

File No. 101462

Committee Item No. 11
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: December 8, 2010

Board of Supervisors Meeting

Date _____

Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Budget Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Analyst Report
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Ethics Form 126
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form (for hearings)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

OTHER

(Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Victor Young
Completed by: Victor Young

Date: December 3, 2010
Date: _____

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

1 [Contract Amendment - Peninsula Habitat Restoration Construction Management Services -
2 Water System Improvement Program Projects - Not to Exceed \$26,000,000]

3 **Resolution authorizing an amendment to the San Francisco Public Utilities**
4 **Commission Contract No. CS- 916 for Peninsula Regional Construction Management**
5 **Services in the amount not to exceed \$ 4,000,000, for a total agreement not to exceed**
6 **amount of \$26,000,000 to fund Construction Management Services for Bioregional**
7 **Habitat Restoration actions required for various Water System Improvement Program**
8 **Projects within the Peninsula Region, San Mateo County, pursuant to Charter Section**
9 **9.118, and adopting findings pursuant to the California Environmental Quality Act**
10 **(CEQA).**

11
12 WHEREAS, This Board of Supervisors, by Resolution No. 405-09 adopted on October
13 20, 2009 approved SFPUC awarded Agreement No. CS- 916, Peninsula Construction
14 Management Services (CM) in the amount of \$22,000,000, and with a term of fifty-five (55)
15 months, with HDR Engineering, Inc, pursuant to Charter Section 9.118; and

16 WHEREAS, The SFPUC is undertaking a coordinated approach in developing
17 mitigation for biological resource impacts of individual WSIP facility projects in order to avoid
18 habitat fragmentation, preserve wildlife movement corridors and allow for plants and wildlife to
19 disperse over large contiguous habitat areas. The SFPUC intends to undertake bioregional
20 habitat restoration at selected compensatory mitigation habitat sites in the Peninsula region to
21 minimize environmental impacts, while achieving the overall habitat preservation and creation
22 functions of the sites, to satisfy state and federal regulatory agencies permit requirements and
23 mitigation measures adopted by the SFPUC and this Board for approved WSIP projects,
24 which habitat sites may also satisfy requirements and serve as mitigation for projects still
25

1 undergoing environmental review, subject to subsequent review and action by the SFPUC
2 and this Board (Bioregional Habitat Restoration); and

3 WHEREAS, Anticipated construction at these Bioregional Habitat Restoration sites
4 includes excavation, soil placement, stream bank stabilization, and planting to create
5 seasonal wetlands, riparian habitat and woodlands, to be undertaken pursuant to future
6 construction contracts, for which CM services are required to augment SFPUC staff in
7 overseeing the work. CM services also include certain pre-construction activities necessary to
8 successful implementation of the habitat restoration sites, and for this reason, the SFPUC
9 authorized Amendment No. 1 to CS 916, subject to Board approval pursuant to Charter
10 Section 9.118, and provided that only task orders for pre-construction activities may be issued
11 subject to further review and approval with respect to each of the various sites in the
12 Peninsula Region; and

13 WHEREAS, The Homestead Pond, Adobe Gulch, and San Andreas Reservoir
14 Bioregional Habitat Restoration sites, for which construction management services will be
15 provided, include sites that are proposed as mitigation for WSIP facility improvement projects
16 that have been approved by the SFPUC and CEQA findings adopted by this Board; including,
17 among others, the Bay Division Reliability Upgrade (Board Resolution No. 371-09) and
18 Crystal Springs San Andreas Transmission Upgrade project (Board Resolution No. 356-10),
19 and the San Francisco Planning Department, Major Environmental Analysis Division has
20 prepared a Note to the File ("Note to File") dated June 14, 2010 for the Bay Division Reliability
21 Upgrade (City Planning File No. 2005.0164E), determining that implementation of the
22 Homestead Pond mitigation site would not result in any additional significant environmental
23 impacts beyond those disclosed in the Final EIR for the project; and

24 WHEREAS, The Skyline Boulevard, Upper San Mateo Creek, Skyline Quarry, Adobe
25 Gulch Creek South, Boat Ramp North, Boat Ramp South, Half Moon Bay/Pilarcitos, and

1 Sherwood Point projects are proposed as Bioregional Habitat Restoration sites for the Lower
2 Crystal Springs Dam Improvement Project, approved by the Commission (SFPUC Resolution
3 10-0175), and for which CEQA Findings were adopted by this Board on November 16, 2010;
4 and

5 WHEREAS, CM services under Amendment No. 1 for all of the above referenced sites
6 will be limited to pre-construction activities, unless and until the SFPUC and this Board have
7 reviewed and considered the environmental analysis and adopted CEQA findings, if required,
8 for each of the Bioregional Habitat Restoration sites, and the SFPUC authorizes related
9 construction activities for that site; and

10 WHEREAS, This Board and the SFPUC have previously reviewed and considered the
11 information and findings contained in the Final Environmental Impact Reports (FEIRs) and
12 adopted Resolutions, including CEQA Findings, for the Bay Division Reliability Upgrade
13 projects, Crystal Springs San Andreas Transmission Upgrade project, and Lower Crystal
14 Springs Dam project, for which Bioregional Habitat Restoration actions will be undertaken in
15 the Peninsula region, all as contained in the respective project files, WSIP Program FEIR,
16 SFPUC and Board Resolutions, which resolutions are incorporated herein by reference as
17 though fully set forth, together with all written and oral information provided by the Planning
18 Department (including the Note to File), the public, relevant public agencies, SFPUC and
19 other experts and the administrative files for this action as identified above; and

20 WHEREAS, This Board and the SFPUC, in adopting the aforementioned CEQA
21 Findings for those projects, also included CEQA findings for the full implementation of one or
22 more of the Bioregional Habitat Restoration sites that may also serve as mitigation for
23 individual WSIP facility improvement projects, that have not yet been approved. Neither the
24 SFPUC, nor this Board, have committed to approve any of those pending WSIP projects or
25 mitigation measures, nor to make any determination as to the adequacy of the these

1 Bioregional Habitat Restoration sites as compensatory habitat mitigation for any WSIP project
2 that has not yet been approved, and both the SFPUC and this Board retain full discretion to
3 consider the environmental documents for those other WSIP projects still undergoing
4 environmental review, including but not limited to mitigation measures therein, and to adopt or
5 decline to adopt findings required under CEQA for those projects; and

6 WHEREAS, The SFPUC, by its Resolution No. 10-0198, adopted November 9, 2010,
7 authorized Amendment No. 1 to CS-916 in the amount not to exceed \$4,000,000 for
8 additional CM services by HDR Engineering, Inc. with respect to implementation of various
9 Bioregional Habitat Restoration sites that may be improved within the Peninsula region,
10 because the nature of the needed CM services is such that using existing skills and
11 knowledge of the CM staff already working in the Peninsula region will result in time and cost
12 savings. The additional work is primarily environmental monitoring, which is seasonal and of
13 short duration as a result of wildlife breeding cycles and weather patterns. With Amendment
14 No. 1, the total not to exceed amount is \$26,000,000 for contract CS-916 for CM services in
15 the Peninsula Region; and

16 WHEREAS, A Human Rights Commission (HRC) sub consulting goal of 17.9% Local
17 Business Enterprise (LBE) participation (of the total labor value of services to be provided)
18 has been established for this agreement; and

19 WHEREAS, Funds for the amendment of the CS -916 agreement are available from
20 Project No. CUW 38802 –Habitat Reserve Program (The Bioregional Habitat Restoration) and
21 were accounted for in the existing WSIP budget, approved by the SFPUC on July 28, 2009;
22 now, therefore, be it

23 RESOLVED, That this Board adopts the CEQA findings contained in SFPUC
24 Resolution No. 10-0198 authorizing the Amendment No. 1 to contract CS 916, on file with the
25

1 Clerk of the Board of Supervisors in File No. 101462, which is hereby declared to be a part of
2 this Resolution as if set forth fully herein; and be it

