relocation of undocumented underground utilities; and (3) additional geotechnical engineering support due to unforeseen soil conditions.

File 11-0871

According to Ms. How, the proposed \$1,000,000 increase to Engineering Project Design Services Agreement with URS Corporation, from \$14,000,000 to \$15,000,000 will provide ongoing engineering services related to four WSIP projects: (1) additional seismic engineering design services for the Seismic Upgrade of Bay Division Pipeline Nos. 3 & 4 Project; (2) additional geotechnical engineering support during construction of the Crystal Springs/San Andreas Transmission Upgrade Project; (3) additional engineering services to address unforeseen conditions associated with the micro-tunneling work required for SVWTP Expansion and TWR Project; and (4) additional support needed to address California Division of Safety of Dam requirements for the Lower Crystal Springs Dam Improvement Project.

File 11-0872

According to Ms. How, the proposed \$2,700,000 increase to the Engineering Project Design Services Agreement with Kennedy/Jenks Consultants, from \$13,800,000 to \$16,500,000, will provide ongoing and additional engineering services that are necessary due to the expanded design scopes and construction schedule associated with the Harry Tracy Water Treatment Plant Project, and provide Groundwater Modeling and Test Well installation support for the Regional Groundwater Storage and Recovery and San Francisco Ground Water Supply Projects.

File 11-0874

According to Ms. Julie Labonte of the PUC, the proposed \$2,500,000 increase and one-year extension to the New Irvington Tunnel Construction Management Services Agreement with Hatch Mott MacDonald, from \$15,000,000 to \$17,500,000, will provide ongoing services for quality assurance inspections and construction phase services. Additionally, the proposed amendment would increase the current agreement term end-date by one year, from July 31, 2014 to July 31, 2015. According to Mr. Carlos Jacobo, PUC Budget Director,

“The increase in construction management is due to additional costs for additional oversight and inspection to cover extended night shift work at multiple tunnel headings, and specialty inspection of installation of the steel tunnel lining alternative selected by the contractor. Based on unforeseen and more challenging field geotechnical conditions, the tunnel production rate is slower than the projected production rate. Furthermore, the ongoing services needed under this amendment consist of quality assurance inspections and various construction phase services related to the addition of 15,000 linear feet of new welded steel pipe liner for the tunnel.”

File 11-0875

According to Mr. E. Harvey Elwin of the PUC, the proposed \$8,000,000 increase and four month, 22 day extension to the WSIP Construction Management Agreement with AECOM will provide ongoing construction management services and extend services through the WSIP completion date, which was recently revised from March 2016 to July 2016. The proposed amendment would change the current agreement term end-date from March 7, 2016 to July 29, 2016. Mr. Elwin notes that the cost for the additional work to be performed during the requested extended term of four months and 22 days accounts for an estimated \$3,000,000 of the proposed \$8,000,000 increase to the agreement.

Under the proposed amended agreement, AECOM would also be taking on tasks previously performed by Parsons Water & Infrastructure Inc. (see Policy Considerations, below). These tasks account for the remaining estimated \$5,000,000 of the proposed \$8,000,000 amendment, and include risk management, supplier quality surveillance, and dispute resolution and partnering tasks.

FISCAL IMPACTS

As shown in Table 3 below, the total of the five proposed agreement amendments would result in a new total not-to-exceed amount of \$97,000,000, which is an increase of \$17,200,000, or 21.6 percent, above the existing not-to-exceed amounts which total \$79,800,000. All five of the agreements were awarded through a competitive process. The funding source for these agreements, including the requested increased amounts, is PUC Water Revenue Bonds.

Table 3: Summary of Five Proposed Increases to Agreement Not-to-Exceed Amounts

File No.	Contract No.	Existing Agreement Not-to-Exceed Amount	Proposed Amendment Not-to-Exceed Amount	Increase	Percent Increase
11-0870	CS-879A	\$11,000,000	\$14,000,000	\$3,000,000	27.3%
11-0871	CS-879B	14,000,000	15,000,000	1,000,000	7.1%
11-0872	CS-879C	13,800,000	16,500,000	2,700,000	19.6%
11-0874	CS-918	15,000,000	17,500,000	2,500,000	16.7%
11-0875	CS-963	26,000,000	34,000,000	8,000,000	30.8%
	Total	\$79,800,000	\$97,000,000	\$17,200,000	21.6%

The PUC is proposing to use surplus funds from other existing WSIP projects to fund the \$17,200,000 in increased costs for the five subject existing agreements. Table 4 below identifies the other existing WSIP projects from which surplus funds would be used to fund the increased costs of the five subject existing agreements.

Table 4: Funding Sources for the Five Proposed Agreement Amendments

File No.	Proposed Increase to Existing Agreements	Funding Source (Surplus from Other WSIP Projects)	Amount
11-0870	\$3,000,000	CUW38101 Sunol Valley Water Treatment Plant Expansion and Treated Water Reservoir	\$3,000,000
11-0871	\$1,000,000	CUW35302 Seismic Upgrade of Bay Division Pipeline Nos. 3&4	\$385,000
		CUW37101 Crystal Springs/San Andreas Transmission Upgrade	\$305,000
		CUW38101 Sunol Valley Water Treatment Plant Expansion and Treated Water Reservoir	\$200,000
		CUW35401 Lower Crystal Springs Dam Improvement	\$110,000
11-0872	\$2,700,000	CUW36701 Harry Tracy Water Treatment Plant Long Term Improvement Project	\$1,700,000
		CUW301 Regional and San Francisco Groundwater Projects	\$1,000,000
11-0874	\$2,500,000	CUW35901 New Irvington Tunnel	\$2,500,000
11-0875	\$8,000,000	CUW39201 Program Management Project	\$8,000,000
TOTALS	\$17,200,000		\$17,200,000

POLICY CONSIDERATIONS

Delay or Inaction on the Five Proposed Amendments Would Likely Delay or Affect the Quality Assurance of WSIP Projects

According to PUC managers, delay or inaction on the proposed agreement amendments would have detrimental impacts on WSIP projects.

- File 11-0870, 11-0871, and 11-0872 - According to Ms. How, inaction on the proposed amendments to increase the engineering design service agreements “will likely result in delays to the construction for several WSIP regional projects.”
- File 11-0874 - According to Ms. Labonte, without the proposed increase in funding and extension of the agreement for construction management services, PUC would potentially have inadequate quality assurance inspections of the New Irvington Tunnel construction and the fabrication of the new pipe for the Tunnel.
- File 11-0875 - According to Mr. Elwin, a delay in amending the proposed agreement would “result in a lack of capacity to complete the WSIP as outlined in the June 2011 Revised WSIP proposal.”

The Amendment to the Construction Management Contract with AECOM Includes Responsibilities Previously Completed by a Different Contractor

Under the proposed amendment to Agreement No. CS-963 (File 11-0875) between the PUC and AECOM USA Inc. (AECOM), AECOM would add tasks previously assigned to another PUC contractor, Parsons Water & Infrastructure Inc. (PWI). These tasks, which include risk management, supplier quality surveillance, and dispute resolution and partnering tasks, account for an estimated \$5,000,000 of the proposed \$8,000,000 amendment with AECOM.

According to Mr. Surinderjeet Bajwa, Manager of the PUC Project Management Bureau and Deputy Director of WSIP Pre-Construction,

“The Parsons Water & Infrastructure (PWI) scope addressed mostly pre-construction Program level scope items and few construction level scope items. In this reassignment the program construction management services scope of work addressing risk management, supplier quality surveillance (SQS), and dispute resolution and partnering (with construction management teams and construction contractors) that were previously provided by Parsons Water & Infrastructure under the Program Project Pre-Construction Management Services agreement are now going to be performed by AECOM. The reason of this realignment is that since the WSIP program is predominantly in construction phase and the above listed services are construction oriented, and since AECOM is the program Construction Management Consultant thus it should handle all the construction related items.”

Mr. Bajwa adds that both PWI and AECOM are equally capable of fulfilling the responsibilities to be added to AECOM’s agreement with the PUC, but that having AECOM fulfill the

responsibilities, instead of PWI, will streamline PUC's transition of the program from pre-construction to construction activities. However, the PUC has proposed transferring these responsibilities from PWI's existing agreement, which was awarded through a competitive process, to AECOM's existing agreement, which was also awarded through a competitive process, without first conducting an additional competitive process. According to Mr. Bajwa, the PUC believes that due to the highly specialized nature of the work, it would be more costly for the PUC to conduct another competitive process than to have those responsibilities added to the AECOM agreement.

RECOMMENDATIONS

1. Approve the four proposed resolutions under Files 11-0870, 11-0871, 11-0872, and 11-0874.
- 2.B Because the PUC has requested the transfer of responsibilities from one existing agreement, previously awarded through a competitive process, to another existing agreement, also previously awarded through a competitive process, without first conducting a separate additional competitive process, approval of the fifth resolution, File 11-0875, is a policy matter for the Board of Supervisors.