3 FURTHER RESOLVED, That this Board reviewed and considered the Bay Division
4 Reliability Upgrade FEIR, and related Note to File for the Homestead Pond habitat restoration
5 site, the Crystal Springs / San Andreas Transmission System Upgrades FEIR, and the Lower
6 Crystal Springs Dam FEIR, and found that they are adequate for their use by the decision-
7 making body for the action taken herein; and be it

8 FURTHER RESOLVED, That this Board finds that since the FEIRs were finalized,
9 there have been no substantial changes in the Bay Division Reliability Upgrade projects,
10 Crystal Springs / San Andreas Transmission System Upgrades project, or Lower Crystal
11 Springs Dam project, and no substantial changes in circumstances relating to those projects
12 that would require major revisions to the FEIRs due to the involvement of new significant
13 environmental effects or an increase in the severity of previously identified significant impacts,
14 and there is no new information of substantial importance that would change the conclusions
15 set forth in the FEIRs; and be it

16 FURTHER RESOLVED, That this Board hereby authorizes the General Manager of the
17 SFPUC to execute Amendment No. 1 to Water Enterprise, Water System Improvement
18 Program-funded Agreement No. CS-916, Peninsula Construction Management Services, with
19 HDR Engineering, Inc. in the amount not to exceed \$4,000,000 for additional CM services
20 with respect to implementation of various Bioregional Habitat Restoration sites that may be
21 improved within the Peninsula region, increasing the total agreement by an amount not to
22 exceed \$26,000,000; provided that SFPUC shall limit expenditures on task orders to pre-
23 construction activities for each individual site unless, and until such time as, the SFPUC and
24 this Board reviews and considers the environmental analysis and adopt findings pursuant to
25

1 CEQA, if required, with respect to that Bioregional Habitat Restoration site in the Peninsula
2 Region, and the SFPUC authorizes the related construction activities; and be it

3 FURTHER RESOLVED, That neither this Board, nor the SFPUC, has committed to
4 approve any pending WSIP projects or mitigation measures, nor to make any determination
5 as to the adequacy of the these Bioregional Habitat Restoration sites as compensatory habitat
6 mitigation for any WSIP project that has not yet been approved, and both the SFPUC and this
7 Board retain full discretion to consider the environmental documents for those other WSIP
8 projects still undergoing environmental review, including but not limited to mitigation measures
9 therein, and to adopt or decline to adopt findings required under CEQA for those projects.
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Items 10 & 11
Files 10-1461 & 10-1462

Department(s):
Public Utilities Commission (PUC)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution (File 10-1461) would authorize an amendment to an existing construction management agreement between the Public Utilities Commission (PUC) and CH2MHill to provide for additional construction management services related to habitat restoration for various Water System Improvement Program (WSIP) projects within the Sunol Valley Region in Alameda and Santa Clara Counties. The proposed amendment would (a) increase the not-to-exceed existing agreement by \$3,000,000, from \$16,000,000 to \$19,000,000, and (b) adopt findings pursuant to the California Environmental Quality Act (CEQA).
- The proposed resolution (File 10-1462) would authorize an amendment to the PUC to amend an existing construction management agreement between the PUC and HDR Engineering, Inc., to provide for additional construction management services related to habitat restoration required for various WSIP projects within the Peninsula Region in San Mateo County. The proposed amendment would (a) increase the not-to-exceed existing agreement by \$4,000,000, from \$22,000,000 to \$26,000,000, and (b) adopt findings pursuant to CEQA.

Key Points

- The proposed amendments to two existing PUC agreements would authorize the provision of additional construction management services related to WSIP habitat restoration projects in the Sunol Valley Region in Alameda and Santa Clara Counties and in the Peninsula Region in San Mateo County. In order for the PUC WSIP projects to proceed, the PUC is required to either comply with Federal and State resource agencies' permits, or to satisfy approved CEQA mitigation measures, related to construction activities on multiple WSIP projects in those regions. Therefore, the PUC is proposing to utilize the services of two of the PUC's existing construction management consultants working in the two regions, through an amendment to two existing agreements, without undertaking a separate RFP process to select such services.
- The PUC believes that having the two construction management contractors, CH2MHill and HDR Engineering, Inc., to manage the habitat restoration work would be the most efficient staffing approach, because (a) the PUC does not have adequate in-house skills or staffing availability, (b) utilizing the services of existing contractors will, according to the PUC, result in a \$745,000 contract savings, and (c) will avoid a PUC-estimated delay of up to six months in the implementation of the needed work.
- Delays to the habitat restoration projects could also result in fines or delays in WSIP projects.

Fiscal Impact

The two proposed resolutions would result in authorized increases to two existing PUC agreements of \$3,000,000 (File 10-1461) and \$4,000,000 (File 10-1462) for a total increased cost of \$7,000,000. Funding for the \$7,000,000 increase would come from the PUC's existing WSIP Habitat Reserve Program (HRP) budget. The HRP budget totals \$48,146,000 funded by San Francisco Water Revenue Bonds, as previously appropriated by the Board of Supervisors.

Recommendations

- Approve the two proposed resolutions.

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

Existing Contracts

On October 2, 2008, the Public Utilities Commission (PUC) issued a Request for Proposals (RFP) for construction management services for Water System Improvement Program (WSIP) projects in the Sunol Valley Region in Alameda and Santa Clara Counties. The PUC received three proposals and selected CH2MHill, which was the highest ranked proposal pursuant to the RFP. On April 14, 2009, the Board of Supervisors approved a resolution authorizing the PUC to enter into a five-year agreement with CH2MHill (Contract CS-915R), from April 30, 2009 through May 1, 2014 for an amount not-to-exceed \$16,000,000 (File 09-0251).

On May 14, 2009, the PUC issued a separate RFP for construction management services for WSIP projects in the Peninsula Region in San Mateo County. The PUC received four proposals and selected HDR Engineering, Inc., which was the highest ranked proposal pursuant to the RFP. On October 20, 2009, the Board of Supervisors approved a resolution authorizing the PUC to enter into a 55-month agreement with HDR Engineering, Inc. (Contract CS-916), from October 20, 2009 through June 29, 2014 for an amount not-to-exceed \$22,000,000 (File 09-1056).

Since the commencement of these two agreements, both CH2MHill and HDR Engineering, Inc. (the contractors) have provided and continue to provide the PUC with construction management services for WSIP projects in their regions. A list of the specific WSIP projects for each existing agreement is included Table 1, on the following page.

WSIP's Habitat Reserve Program

Each of the individual WSIP projects is required to undergo project-level California Environmental Quality Act (CEQA) review. According to the Final Program Environmental Impact Report for WSIP, the PUC created a Habitat Reserve Program in order to take a regional approach to mitigating the environmental impacts of individual WSIP projects on various species and natural habitats, including:

- altering existing agricultural uses to enhance or restore habitats;
- fencing and managing grazing lands;
- grading, planting, and monitoring vegetation; and
- fencing to protect habitats and control non-native species.

At the time that the PUC entered into the subject construction management agreements with CH2MHill and HDR Engineering, Inc., the PUC had not determined the specific Habitat Reserve Program projects required to satisfy CEQA mitigation measures or resource agency permit conditions. The PUC has now identified specific WSIP habitat restoration projects to take place at the 13 habitat restoration project sites (see "Description of Construction Work" in the Attachment), to mitigate impacts of various WSIP construction projects in the Sunol Valley Region and the Peninsula Region. The 13 habitat restoration project sites, listed in Table 1 below, are part of a coordinated regional approach to minimize the overall impacts on the multiple species and habitats that will be impacted by WSIP.