AGENDA ITEM
Public Utilities Commission
City and County of San Francisco



DEPARTMENT Infrastructure AGENDA NO. _____
 MEETING DATE July 12, 2011

Professional Services Amend: Regular Calendar
Project Manager: Kathryn How

Amend Agreement Nos. CS-879 A, B and C , Engineering Project Design Services

<p>Summary of Proposed Commission Action:</p>	<p>Approve three (3) Water Enterprise, Water System Improvement Program (WSIP)-funded amendments to Agreement Nos.:</p> <ul style="list-style-type: none"> • CS-879A, Engineering Project Design Services, with MWH/AGS/LEE Inc. JV; • CS-879B, Engineering Project Design Services, with URS Corporation; and • CS-879C, Engineering Project Design Services, with Kennedy/Jenks Consultants. <p>These amendments will be used to provide engineering design services; consistent with the June 2011 Revised WSIP proposal to be presented to this Commission for approval on July 12, 2011; and authorize the General Manager to execute these amendments, which include cost increases totaling \$6,700,000, for a cumulative total not-to-exceed agreement amount of \$45,500,000, and with no change to the duration of any of the agreements, subject to the Board of Supervisors approval pursuant to Charter Section 9.118 .</p>
<p>Background & Description of Scope of Services:</p>	<p><u>Amendment 2 to Agreement No. CS-879A: Engineering Project Design Services:</u></p> <p>Agreement No. CS-879A with MWH/AGS/Lee JV was awarded on October 9, 2007 for \$9,000,000, and with a duration of seven (7) years. The services provided under this agreement were needed to complete the engineering design of WSIP projects. The work under this agreement consists of the preparation of plans and specifications, and other engineering services for the Sunol Valley Water Treatment Plant (SVWTP) Expansion and Treated Water Reservoir (TWR) and</p>

APPROVAL:

DEPARTMENT / BUREAU _____
 COMMISSION SECRETARY Mike Housh

FINANCE Todd L. Rydstrom
 GENERAL MANAGER Ed Harrington

the Tesla Treatment Facility projects.

Amendment No. 1 was issued on July 28, 2009 for an additional \$2,000,000, and with a time extension of two (2) years to provide:

- Additional design for the SVWTP Expansion and TWR project due to the physical complexity of project site;
- Additional SCADA requirements for the SVWTP Expansion and TWR project; and
- Engineering support during construction for all projects under this agreement.

Amendment No. 2 will increase the agreement by \$3,000,000, for a total not-to-exceed agreement amount of \$14,000,000, with no change to the agreement duration. The ongoing services needed under this amendment for the SVWTP Expansion & TWR project (CUW38101) consist of:

- Addition of major scope item: Replacement of nine chemical tanks and associated foundations and electrical work, replacement of all chemical piping and the plant boiler has required additional support from MWH/AGS/Lee JV to complete the design and provide design support during construction for this work;
- Relocation of several undocumented underground utilities; and
- Additional geotechnical support during construction due to unforeseen soil conditions during the drilling of 1,000 Soil Nails and 1,500 Cast in Drilled Hole (CIDH) piling for the TWR and Chlorine Contact Tank.

These services are needed to accommodate the added scopes of work and address unforeseen conditions encountered during construction.

Amendment 2 to Agreement No. CS-879B: Engineering Project Design Services:

Agreement No. CS-879B with URS Corporation was awarded on October 9, 2007 for \$9,000,000, and with a duration of seven (7) years. The services provided under this agreement were needed to complete the engineering design of WSIP projects. The work under this agreement consists of the preparation of plans and specifications, and other engineering services for the Seismic Upgrade of Bay Division Nos. 3&4 at Hayward Fault Crossing; the Crystal Springs/San Andreas Transmission Upgrade; and the Lower Crystal Springs Dam Improvement projects.

Amendment No.1 was issued on July 28, 2009 for an additional \$5,000,000, and with a time extension of two (2) years to provide:

- Additional design work on to the Seismic Upgrade of Bay Division 3&4 at Hayward Fault Crossing project due to

the expanded project scope required to fully address seismic risks associated with the Hayward Fault crossing and the design complexity associated with the various site constraints; and

- Engineering support during construction for all projects under this agreement.

Amendment No. 2 will increase the agreement by \$1,000,000, for a total not-to-exceed agreement amount of \$15,000,000, with no change to the agreement duration. The ongoing services needed under this amendment consist of:

- Additional engineering support during construction for the Seismic Improvements to BDPL Nos. 3&4 project due to added scope of work, including slip-lining of BDPL No. 4 at Trace A of the Hayward Fault, new BDPL No. 4 expansion joint and vault, and relocation of Alameda County Water District's water lines, as well as a longer construction duration;
- Additional engineering support during construction to address California Division of Safety of Dam (DSOD) requirements and geotechnical support for the City designed pump station associated with the Crystal Springs/ San Andreas Transmission project (CUW37101); and
- Additional engineering support during construction for tunneling and pipeline work associated with lines leaving the SVWTP.
- Additional engineering support during construction for the Lower Crystal Springs Dam Improvements Project (CUW35401).

These ongoing services are needed to accommodate expanded design scopes and associated additional engineering support during construction.

Amendment 2 to Agreement No. CS-879C: Engineering Project Design Services:

Agreement No. CS-879C with Kennedy/Jenks Consultants was awarded on October 9, 2007 for \$9,000,000, and with a duration of seven (7) years. The services provided under this agreement were needed complete the engineering design of WSIP projects. The work under this agreement consists of the preparation of plans and specifications, and other engineering services for the Harry Tracy Water Treatment Plant (HTWTP) Long-Term Improvements and the Regional and San Francisco Groundwater projects.