Table 1: Summary of WSIP Water System and Habitat Restoration Projects

Contractor	WSIP Region	WSIP Projects	Habitat Restoration Project Sites
CH2MHill	Sunol Valley	<ul style="list-style-type: none"> • Alameda Siphon #4 • San Antonio Pump Station Upgrade • Sunol Valley Water Treatment Plant (SVWTP) Expansion and Treated Water Reservoir • San Antonio Backup Pipeline • Upper Alameda Creek Filter Gallery 	<ul style="list-style-type: none"> • Goldfish Pond and Calaveras Road • San Antonio Creek • Sheep Camp Creek
HDR Engineering, Inc.	Peninsula	<ul style="list-style-type: none"> • Lower Crystal Springs Dam Improvements • Pulgas Balancing - Discharge Channel Modifications • Pulgas Balancing Reservoir - Structural Rehabilitation & Roof Replacement • Pulgas Balancing Reservoir - Modifications of the Existing Dechlorination Facility • Crystal Springs / San Andreas Transmission Upgrade • Crystal Springs Pipeline No. 2 Replacement • San Andreas Pipeline No. 3 Installation • Baden and San Pedro Valve Lots Improvements 	<ul style="list-style-type: none"> • Homestead Pond • Boat Ramp • Sherwood Point • Adobe Gulch Creek • Upper San Mateo Creek • Skyline Boulevard • San Andreas Reservoir • Adobe Gulch Grasslands • Skyline Quarry • Lower Crystal Springs Dam

DETAILS OF PROPOSED LEGISLATION

The two proposed resolutions would authorize the General Manager of the PUC to execute amendments to construction management agreements with CH2MHill and HDR Engineering, Inc., in order to expand the scope of those agreements to include construction management services at the 13 habitat restoration project sites, as shown in Table 1 above. Furthermore, because these amendments relate to construction activities that will result in physical changes in the environment, the proposed resolutions contain CEQA recitals and findings with respect to the various environmental documents that analyze those underlying habitat restoration activities.

File 10-1461 would authorize an amendment to the PUC's existing construction management agreement with CH2MHill to increase the not-to-exceed amount from \$16,000,000 to \$19,000,000, an increase of \$3,000,000, in order to include additional construction management services for habitat restoration projects in the Sunol Valley Region. The amendment would not

change the duration of the agreement.¹ Furthermore, according to Ms. Noreen Ambrose, the City Attorney's Office PUC General Counsel, because File 10-1461 may commit the City to a course of action in furtherance of the habitat restoration projects, which involve physical changes in the environment, the proposed resolution also includes language adopting specific CEQA findings.

Table 2, below, provides a list of project sites and the PUC's spending plan for the proposed \$3,000,000 increase to the CH2MHill agreement.

According to Ms. Rosiana Angel, Manager of Infrastructure Budgeting and Administrative Services at the PUC, the PUC estimated the CH2MHill agreement's increased cost of \$3,000,000 by multiplying the total estimated number of professional hours for the habitat restoration projects needed to complete each project task, totaling 24,000 hours, by CH2MHill's average hourly billing rate of \$125.00.

Table 2: Proposed Spending Plan under CS-915R, Amendment 1 (File 10-1461)

Sunol Valley Habitat Restoration Project Sites in Alameda and Santa Clara Counties	Pre-Construction Phase	Construction Phase		Total
	Labor	Labor	Other Direct Costs	
Goldfish Pond and Calaveras Road	\$40,000	\$780,000	\$100,000	\$920,000
San Antonio Creek	47,000	889,600	100,000	1,036,600
Sheep Camp Creek	48,000	895,400	100,000	1,043,400
Total	\$135,000	\$2,565,000	\$300,000	\$3,000,000

File 10-1462 would authorize an amendment to the PUC's existing construction management agreement with HDR Engineering, Inc. to increase the not-to-exceed amount from \$22,000,000 to \$26,000,000, an increase of \$4,000,000, in order to include additional construction management services for habitat restoration projects in the Peninsula Region. The amendment would not change the duration of this agreement.² Furthermore, according to Ms. Ambrose, because File 10-1462 may commit the City to a course of action in furtherance of the habitat restoration projects, which involve physical changes in the environment, the proposed resolution also includes language adopting specific CEQA findings.

Table 3, below, provides a list of project sites and the PUC's spending plan for the proposed \$4,000,000 increase to the HDR Engineering, Inc. agreement.

¹ The existing construction management agreement with CH2M Hill is for a term of up to 60 months. The contract commenced in May 2009 and expires no later than April 2014.

² The existing construction management agreement with HDR Engineering, Inc. is for a term of up to 55 months. The contract commenced on October 26, 2009 and expires no later than May 25, 2014.

According to Ms. Angel, the PUC estimated the HDR Engineering, Inc. agreement's increased cost of \$4,000,000 by multiplying the total estimated number of professional hours for the habitat restoration projects needed to complete each project task, totaling 28,985 hours, by HDR Engineering, Inc's average hourly billing rate of \$138.00.

Table 3: Proposed Spending Plan under CS-916, Amendment 1 (File 10-1462)

Peninsula Region Habitat Restoration Project Sites in San Mateo County	Pre-Construction Phase	Construction Phase		Total
	Labor	Labor	Other Direct Costs	
Homestead Pond	\$38,750	\$610,282	\$50,000	\$699,032
Boat Ramp	34,660	324,272	50,000	408,932
Sherwood Point	39,500	415,300	50,000	504,800
Adobe Gulch Creek	42,570	397,298	50,000	489,868
Upper San Mateo Creek	36,660	367,444	50,000	454,104
Skyline Boulevard	45,730	376,994	50,000	472,724
San Andreas Reservoir	43,650	327,000	50,000	420,650
Adobe Gulch Grasslands	53,890	446,000	50,000	549,890
Skyline Quarry*	-	-	-	-
Lower Crystal Springs Dam*	-	-	-	-
Total	\$335,410	\$3,264,590	\$400,000	\$4,000,000

* According to Ms. Angel, the PUC does not anticipate that these project sites will require construction management services expenditures.

The services required under both of the proposed amendments to the existing agreements would be divided into pre-construction and construction phases. A list of services for each phase is identified in Table 4 below.

**Table 4: Pre-construction Phase and Construction Phase Services
Required Under the Proposed Amendments**

<p>Pre-construction Phase Services</p> <ul style="list-style-type: none"> • Review Design Engineer construction schedules • Provide constructability review of construction bid documents • Provide bid and award phase assistance • Provide assistance with permits and rights-of-way • Provide construction contract requirements for Construction Management field offices and other project related costs/services • Provide resource loaded Task Plan • Participate in the Pre-Construction Conference • Provide project-specific Construction Management Plan in accordance with WSIP Construction Management Plan • Provide other support activities necessary for the award of the various construction contracts and initiation of the construction work
<p>Construction Phase Services</p> <ul style="list-style-type: none"> • Provide Construction Management services to manage and administer the construction of the projects in accordance with the WSIP Construction Management Plan • Provide quality assurance (QA) services including testing and field investigations for the various contracts • Provide environmental compliance monitoring and support services • Assist with the implementation of the Project Labor Agreement • Assist with PUC's public outreach efforts during construction • Provide testing services • Assist with activities associated with the acceptance of the work, close-out, and turnover • Provide other support activities necessary for the management of the construction work

According to Ms. Angel, subject to approval of the two proposed resolutions, the habitat restoration projects, as listed in the attachment to this report, will have a duration of 26 months, and are anticipated to commence as early as January 2011.

FISCAL IMPACTS

File 10-1461 would amend the PUC's construction management agreement with CH2MHill to increase the existing \$16,000,000 agreement to \$19,000,000, an increase of \$3,000,000. File 10-1462 would amend the PUC's construction management agreement with HDR Engineering, Inc. to increase the existing \$22,000,000 agreement to \$26,000,000, an increase of \$4,000,000. Together, the two proposed amendments include increased amounts of \$3,000,000 and \$4,000,000, for a total increase of \$7,000,000.

Funding for the additional \$7,000,000 would come from the PUC's existing WSIP Habitat Reserve Program budget, which totals \$48,146,000, and which is funded with proceeds from the sale of San Francisco Water Revenue Bonds.

POLICY CONSIDERATIONS

Although the PUC initially intended to use City staff to complete the habitat restoration construction management tasks requested under the two proposed amendments, the PUC is now seeking outside contractors to complete the habitat restoration work

According to Ms. Angel, at the outset of the WSIP, the PUC intended to complete construction management and habitat restorations by utilizing City staff. Ms. Angel notes, "The refined schedule and scoping of the restoration work resulted in a concentrated sequence that not only exceeds available City resources, but also requires certified, skilled and qualified monitors currently unavailable within the PUC."

According to the PUC, "The options considered by WSIP Management included soliciting (Construction Management) services under a separate (competitively awarded) contract or using an existing contract. Given the sporadic nature of the work and the need to secure services expeditiously, WSIP Management believes that it is best to use an existing contract." instead of separately issuing a competitive RFP to secure such contractual services. Ms. Angel and the PUC's Construction Management Team estimated that soliciting the services under a separate competitive RFP process in order to secure a separate agreement would result in increased contract costs to the PUC totaling an additional \$360,000 for the Sunol Valley Region habitat restoration projects, and an additional \$385,000 for the Peninsula Region habitat restoration projects, for total estimated additional contract costs to the PUC of \$745,000. According to the PUC, these additional costs do not include the cost of delays to completing the 13 WSIP projects, as listed in Table 1 above, nor the actual bid costs for potential contractors to complete the required habitat restoration work, which cannot be estimated at this time. Furthermore, according to Ms. Angel, preparing and issuing separate RFPs would "delay the implementation of the mitigation sites by six months. Such delays will jeopardize the SFPUC's ability to comply with the permit requirement."

Therefore, it is the opinion of the PUC that the "most efficient" option for habitat restoration in both the Sunol Valley and Peninsula Regions is to amend the two subject existing construction management agreements. According to the PUC, "The amended services will use existing skills and knowledge of current staff resulting in time and cost savings. Additional work is primarily environmental monitoring and will be seasonal and of short duration as a result of wildlife breeding cycles and weather patterns."^{3 4}

Delaying Habitation Restoration Work Could Result in Delays to WSIP Projects and/or Fines to the PUC

According to Ms. Ambrose, several federal and state WSIP project permits are conditional on the construction of the habitat restoration projects that would be overseen by the construction

³ Agenda Item Report. Public Utilities Commission, Agenda Item 16, November 9, 2010.

⁴ Agenda Item Report. Public Utilities Commission, Agenda Item 17, November 9, 2010.

management consultants pursuant to the two proposed resolutions. Therefore, Ms. Ambrose notes that delays to the timely completion of the habitat restoration projects could result in fines to the PUC or delays in completion of the WSIP projects.

RECOMMENDATIONS

Approve the proposed resolutions.

Proposed Spending Plan under CS-915R - Amendment 1					Description of Construction Work	
Project Site	Pre-Construction Phase		Construction Phase			Total
	Labor		Labor	ODC		
Goldfish Pond and Calaveras Road	\$	40,000	\$	780,000	\$ 920,000	Excavate wetlands, rebuild pond embankment, wetland and riparian woodland plantings
San Antonio Creek	\$	47,000	\$	889,600	\$ 1,036,600	Excavate and earthwork to realign stream channel, install drainage improvements, fence, bridge, wetland, irrigation riparian woodland and oak woodland plantings
Sheep Camp Creek	\$	48,000	\$	895,400	\$ 1,043,400	Excavate and earthwork in stream channel, pond embankment repairs, drainage improvements, road improvements, irrigation, fence, wetland and grassland plantings
Total	\$	135,000	\$	2,565,000	\$ 3,000,000	
Proposed Spending Plan under CS-916 - Amendment 1					Description of Construction Work	
Project Site	Pre-Construction Phase		Construction Phase			Total
	Labor		Labor	ODC		
Homestead Pond	\$	38,750	\$	610,282	\$ 699,032	Tree removal, pond excavation, access bridge, grassland, wetland and oak woodland plantings
Boat Ramp	\$	34,660	\$	324,272	\$ 408,932	Remove trees, enhance grasslands, plant endangered species, remove coyote brush, excavate wetlands, wetland plantings
Sherwood Point	\$	39,500	\$	415,300	\$ 504,800	Tree removal, oak woodlands planing, irrigation system
Adobe Gulch Creek	\$	42,570	\$	397,298	\$ 489,868	Remove eucalyptus trees, excavate wetlands, wetland plantings irrigation system
Upper San Mateo Creek	\$	36,660	\$	367,444	\$ 454,104	Tree removal, pond excavation, wetland plantings
Skyline Boulevard	\$	43,730	\$	376,994	\$ 472,724	Tree removal, pond excavation, scrub and wetland plantings
San Andreas Reservoir	\$	43,650	\$	327,000	\$ 420,650	Remove non-native vegetation, excavate wetlands, drainage improvements, road improvements, wetland plantings
Adobe Gulch Grasslands	\$	53,890	\$	446,000	\$ 549,890	Remove Monterey cypress, poison oak and coyote brush, excavate wetlands, relocate road, establish riparian, grassland, wetland and riparian woodland plantings
*Skyline Quarry	\$		\$		\$ -	Remove non-native plants
**Sites related to Lower Crystal Springs	\$		\$		\$ -	Remove non-native trees, plant oak trees
Dam Project	\$		\$		\$ -	
Total	\$	335,410	\$	3,264,590	\$ 4,000,000	
* No construction at this site						
**Scope of work needs to be developed, no significant Construction Management Services expenditures						

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, San Francisco Board of Supervisors	City elective office(s) held: Members, San Francisco Board of Supervisors

Contractor Information (Please print clearly.)
Name of contractor: HDR Engineering, Inc.
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. 1. Board of Directors: Richard R. Bell, George A. Little, Merle S. Bachman, Terence C. Cox, Ronald L. Harris, Frank H. Hilsabeck, Mary E. Peters, John K. Wilson 2. CEO: Richard R. Bell, P.E., CFO: Terence C. Cox, COO: Not Applicable 3. No individual owns 20 percent or more of HDR Engineering, Inc. 4. SUBCONTRACTORS: Shaw, Their PR, D. Shaw, Katz Associates, Apex, CPM, Dobkin, Ground Floor, Holman, James Allen, KKCS, Meridian, CRE, ECS, MCK, Astin, Bendz, Mactec, AGS, Corpro 5. HDR does not sponsor or control any political committee
Contractor address: 575 Market Street, Suite 700, San Francisco, CA 94105-2387
Date that contract was approved: 10/29/2009
Amount of contract: 22,000,000.00
Describe the nature of the contract that was approved: Contractor will provide construction management services for the Peninsula Region. Contractor will be the Peninsula Regional Consultant Construction Manager (RCCM), and will be required to provide fully qualified and highly experienced construction management personnel to manage the construction of the projects within the Region.
Comments: Form completed by: Amy Gilleran, P.E., HDR Engineering

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

Print Name of Board

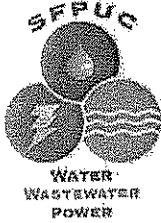
Filer Information (Please print clearly.)	
Name of filer: Angela Calvillo, Clerk of the San Francisco Board of Supervisors	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: board.of.supervisors@sfgov.org

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



AGENDA ITEM
Public Utilities Commission
City and County of San Francisco



DEPARTMENT Infrastructure

AGENDA NO. 17

MEETING DATE November 9, 2010

Professional Services Amend: Regular Calendar
Project Manager: Husam Masri/Greg Lyman

Agreement No. CS-916, Amendment No. 1, Peninsula Construction Management (CM) Services