Amendment No. 1 was issued on July 28, 2009 for an additional \$4,800,000, and with a time extension of two (2) years to provide:

	<ul style="list-style-type: none">• Additional design services for HTWTP Plant-Long Term Improvements project due to expanded project scope required to address seismic vulnerability associated with the newly discovered earthquake fault strand at the project site;• Engineering support during construction for all projects under this agreement. <p><u>Amendment No. 2</u> will increase the agreement by \$2,700,000, for a total not-to-exceed agreement amount of \$16,500,000, and with no change to the agreement duration. The ongoing services needed under this amendment consist of:</p> <ul style="list-style-type: none">• Expanded design scope for the HTWTP Long-Term Improvements Project (CUW36701):<ul style="list-style-type: none">• Operations Building location: Design of pipeline crossings at western fault trace;• Design of the Treated Water Junction Structure and the associated Treated Water Tunnels for higher seismic forces;• Slipline design of the Sunset Branch pipeline;• Electrical design of the Date and Fire Alarm System;• Architectural design of the Standby Power Building, Treated Water Sampling Building and Emergency Chlorination Facility; and• Operations Building Complex upgrades, repair work and other plant improvements.• Additional engineering services during construction for the HTWTP Long-Term Improvements project:<ul style="list-style-type: none">• Support for additional design work detailed above; and• Extended construction duration of approximately one year due to the complexity of the project, shutdown requirements, and the need to maintain full operation of the treatment plant.• Additional groundwater modeling, impact analysis, civil/utility surveys, and design support services for the Regional and San Francisco Groundwater Project. <p>These ongoing services are needed to accommodate expanded design scopes and associated additional engineering support during construction.</p>
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<p>Result of Inaction:</p>	<p><u>Amendment No. 2 to Agreement No. CS-879A: Engineering Project Design Services</u></p> <p>Inaction will likely result in delays to the construction for several WSIP regional projects.</p> <p><u>Amendment No. 2 to Agreement No. CS-879B: Engineering Project Design Services</u></p> <p>Inaction will likely result in delays to the construction for several WSIP regional projects.</p> <p><u>Amendment No. 2 to Agreement No. CS-879C: Engineering Project Design Services</u></p> <p>Inaction will likely result in delays to the construction for several WSIP regional projects.</p>
<p>Budget & Costs:</p>	<p><u>Amendment No. 2 to Agreement No. CS-879A: Engineering Project Design Services</u></p> <p>Original Not-To-Exceed Amount: \$9,000,000 Amendment No. 1 Not-To-Exceed Amount: \$2,000,000 Amendment No. 2 Not-To-Exceed Amount: \$3,000,000 Total Not-To-Exceed Amount: \$14,000,000 Funding: CUW38101 - SVWTP Expansion & TWR Project.</p> <p><u>Amendment No. 2 to Agreement No. CS-879B: Engineering Project Design Services</u></p> <p>Original Not-To-Exceed Amount: \$9,000,000 Amendment No. 1 Not-To-Exceed Amount: \$5,000,000 Amendment No. 2 Not-To-Exceed Amount: \$1,000,000 Total Not-To-Exceed Amount: \$15,000,000 Funding: CUW35302 - Seismic Upgrade of Bay Division Nos. 3&4 at Hayward Fault Crossing; CUW37101 - Crystal Springs/San Andreas Transmission Upgrade; and CUW35401 - Lower Crystal Springs Dam Improvement.</p> <p><u>Amendment No. 2 to Agreement No. CS-879C: Engineering Project Design Services</u></p> <p>Original Not-To-Exceed Amount: \$9,000,000 Amendment No. 1 Not-To-Exceed Amount: \$4,800,000 Amendment No. 2 Not-To-Exceed Amount: \$2,700,000 Total Not-To-Exceed Amount: \$16,500,000 Funding: CUW36701 - Harry Tracy Water Treatment Plant Long</p>

	Term Improvements Project; and CUW301 - Regional and San Francisco Groundwater Projects.
<p>Schedule:</p>	<p><u>Amendment No. 2 to Agreement No. CS-879A: Engineering Project Design Services</u> Original Duration: 7 years Amendment No. 1 Duration: 2 years Amendment No. 2 Duration: Cost increase only Total Duration: 9 years</p> <p><u>Amendment No. 2 to Agreement No. CS-879B: Engineering Project Design Services</u> Original Duration: 7 years Amendment No. 1 Duration: 2 years Amendment No. 2 Duration: Cost increase only Total Duration: 9 years</p> <p><u>Amendment No. 2 to Agreement No. CS-879C: Engineering Project Design Services</u> Original Duration: 7 years Amendment No. 1 Duration: 2 years Amendment No. 2 Duration: Cost increase only Total Duration: 9 years</p>
<p>Compliance With Chapter 14B: Local Business Enterprise (LBE) and Non-Discrimination in Contracting Ordinance:</p>	<p><u>Amendment No. 2 to Agreement No. CS-879A: Engineering Project Design Services</u> A Human Rights Commission (HRC) subconsulting goal of 10% Local Business Enterprise (LBE) participation has been established for this agreement.</p> <p><u>Amendment No. 2 to Agreement No. CS-879B: Engineering Project Design Services</u> A HRC subconsulting goal of 10% LBE participation has been established for this agreement.</p> <p><u>Amendment No. 2 to Agreement No. CS-879C: Engineering Project Design Services</u> A HRC subconsulting goal of 10% LBE participation has been established for this agreement.</p>