Summary of Proposed Commission Action:	Approve Amendment No. 1 to Water Enterprise, Water System Improvement Program (WSIP)-funded Agreement No. CS-916, Peninsula Construction Management (CM) Services, with HDR Engineering, Inc. for additional construction management services associated with Bioregional Habitat Restoration sites within the Peninsula Region; and authorize the General Manager of the San Francisco Public Utilities Commission to execute this amendment increasing the agreement by \$4,000,000, for a total not-to-exceed agreement amount of \$26,000,000; provided that expenditures shall be limited to pre-construction activities until such time as the Commission reviews and considers the Final Environmental Documents and determines whether or not to approve the proposed Projects; subject to the Board of Supervisors' approval pursuant to Charter Section 9.118.
Background & Description of Scope of Services:	Background: The San Francisco Public Utilities Commission awarded HDR Engineering, Inc. the CS-916, Peninsula Construction Management (CM) Services on August 11, 2009. The scope of services includes assisting the SFPUC with the Construction Management of the eight following Projects within the Peninsula Region: <ol style="list-style-type: none">1. Lower Crystal Springs Dam Improvements;2. Pulgas Balancing - Discharge Channel Modifications;3. Pulgas Balancing Reservoir - Structural Rehabilitation & Roof

APPROVAL:

DEPARTMENT /
BUREAU

COMMISSION
SECRETARY

Mike Housh

FINANCE

Todd L. Rydstrom

GENERAL
MANAGER

Ed Harrington

Replacement;

4. Pulgas Balancing Reservoir - Modifications of the Existing Dechlorination Facility;
5. Crystal Springs / San Andreas Transmission Upgrade;
6. Crystal Springs Pipeline No. 2 Replacement;
7. San Andreas Pipeline No. 3 Installation; and
8. Baden and San Pedro Valve Lots Improvements

All environmental analysis documents for all these projects have been reviewed and certified by the San Francisco Planning Commission.

The Bioregional Habitat Restoration to be implemented under the WSIP consolidates impacts from multiple WSIP projects to benefit the environment by constructing larger ecosystem mitigation projects with less construction effects. Construction at these sites includes excavation, soil placement, stream bank stabilization, and planting to create seasonal wetlands, riparian habitat and woodlands.

The Homestead Pond, Skyline Boulevard, San Andreas Reservoir, Upper San Mateo Creek, Skyline Quarry, Adobe Gulch Creek South, Boat Ramp North, Adobe Gulch, Boat Ramp South, Half Moon Bay/Pilarcitos, and Sherwood Point mitigation sites are proposed Bioregional Habitat Restoration sites within the Peninsula Region to provide mitigation for the eight listed WSIP projects. The approval status of the environmental review of the Bioregional Habitat Restoration sites is provided below.

The Homestead Pond mitigation site is proposed as compensatory mitigation habitat for WSIP project listed above and, among others, the Bay Division Reliability Upgrade (SFPUC Resolution No. 09-0120 and Board of Supervisors Resolution No. 371-09) which was approved by the Commission and for which CEQA findings have been adopted by the Board of Supervisors.

The San Andreas Reservoir and Adobe Gulch mitigation sites are proposed as compensatory habitat mitigation for, among others, the Crystal Springs / San Andreas Transmission System Upgrades (SFPUC Resolution No. 10-0081 and Board of Supervisors Resolution No. 356-25-10) which was approved by the Commission and for which CEQA findings have been adopted by the Board of Supervisors.

Copies of the Commission and Board resolutions referred to above are included in the respective project files. The above referenced three compensatory mitigation habitat sites may, but not necessarily will, be used as compensatory mitigation habitat for WSIP projects in the Peninsula Region not yet approved by the SFPUC and/or the Board of Supervisors, including but not limited to Lower Crystal Springs Dam

Improvements.

The Skyline Boulevard, Upper San Mateo Creek, Skyline Quarry, Adobe Gulch Creek South, Boat Ramp North, Boat Ramp South, Half Moon Bay/Pilarcitos, and Sherwood Point projects are proposed as compensatory mitigation habitat for the Lower Crystal Springs Dam Improvement Project which has been approved by the Commission (SFPUC Resolution 10-0175), but for which CEQA findings have not yet been adopted by the Board of Supervisors.

Description of Scope of Services:

The scope of the original agreement included construction management (CM) services to manage the construction and environmental compliance of the above-cited nine projects including preconstruction and construction phase services. The work under the original agreement consists of:

• **Pre-construction Phase Services**

- Review Design Engineer construction schedules
- Provide constructability review of construction bid documents
- Provide Bid and Award Phase assistance
- Provide assistance with permits and rights-of-way
- Provide construction contract requirements for CM field offices and other project related costs/services
- Provide resource loaded Task Plan
- Participate in the Pre-Construction Conference
- Provide project-specific CM Plan in accordance with WSIP CM Plan
- Provide other support activities necessary for the award of the various construction contracts and initiation of the construction work

• **Construction Phase Services**

- Provide CM services to manage and administer the construction of the projects in accordance with the WSIP CM Plan
- Provide quality assurance (QA) services including testing and field investigations for the various contracts
- Provide environmental construction compliance monitoring and support services
- Assist with the implementation of the Project Labor Agreement (PLA)
- Assist with SFPUC's public outreach effort during construction
- Provide testing and startup management services
- Assist with activities associated with the acceptance of the work, close-out, and turnover
- Provide other support activities necessary for the

	<p>management of the construction work</p> <p>Changes to the Agreement under this Amendment:</p> <p>This Amendment for additional CM services associated Bioregional Habitat Restoration sites is due to the fact that during the early stages of the WSIP, when the habitat restoration requirements were less defined, the plan was to use City resources to self perform CM and environmental monitoring for the construction of restoration sites. The refined schedule and scoping of the restoration work resulted in a concentrated construction sequence that not only exceeds available city resources but also requires certified, skilled and qualified monitors currently unavailable within the SFPUC. The options considered by WSIP Management included soliciting CM services under a separate contract or using an existing contract. Given the sporadic nature of the work and the need to secure services expeditiously, WSIP Management believes that it is best to use an existing contract.</p> <p>It is most efficient to amend Agreement CS-916, Peninsula Construction Management (CM) Services to perform the Bioregional Habitat Restoration work on the Peninsula because the nature of the needed CM services is an expansion of the agreement's existing scope and responsibilities for projects and project areas within the Peninsula Region. The amended services will use existing skills and knowledge of current staff resulting in time and cost savings. Additional work is primarily environmental monitoring and will be seasonal and of short duration as a result of wildlife breeding cycles and weather patterns. Construction will only occur between the months of August and December.</p> <p><u>Amendment No. 1:</u> is being requested for \$4,000,000 for additional CM services associated with Bioregional Habitat Restoration sites in the WSIP Peninsula Region; increasing the total not-to-exceed agreement amount to \$26,000,000.</p>
Result of Inaction:	<p>A delay in amending this agreement will delay implementation of permit required habitat compensation for WSIP projects including Bay Division and Peninsula Regions Projects. Delays in implementing the compensation sites may also result in permit violations and, possibly, a stoppage of work on the WSIP projects that require these restoration sites.</p>
Budget & Costs:	<p>Funding: is available at the time of agreement execution from Project CUW 38802 – Habitat Reserve Program (The Bioregional Habitat Restoration). The funding for this work is accounted for in the existing WSIP budget, approved by the Commission on July 28, 2009.</p>

Agreement: CS-916 Peninsula Construction Management (CM) Services
Commission Meeting Date: November 9, 2010

	Original Not-To-Exceed Amount: \$22,000,000 Amendment No. 1 Not-To-Exceed Amount: \$4,000,000 Total Not-To-Exceed Amount: \$26,000,000
Schedule:	Original Duration: of fifty-five (55) months will remain unchanged
Compliance With Chapter 14B: Local Business Enterprise (LBE) and Non-Discrimination in Contracting Ordinance:	The Human Rights Commission (HRC) sub-consulting goal of 17.9% Local Business Enterprise (LBE) participation (of the total value of services to be provided) will remain unchanged.
Recommendation:	SFPUC staff recommends that the Commission adopt the attached resolution.
Attachment:	1. SFPUC Resolution