Agreement: CS-879A-C, Engineering Project Design Services
Commission Meeting Date: July 12, 2011

Recommendation:	SFPUC staff recommends that the Commission adopt the attached three (3) resolutions.
Attachments:	<ol style="list-style-type: none">1. Three (3) SFPUC Resolutions2. Three (3) HRC memos

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 11-0128

WHEREAS, On October 9, 2007 this Commission awarded Agreement No. CS-879C, Engineering Project Design Services, and authorized the General Manager to execute a professional services agreement, in the amount of \$9,000,000, and with a duration of seven (7) years, concluding on December 6, 2014, with Kennedy/Jenks Consultants; and

WHEREAS, On July 28, 2009, pursuant to Resolution No. 09-0130, this Commission approved Amendment No. 1 for \$4,800,000, increasing the total not-to-exceed agreement amount to \$13,800,000, and extending the agreement term by two (2) years for a total contract duration of nine (9) years, to provide engineering services for additional scopes of work and engineering support during construction in order to accommodate contract closeout and potential claims settlement; and

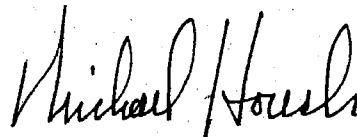
WHEREAS, Amendment No. 2 is being requested for \$2,700,000, increasing the total not-to-exceed agreement amount to \$16,500,000, with no change to the agreement duration, to provide continued engineering services for support during construction due to additional scopes of work; and

WHEREAS, A Human Rights Commission (HRC) subconsulting goal of 10% Local Business Enterprise participation has been established for this agreement; and

WHEREAS, Funds for this amendment are available from the following projects: Harry Tracy Water Treatment Plant (HTWTP) Long-Term Improvements and Regional and San Francisco Groundwater projects; now, therefore, be it

RESOLVED, That this Commission hereby approves Amendment No. 2 to Water Enterprise, Water System Improvement Program-funded Agreement No. CS-879C, Engineering Project Design Services, with Kennedy/Jenks Consultants to provide continued engineering services for WSIP Projects; and authorizes the General Manager to execute this amendment, increasing the agreement by \$2,700,000, for a total agreement amount of \$16,500,000, with no change to the agreement duration, subject to Board of Supervisors approval pursuant to Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of July 12, 2011



Secretary, Public Utilities Commission



Edwin M. Lee
Mayor

Contract Compliance
Dispute Resolution/Fair Housing
Small and Micro Local Business Enterprise
Lesbian Gay Bisexual Transgender & HIV Discrimination

Theresa Sparks
Executive Director

MEMORANDUM

Date: June 22, 2011
To: Kathryn How, SFPUC
Edward Kwong, SFPUC
From: Amy McConnell, HRC
Subject: **Amendment No. 2 to CS-879C Engineering Design Services**

SFPUC seeks to amend the above-referenced contract, requesting to add \$2,700,000 to the previously modified contract. This action will increase the amount of the contract from \$13,800,000 to \$16,500,000. Amendment No. 1, in July 2009, increased the original contract amount from \$9,000,000 to \$13,800,000.

The LBE participation goal set for this contract is 10%. The original HRC Form 2A submitted by the prime, Kennedy/Jenks Consultants (Kennedy/Jenks), provided an LBE participation rate of 13.6%. The established LBE participation breakdown reflected on Kennedy/Jenks's original HRC Form 2A is stated as follows:

Subconsultant	Service	LBE Status	Participation
CADNET	CAD Drafting	SF LBE-WBE	1.00%
CM Pros	Scheduling/Valve Engineering	SF LBE-MBE	0.80%
Geotechnical Consultants, Inc.	Geotechnical Engineering	SF LBE-MBE	3.50%
Saylor Consulting Group	Cost Consulting/Estimating	SF LBE-WBE	1.00%
SRT Consultants	Civil/System Engineering	SF LBE-OBE	2.30%
Structus, Inc.	Structural Engineering	SF LBE-MBE	5.00%
TOTAL			13.6%

Pursuant to email communications and documents provided by Joel Faller, Kennedy/Jenks achieved an LBE participation rate of 14.7%, as of June 9, 2011. Information submitted by Kennedy/Jenks through March 2011 shows the following LBE participation:



25 Van Ness Avenue
Suite 800
San Francisco
California 94102-6033



TEL (415) 252-2500
FAX (415) 431-5764
TDD (415) 252-2550
www.sfgov.org/site/sfhumanrights



Subconsultant	Service	LBE Status	\$ Listed	Participation
CADNET	CAD Drafting	SF LBE-WBE	\$122,973.23	1.35%
CM Pros	Scheduling/Valve Engineering	SF LBE-MBE	\$13,238.67	0.14%
Geotechnical Consultants, Inc.	Geotechnical Engineering	SF LBE-MBE	\$590,326.54	6.46%
Saylor Consulting Group	Cost Consulting/Estimating	SF LBE-WBE	\$302,913.65	3.32%
SCA Environmental (added)	Hazardous Building Materials Survey	SF LBE-MBE	\$32,711.35	0.36%
SRT Consultants	Civil/System Engineering	SF LBE-OBE	\$13,254.40	0.15%
Structus, Inc.	Structural Engineering	SF LBE-MBE	\$269,563.48	2.95%
TOTAL			\$1,344,981.32	14.7%

Pursuant to email communications and documents provided by Joel Faller, Kennedy/Jenks's estimated LBE participation under the contract, as newly-modified, will be as follows:

Subconsultant	Service	LBE Status	\$ Listed	Participation
CADNET	CAD Drafting	SF LBE-WBE	\$165,000	1.00%
CM Pros	Scheduling/Valve Engineering	SF LBE-MBE	\$132,000	0.80%
Geotechnical Consultants, Inc.	Geotechnical Engineering	SF LBE-MBE	\$825,000	5.00%
Saylor Consulting Group	Cost Consulting/Estimating	SF LBE-WBE	\$247,500	1.50%
SCA Environmental (added)	Hazardous Building Materials Survey	SF LBE-MBE	\$379,500	0.10%
SRT Consultants	Civil/System Engineering	SF LBE-OBE	\$495,000	2.30%
Structus, Inc.	Structural Engineering	SF LBE-MBE	\$16,500	3.00%
TOTAL			\$2,260,500.00	13.7%

Based on written statements provided by Joel Faller, the anticipated shortfall with respect to Structus is attributable to its scope of work not arising to originally contemplated levels. Structus has agreed to the reduced participation percentage.

In order to ensure compliance with the LBE ordinance and requirements, Kennedy/Jenks and PUC must notify HRC of any changes to the scope of work, as well as any changes to any information provided by HRC. As such, HRC approves this amendment. I can be reached at (415) 554-3106 should you have any questions concerning the above, or if I can be of any further assistance.

**City and County of San Francisco
San Francisco Public Utilities Commission
Contract Administration Bureau
1155 Market Street, 9th Floor
San Francisco, California 94103**

**Second Amendment between the City and County of San Francisco
(through the San Francisco Public Utilities Commission)
and
Kennedy/Jenks Consultants
CS-879C**

THIS AMENDMENT (this "Amendment") is made as of **August 1, 2011**, in San Francisco, California, by and between **Kennedy Jenks Consultants** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through the San Francisco Public Utilities Commission.

RECITALS

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the Agreement not-to-exceed amount, update standard contractual clauses, and make technical and conforming corrections to Appendices A and B of the Agreement;

WHEREAS, on July 12, 2011, per Resolution No. 11-0128, the San Francisco Public Utilities Commission approved Amendment No. 2 to Agreement No. CS-879C, increasing the Agreement not-to-exceed amount by \$2,700,000 from \$13,800,000 to \$16,500,000.

WHEREAS, On _____, 2011, approval for this Amendment was obtained from the Board of Supervisors, per Resolution _____;

NOW, THEREFORE, Contractor and the City agree as follows:

1. **Definitions.** The following definitions shall apply to this Amendment:
 - a. **Agreement.** The term "Agreement" shall mean Agreement No. CS-879C, dated **October 9, 2007**, between Contractor and City, as amended by the **First Amendment**, dated October 20, 2009.
 - b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement.** The Agreement is hereby modified as follows:

2a. **Section 5.** Section 5 ('Compensation') of the Agreement currently reads as follows:

Compensation shall be made in monthly payments on or before the thirtieth day of each month for work, as set forth in Section 4 of this Agreement that the General Manager of the Public Utilities Commission in his or her sole discretion, concludes has been adequately performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed **Thirteen Million Eight Hundred Thousand Dollars (\$13,800,000)**. The breakdown of costs associated with this Agreement appears in Appendix B-1, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

As part of this contract Task Orders will be prepared in accordance with Appendix A, Section 2 Task Orders will identify a detailed project scope, sub tasks, staffing plan, LBE utilization, schedule deliverables, budget and costs to complete the task. Each Task Order shall identify the entire amount to which the Contractor shall be entitled to fully perform and deliver to the City all work identified in that Task Order.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the San Francisco Public Utilities Commission as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of HRC Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of HRC and Contractor of the Commission. If Contractor's failure to provide HRC Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until HRC Progress Payment Form is provided.