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. _____

WHEREAS, On August 11, 2009, pursuant to Resolution No. 09-0142, this Commission awarded Agreement No. CS-916, Peninsula Construction Management (CM) Services, and authorized the General Manager of the San Francisco Public Utilities Commission to negotiate and execute a professional services agreement, in the amount of \$22,000,000, and with a term of fifty-five (55) months, concluding on June 29, 2014 with HDR Engineering, Inc., subject to Board of Supervisors approval pursuant to Charter Section 9.118; and

WHEREAS, On October 20, 2009 pursuant to Resolution No. 405-09, approval for Agreement No. CS- 916 was obtained from the San Francisco Board of Supervisors; and

WHEREAS, The Bioregional Habitat Restoration to be implemented under the WSIP consolidates impacts from multiple WSIP projects to benefit the environment by constructing larger ecosystem mitigation projects with less construction effects; and

WHEREAS, Amendment No. 1 is being requested in the amount of \$4,000,000 additional CM services associated with Bioregional Habitat Restoration sites to be located within the Peninsula Region, increasing the total not-to-exceed agreement amount to \$26,000,000; and

WHEREAS, The Homestead Pond, Adobe Gulch, and San Andreas Reservoir compensatory habitat mitigation sites, for which construction management services will be provided, include sites which are proposed as mitigation for WSIP facility improvement projects which have been approved by the Commission and CEQA findings adopted by the Board of Supervisors ("Board"); including, among others, the Bay Division Reliability Upgrade and Crystal Springs San Andreas Transmission Upgrade project; and

WHEREAS, The Skyline Boulevard, Upper San Mateo Creek, Skyline Quarry, Adobe Gulch Creek South, Boat Ramp North, Boat Ramp South, Half Moon Bay/Pilarcitos, and Sherwood Point projects are proposed as compensatory mitigation habitat for the Lower Crystal Springs Dam Improvement Project which has been approved by the Commission (SFPUC Resolution 10-0175), including the adoption of CEQA Findings and a Mitigation Monitoring and Report Program, but for which CEQA findings have not yet been adopted by the Board of Supervisors; and

WHEREAS, Environmental review has been completed for the above-referenced WSIP facility improvement projects, and CEQA findings adopted by the Commission and the Board, as described above; and by Note to the File ("Note to File") dated June 14, 2010 for the Bay Division Reliability Upgrade prepared by the San Francisco Planning Department, Major Environmental Analysis Division (City Planning File No. 2005.0164E), determining that implementation of the Homestead Pond mitigation site would not result in any additional significant environmental impacts beyond those disclosed in the Final EIR for the project; and

WHEREAS, By adopting CEQA Findings for Bay Division Reliability Upgrade and Crystal Springs / San Andreas Transmission System Upgrades including implementation of compensatory mitigation at sites that may be proposed as mitigation for individual WSIP facility improvement projects that have not yet been approved by the SFPUC; the SFPUC is not making any commitment to approve any other WSIP project or mitigation, nor does the Commission make any determination as to the adequacy of the Bioregional Habitat Restoration sites as compensatory habitat mitigation for any WSIP project that has not yet been approved, and the Commission retains full discretion to consider the environmental documents for other WSIP projects, including but not limited to mitigation measures therein, and to adopt or decline to adopt findings required under CEQA for those projects; and

WHEREAS, The Commission has reviewed and considered the information and findings contained in the final EIRs for the Bay Division Reliability Upgrade and Crystal Springs/San Andreas Transmission System Upgrades projects, Note to the File, all as contained in the respective project files, WSIP Program FEIR, SFPUC and Board Resolutions referred to in the Agenda Report for this matter, which resolutions are incorporated herein by reference as though fully set forth and all written and oral information provided by the Planning Department, the public, relevant public agencies, SFPUC and other experts and the administrative files for this action as identified above; and

WHEREAS, A Human Rights Commission (HRC) sub consulting goal of 17.9% Local Business Enterprise (LBE) participation (of the total value of services to be provided) has been established for this agreement; and

WHEREAS, Funds for this agreement are available from Project No. CUW 38802 – Habitat Reserve Program (The Bioregional Habitat Restoration) and were accounted for in the existing WSIP budget approved by the Commission on July 28, 2009; now, therefore, be it

RESOLVED, That the Commission finds that the Bay Division Reliability Upgrade and Crystal Springs / San Andreas Transmission System Upgrades FEIRs are adequate for their use by the decision-making body for the action taken herein; and be it

FURTHER RESOLVED, The Commission finds that since the FEIRs were finalized, there have been no substantial changes in the Bay Division Reliability Upgrade or Crystal Springs / San Andreas Transmission System Upgrades Projects, and no substantial changes in circumstances relating to the project that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FEIR; and be it

FURTHER RESOLVED, That this Commission hereby approves Amendment No. 1 to Water Enterprise Water System Improvement Program-funded Agreement No. CS-916, Peninsula Region Construction Management (CM) Services, with HDR Engineering, Inc. for additional construction management services associated with Bioregional Habitat Restoration sites within the Peninsula Region; and authorizes the General Manager of the San Francisco Public Utilities Commission to execute this amendment, increasing the agreement by \$4,000,000, for a total agreement amount of \$26,000,000; provided that expenditures shall be limited to pre-construction activities until such time as the Commission reviews and considers the Final Environmental Documents and determines whether or not to approve the proposed Projects; 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 _____ November 9, 2010

Secretary, Public Utilities Commission

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 10-0198

WHEREAS, On August 11, 2009, pursuant to Resolution No. 09-0142, this Commission awarded Agreement No. CS-916, Peninsula Construction Management (CM) Services, and authorized the General Manager of the San Francisco Public Utilities Commission to negotiate and execute a professional services agreement, in the amount of \$22,000,000, and with a term of fifty-five (55) months, concluding on June 29, 2014 with HDR Engineering, Inc., subject to Board of Supervisors approval pursuant to Charter Section 9.118; and

WHEREAS, On October 20, 2009 pursuant to Resolution No. 405-09, approval for Agreement No. CS- 916 was obtained from the San Francisco Board of Supervisors; and

WHEREAS, The Bioregional Habitat Restoration to be implemented under the WSIP consolidates impacts from multiple WSIP projects to benefit the environment by constructing larger ecosystem mitigation projects with less construction effects; and

WHEREAS, Amendment No. 1 is being requested in the amount of \$4,000,000 additional CM services associated with Bioregional Habitat Restoration sites to be located within the Peninsula Region, increasing the total not-to-exceed agreement amount to \$26,000,000; and

WHEREAS, The Homestead Pond, Adobe Gulch, and San Andreas Reservoir compensatory habitat mitigation sites, for which construction management services will be provided, include sites which are proposed as mitigation for WSIP facility improvement projects which have been approved by the Commission and CEQA findings adopted by the Board of Supervisors ("Board"); including, among others, the Bay Division Reliability Upgrade and Crystal Springs San Andreas Transmission Upgrade project; and

WHEREAS, The Skyline Boulevard, Upper San Mateo Creek, Skyline Quarry, Adobe Gulch Creek South, Boat Ramp North, Boat Ramp South, Half Moon Bay/Pilarcitos, and Sherwood Point projects are proposed as compensatory mitigation habitat for the Lower Crystal Springs Dam Improvement Project which has been approved by the Commission (SFPUC Resolution 10-0175), including the adoption of CEQA Findings and a Mitigation Monitoring and Report Program, but for which CEQA findings have not yet been adopted by the Board of Supervisors; and

WHEREAS, Environmental review has been completed for the above-referenced WSIP facility improvement projects, and CEQA findings adopted by the Commission and the Board, as described above; and by Note to the File ("Note to File") dated June 14, 2010 for the Bay Division Reliability Upgrade prepared by the San Francisco Planning Department, Major Environmental Analysis Division (City Planning File No. 2005.0164E), determining that implementation of the Homestead Pond mitigation site would not result in any additional significant environmental impacts beyond those disclosed in the Final EIR for the project; and