Following City's payment of an invoice, Contractor has ten days to file an affidavit using HRC Payment Affidavit, verifying that all subcontractors have been paid and specifying the amount.

Such section is hereby amended in its entirety to read as follows:

Compensation shall be made in monthly payments on or before the thirtieth day of each month for work, as set forth in Section 4 of this Agreement that the General Manager of the Public Utilities Commission in his or her sole discretion, concludes has been adequately performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed **Sixteen Million Five Hundred Thousand Dollars (\$16,500,000)**. The

breakdown of costs associated with this Agreement appears in Appendix B-1, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

As part of this contract Task Orders will be prepared in accordance with Appendix A, Section 2 Task Orders will identify a detailed project scope, sub tasks, staffing plan, LBE utilization, schedule deliverables, budget and costs to complete the task. Each Task Order shall identify the entire amount to which the Contractor shall be entitled to fully perform and deliver to the City all work identified in that Task Order.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the San Francisco Public Utilities Commission as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of HRC Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of HRC and Contractor of the Commission. If Contractor's failure to provide HRC Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until HRC Progress Payment Form is provided.

Following City's payment of an invoice, Contractor has ten days to file an affidavit using HRC Payment Affidavit, verifying that all subcontractors have been paid and specifying the amount.

2b. Submitting False Claims; Monetary Penalties. Section 8 is hereby replaced in its entirety to read as follows:

8. Submitting False Claims; Remedies.

Pursuant to Article V of Chapter 6 of the San Francisco Administrative Code, any contractor, subcontractor, supplier, consultant or subconsultant who submits a false claim may be subject to monetary penalties, investigation and prosecution and may be declared an irresponsible bidder or an unqualified consultant and debarred as set forth in that Article. The text of Article V of Chapter 6, along with the entire San Francisco Administrative Code is available on the web at http://www.amlegal.com/nxt/gateway.dll?f=templates&fn=default.htm&vid=amlegal:sanfrancisco_ca. A contractor, subcontractor, supplier, consultant or sub consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor, supplier, consultant or subconsultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to

be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

2c. Indemnification. Section 16 of the Agreement is hereby amended in its entirety to read as follows:

a. **General.** To the fullest extent permitted by law, Contractor shall assume the defense of (with legal counsel subject to approval of the City), indemnify and save harmless the City, its boards, commissions, officers, and employees (collectively "Indemnitees"), from and against any and all claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of the Contractor or its subconsultants), expense and liability of every kind, nature, and description (including, without limitation, incidental and consequential damages, court costs, attorneys' fees, litigation expenses, fees of expert consultants or witnesses in litigation, and costs of investigation), that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, the negligence, recklessness, or willful misconduct of the Contractor, any subconsultant, anyone directly or indirectly employed by them, or anyone that they control (collectively, "Liabilities").

b. **Limitations.** No insurance policy covering the Contractor's performance under this Agreement shall operate to limit the Contractor's Liabilities under this provision. Nor shall the amount of insurance coverage operate to limit the extent of such Liabilities. The Contractor assumes no liability whatsoever for the sole negligence, active negligence, or willful misconduct of any Indemnitee or the contractors of any Indemnitee.

c. **Copyright infringement.** Contractor shall also indemnify, defend and hold harmless all Indemnitees from all suits or claims for infringement of the patent rights, copyright, trade secret, trade name, trademark, service mark, or any other proprietary right of any person or persons in consequence of the use by the City, or any of its boards, commissions, officers, or employees of articles or services to be supplied in the performance of Contractor's services under this Agreement. Infringement of patent rights, copyrights, or other proprietary rights in the performance of this Agreement, if not the basis for indemnification under the law, shall nevertheless be considered a material breach of contract.

2d. Requiring Health Benefits for Covered Employees. Section 44 is hereby replaced in its entirety to read as follows:

44. Requiring Health Benefits for Covered Employees.

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing

regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

l. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

2e. Appendix A, Services to be Provided by Contractor. The introductory paragraph of Appendix A currently reads as follows:

Contractor agrees to perform said services all in accordance with the terms of this Agreement.

Such paragraph is hereby amended in its entirety to read as follows:

Contractor agrees to perform services under this Agreement in accordance with the terms of this Agreement, the Request for Proposals for CS-879 dated August 3, 2007 ("RFP"), and its proposal dated August 28, 2007. The RFP and Contractor's proposal are incorporated by reference into this Agreement as though fully set forth herein. In the event of an inconsistency or conflict between the RFP and Contractor's proposal, the RFP shall take precedence. This Agreement shall take precedence over the RFP and Contractor's proposal.