WHEREAS, By adopting CEQA Findings for Bay Division Reliability Upgrade and Crystal Springs / San Andreas Transmission System Upgrades including implementation of compensatory mitigation at sites that may be proposed as mitigation for individual WSIP facility improvement projects that have not yet been approved by the SFPUC, the SFPUC is not making any commitment to approve any other WSIP project or mitigation, nor does the Commission make any determination as to the adequacy of the Bioregional Habitat Restoration sites as compensatory habitat mitigation for any WSIP project that has not yet been approved, and the Commission retains full discretion to consider the environmental documents for other WSIP projects, including but not limited to mitigation measures therein, and to adopt or decline to adopt findings required under CEQA for those projects; and

WHEREAS, The Commission has reviewed and considered the information and findings contained in the final EIRs for the Bay Division Reliability Upgrade and Crystal Springs/San Andreas Transmission System Upgrades projects, Note to the File, all as contained in the respective project files, WSIP Program FEIR, SFPUC and Board Resolutions referred to in the Agenda Report for this matter, which resolutions are incorporated herein by reference as though fully set forth and all written and oral information provided by the Planning Department, the public, relevant public agencies, SFPUC and other experts and the administrative files for this action as identified above; and

WHEREAS, A Human Rights Commission (HRC) sub consulting goal of 17.9% Local Business Enterprise (LBE) participation (of the total value of services to be provided) has been established for this agreement; and

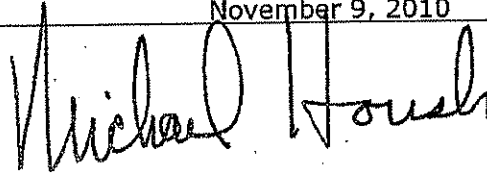
WHEREAS, Funds for this agreement are available from Project No. CUW 38802 -- Habitat Reserve Program (The Bioregional Habitat Restoration) and were accounted for in the existing WSIP budget approved by the Commission on July 28, 2009; now, therefore, be it

RESOLVED, That the Commission finds that the Bay Division Reliability Upgrade and Crystal Springs / San Andreas Transmission System Upgrades FEIRs are adequate for their use by the decision-making body for the action taken herein; and be it

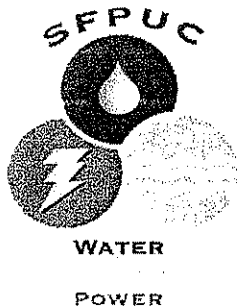
FURTHER RESOLVED, The Commission finds that since the FEIRs were finalized, there have been no substantial changes in the Bay Division Reliability Upgrade or Crystal Springs / San Andreas Transmission System Upgrades Projects, and no substantial changes in circumstances relating to the project that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FEIR; and be it

FURTHER RESOLVED, That this Commission hereby approves Amendment No. 1 to Water Enterprise Water System Improvement Program-funded Agreement No. CS-916, Peninsula Region Construction Management (CM) Services, with HDR Engineering, Inc. for additional construction management services associated with Bioregional Habitat Restoration sites within the Peninsula Region; and authorizes the General Manager of the San Francisco Public Utilities Commission to execute this amendment, increasing the agreement by \$4,000,000, for a total agreement amount of \$26,000,000; provided that expenditures shall be limited to pre-construction activities until such time as the Commission reviews and considers the Final Environmental Documents and determines whether or not to approve the proposed Projects; 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 November 9, 2010

A handwritten signature in black ink, appearing to read "Michael Housh". The signature is written in a cursive, flowing style. The first name "Michael" is written with a large, looped 'M' and the last name "Housh" is written with a large, looped 'H'.

Secretary, Public Utilities Commission



SAN FRANCISCO PUBLIC UTILITIES COMMISSION



**City and County of San Francisco
San Francisco Public Utilities Commission
1155 Market Street, 11th Floor
San Francisco, California 94103**

**First Amendment
Agreement No. CS-916: Construction Management Services
Peninsula Regional Projects**

THIS AMENDMENT (this "Amendment") is made as of this **1st day of December 2010** in San Francisco, California, by and between **HDR Engineering, Inc.** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its 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 incorporate additional services associated with Habitat Reserve Program sites located in the Peninsula Region, increase the contract not-to-exceed amount, and update standard contractual clauses; and

WHEREAS, on November 9, 2010, pursuant to Resolution No. 10-0198, the San Francisco Public Utilities Commission approved this Amendment, subject to approval by the Board of Supervisors under Charter section 9.118; and

WHEREAS, approval for this Amendment was obtained from the San Francisco Board of Supervisors by Resolution No. _____ on _____; and

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 the Agreement dated **29th day of October 2009** between Contractor and City under which Consultant agreed to perform

Construction Management Services for the SFPUC Water System Improvement Program's Peninsula Regional Projects.

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. Introductory Paragraph. The Introductory Paragraph of the Agreement is hereby revised to read as follows:

This Agreement is made this 29th day of October 2009, in the City and County of San Francisco, State of California, by and between: **HDR Engineering Inc., 575 Market Street, Suite 700, San Francisco, CA 94105-2387**, hereinafter referred to as "Consultant", and the City and County of San Francisco, a municipal corporation, hereinafter referred to as "City", acting by and through its Public Utilities Commission.

2b. Compensation. Section 5. of the Agreement, **Compensation**, currently reads as follows:

5. Compensation

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 **\$22,000,000 Dollars (Twenty Two Million dollars)**. Appendix B, "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 **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 omission. 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:

5. Compensation.

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 **\$26,000,000 Dollars (Twenty Six Million dollars)**. 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 **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 omission. 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.

2c. Submitting False Claims; Monetary Penalties. Section 8 of the Agreement, Submitting False Claims; Monetary Penalties, is hereby replaced in its entirety to read as follows:

8. Submitting False Claims; Monetary Penalties.

Pursuant to Article V of Chapter 6 of the San Francisco Administrative Code, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties 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.municode.com/Library/clientCodePage.aspx?clientID=4201>. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (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.

2d. Requiring Minimum Compensation for Covered Employees. Paragraph a. of Section 43 of the Agreement is hereby replaced in its entirety to read as follows:

43. Requiring Minimum Compensation for Covered Employees

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

2e. Requiring Health Benefits for Covered Employees. The opening paragraph of Section 44 of the Agreement 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.

2f. Appendix A, Services to be Provided by Consultant. Appendix A to the Agreement is revised by adding Appendix A-1, **Additional Services to be Provided by Contractor**. Appendix A-1 is attached hereto as Attachment (1) to this Amendment.

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:

HDR Engineering, Inc

Ed Harrington
General Manager
San Francisco Public Utilities Commission


Name of Authorized Representative

Approved as to Form:

Title

Dennis J. Herrera
City Attorney

By:



John White
Deputy City Attorney

Attachments:

(1) Appendix A-1: Additional Services to be provided by Contractor

Attachment (1) to First Amendment
Agreement No. CS-916

Appendix A-1
Additional Services to be provided by Contractor

Contractor agrees to perform the following services in accordance with the terms and conditions of this Agreement.

**Task 10: Construction Management and Environmental Compliance Services
- Peninsula Region Habitat Reserve Program Sites**

Description of Services

Consultant will provide construction management and environmental compliance services for the Habitat Reserve Program (HRP) sites located in the Peninsula Region. The Regional Consultant Construction Manager (RCM) will provide qualified and experienced environmental compliance and construction management personnel to manage construction at the HRP sites.

The sites within the Peninsula Region are:

- Homestead Pond
- Boat Ramp (aka Boat Ramp South and Boat Ramp North)
- Sherwood Point
- Adobe Gulch Creek South
- Upper San Mateo Creek
- Skyline Boulevard
- San Andreas Reservoir
- Adobe Gulch (aka Adobe Gulch Grasslands)
- Skyline Quarry
- Sites related to Lower Crystal Springs Dam Project

The following tasks, subtasks and subtask activities are referenced to the relevant sections (in parentheses) in the WSIP CM Plan to provide guidance to the anticipated scope of work. The sections referenced are not inclusive.

Task 10.1 Provide HRP Pre-Construction Services

Subtask 10.1.1 Pre-Construction Services

10.1.1.0 Provide Regional Oversight and Support

Provide regional oversight and support as outlined in Task 1 for the monitoring and reporting of the work associated with the Peninsula Region HRP Sites.

10.1.1.1 Integrate Environmental Requirements into Construction Process

Integrate environmental requirements into construction process; implement MMRPs; manage and assign environmental inspectors and specialty monitors. Prepare compliance reports and coordinate with SFPUC Bureau of Environmental Management (BEM). Provide agency interface and coordinate resolution of issues with SFPUC BEM. Coordinate pre-construction surveys and other mitigation work as required by permits. Set up and maintain environmental compliance records and files. Prepare compliance reports, maintain permit binders and track variance requests in accordance with the SFPUC WSIP CM Plan.

Deliverables

Coordinate preconstruction environmental compliance activities and environmental surveys and reports.

10.1.1.2 Provide Constructability/Bidability Reviews (2.1.2)

Develop a strategy for the construction of the Peninsula HRP sites and propose approach to method and number of contracting packages. The plan will be submitted to the RPM for review and approval.

Based on the approved contracting plan, conduct a constructability and bidability review of the construction bid documents with emphasis on completeness of the design documents, adequacy of the planned Contractor's compound area including field offices, storage and lay down space, incorporation of known underground and overhead interferences, potential health and safety issues, potential environmental issues, potential community issues, specified construction methods that might result in excessive costs without associated benefits, clear incorporation of schedule constraints and milestones including shutdown constraints, inclusion of inspection, testing and system acceptance provisions, materials delivery plans methods and constraints, conflicts within the documents and the constructability impacts of the environmental requirements. Internal milestones with the potential for Liquidated Damages will be evaluated. We will review and comment on the Contractor QC Plan requirements and on the required submittals.

Deliverables

Contracting Plan

Constructability/Bidability review comments on the design package

10.1.1.3 Provide Bid and Award Phase Assistance (2.1.3)

Provide support for pre-bid meetings, and responses to questions submitted by bidders as directed by the RPM. In addition, support may also include contractor outreach services to maximize bidder participation as well as assistance in any prequalification of bidders to encourage maximum competition of qualified firms.

10.1.1.4 Provide Resource Loaded Task Plan (2.2.4)

Provide resource loaded task plan for the Construction Management Services on the Project. The CM staff resources will be allocated according to the WBS breakdown provided by SFPUC. This task plan will be created in P6 and imported into the WSIP Master Project Schedule. This task plan will be updated monthly and used for project invoicing.

Deliverables

Resource loaded P6 Schedule

Monthly updates to the P6 Schedule in the monthly progress report

Subtask 10.1.2 Provide HRP Construction Management Services

10.1.2.0 Provide Construction Contract Administration

The RCM will oversee the management of all HRP construction contracts in accordance with the WSIP Construction Management Plan and Procedures.

The RCM will assemble forecasts and required reports to the Regional Project Manager (RPM) for inclusion in the WSIP program controls system and will work closely with and support the RPM relative to the Peninsula Regional budget and schedule issues. The RCM will also monitor the construction activities for timely processing of submittals, Requests for Information (RFI), Requests for Substitution (RFS), Application for Payments and change orders and will assist and facilitate resolution of conflicts and problems arising between Contractors and HRPEM.

The RCM will review and approve the change orders within the parameters of the WSIP Change Approval Matrix and recommendations for contractual actions against a Contractor. The RCM will assist the RPM in reviewing and developing strategies to address claims from contractors and will lead and participate in constructability reviews and assist with the Bid and Award Phase of the applicable HRP construction contracts as assigned and directed by the RPM.

The RCM will provide regional clerical, administrative and document control/records management support.

Deliverables

Oversee and direct the activities of the CM team for the successful completion of the HRP

Provide services required by the WSIP CM Plan and Procedures

Conduct periodic progress meetings and submit monthly progress reports

10.1.2.1 Implement Limited Scope Construction Management Information System CMIS (2.2.3)

The HRPEM will implement a limited scope CMIS as approved by RPM.

10.1.2.2 Manage HRP Construction contract (2.2.4)

The RCM will resource load its contract work to the same level and detail (by project, task, subtask, and subtask activities) for import into SFPUC's WSIP master project schedule. This will enable SFPUC cost projection and reporting; providing adequate visibility and control of the construction management services. Invoices will be submitted in accordance with established detailed work breakdown structure (WBS) previously identified. Monthly status reports will be prepared per the WSIP CM Procedures:

Deliverables

Monthly reporting of contract status and budget forecasts

Weekly reporting of work activities and critical issues

10.1.2.3 Provide Construction Administration (2.2.8.1 through 2.2.8.19)

The RCM will provide construction administration of the Peninsula HRP Sites as outlined in the CM Plan. Limited scope P6 and Contract Manager/CMIS will be utilized to manage and expedite the project documentation and submittals. The specific activities will be as outlined in the CM Plan.: Administrative support will also be provided.

10.1.2.5 Construction Contracts Management (2.2.10.1 through 2.2.10.9)

The RCM will assist in the management of the Construction Contract(s) by managing the contract change process as described in the CM Plan and Contract Documents. Changes can be initiated by the SFPUC through a Proposed Change Order (PCO) or by the Contractor through a Change Order Request (COR). The RCM is responsible for managing the change management process in conformance with the requirements in the Contract Documents, leading the negotiation of cost and/or time impacts and providing recommendations for the disposition of changes.

A Change Log tracking Change Requests and trends will be maintained for the life of the project. Change Requests will be coded and categorized as described in the CM manual. Cost and schedule trending will be used to provide early warning of potential cost and schedule impacts, to allow for corrective action, minimize unexpected changes, document cost and schedule forecasts and reports, and provide a history of cost and schedule evolution. The RCM will communicate these trends and associated issues among the total CM team for maximum awareness and feedback among team members.

Deliverables

Complete Contract Change Order Packages as required

10.1.2.6 Construction Project Controls (2.2.11.1 through 2.2.11.13)

The HRPEM will be responsible for the management of the HRP construction schedule. The HRPEM will hold regular reviews and incorporate comments and updates in a timely manner. Such review and analysis will focus on early warning signs to avoid issues with established schedules and budgets and with availability and utilization of resources.

The management of the schedule and monitoring of the progress will address all aspects of the work from initial Contractor submittal to contract close-out. This will start with the critical review and approval of the Contractor's baseline schedule followed by monthly schedule updates, recovery schedules as needed, the use of 4 week look-ahead schedules, maintenance of approved schedule revisions, schedule analysis and variance reporting, and schedule forecasting.

Deliverables

Monthly schedule and cost updates for inclusion into WSIP master schedule

10.1.2.8 Environmental Compliance Training

Prepare presentations and materials for two levels of environmental compliance training—a supervisory level and a crew-level training. This training will comply with training requirements included in the MMRP, and permits to inform personnel of biological, cultural and/or paleontological resources that have the potential to occur on the site. The training will also include applicable requirements related to environmental compliance, including communication protocols, project changes, storm water and pollution control, and other pertinent resource areas.

Deliverables

Develop and deliver Supervisory Level environmental training (i.e., slide presentation).

Develop and deliver Crew Level environmental training and distribute up to 50 copies of associated handout materials (i.e., “ALERT” sheet, English version biological brochure, and Spanish version biological brochure) to all project personnel.

Develop a color laminated sheet that shows examples of cultural and paleontological resources that can be shown to crew during the training presentation.

Provide a “crib sheet