2f. Appendix A, Services to be Provided by Contractor, Section 1. Section 1 of Appendix A, Description of Services, currently reads as follows:

Contractor agrees to perform the following services: Engineering Project Design Services

Such Section is hereby amended in its entirety to read as follows:

Contractor agrees to perform the following services: Engineering Project Design Services, as set forth in Paragraph 4, below, for the Water System Improvement Program ("WSIP") projects identified in the RFP.

2g. Appendix A, Services to be Provided by Contractor, Section 4. The third paragraph of Section 4 of Appendix A, Task Orders, currently reads as follows:

The primary role of the prime contractor will be to provide qualified individuals to assist in the performance of the following scope of services:

Such Paragraph is hereby amended in its entirety to read as follows:

This primary role of the prime contractor will be to provide qualified individuals to assist in the performance of the following scope of services for WSIP projects identified in the RFP:

2h. Appendix A, Services to be Provided by Contractor, Section 4. The last paragraph of Section 4 of Appendix A, Task Orders, currently reads as follows:

Project work will be assigned at the SFPUC's sole discretion. Contractor will be eligible for the award of Task Order work, but will not be guaranteed either the award of work for the not-to-exceed value of \$9 million dollars or the award of any minimum amount of work.

Such Paragraph is hereby amended in its entirety to read as follows:

Project work will be assigned at the SFPUC's sole discretion. Contractor will be eligible for the award of Task Order work, but will not be guaranteed either the award of work for the not-to-exceed amount of the Agreement or the award of any minimum amount of work.

2i. Appendix B, Calculation of Charges. Replace the third paragraph of Appendix B in its entirety so that it reads as follows:

Pursuant to Article V of Chapter 6 of the San Francisco Administrative Code, any contractor, subcontractor, supplier, consultant or subconsultant who submits a false claim may be subject to monetary penalties, investigation and prosecution and may be declared an irresponsible bidder or an unqualified consultant and debarred as set forth in that Article. The text of Article V of Chapter 6, along with the entire San Francisco Administrative Code is available on the web at http://www.amlegal.com/nxt/gateway.dll?f=templates&fn=default.htm&vid=amlegal:sanfrancisco_ca. A contractor, subcontractor, supplier, consultant or sub consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor, supplier, consultant or subconsultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a

false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

CITY

CONTRACTOR

Recommended by:

Kennedy/Jenks Consultants

Ed Harrington
General Manager
San Francisco Public Utilities Commission

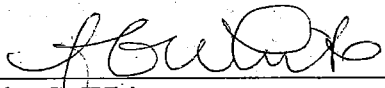
Name of authorized representative

Title

City vendor number:

Approved as to Form:

Dennis J. Herrera
City Attorney

By: 

John G. White
Deputy City Attorney

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information (Please print clearly.)	
Name of contractor: Kennedy Jenks consultants (CS-879C)	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.	
Item 1 and 2 - Keith A London, Director, President and CEO; Lynn M. Takaichi, Director, Chairman and Vice President; Gary M Carlton, Director; Craig W Lichty, Director, Vice President; David D Kennedy, Director, Vice Chairman and Vice President; Travis W Tormanen, director and Vice President; Dena R Traina, Director; Raymond F Messer, Director; David R Steward, Director; Patrick J Courtney, Treasurer, CFO and Asst. Secretary; Edward C Kistner, Vice President, Operations; Donald R Weiden, Vice President, Secretary and CAO.	
Item 3 - No person owns 20% or more.	
Item 4 - Subcontractors: Balance Hydrologics; BASELINE Environmental Consulting; CADNET (LBE); Chaudhary Associates; CHS Consulting (LBE); Chaudhary Associates, Inc.; CHS Consulting (LBE); CM Pros (LBE); Curtis and Tompkins; Davis and Associates (LBE); Degenkolb; Environment Water Management; Exponent; Flow Science; Fugro West; G&E Engineering; GEI Engineering; Geotechnical Consultants, Inc. (LBE); HJW GeoSpatial, Inc.; Inspection Services, Inc; Jacobs Associates; Luhdorff & Scalmanini Consulting Engineers; Michael Willis Architects; Saylor consulting Group (LBE); SCA Environmental (LBE) Schiff Associates; SRT Consultants (LBE); Stillwater Sciences; STRUCTUS Inc (LBE); Subtronic; TRA Environmental; Trussel Technologies, William Lettis & Associates; Wilson, IHRIG & Associates; Winzler & Kelly; YEI Engineer.	
Contractor address: 303 Second Street, Suite 300 South, San Francisco, CA 94107	
Date that contract was approved: (By the SF Board of Supervisors)	Amount of contract: Original Agreement: \$13,800,000 + Amendments: \$2,700,000 = \$16,500,000
Describe the nature of the contract that was approved: As-needed Design Services	
Comment:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Filer Information (Please print clearly.)	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed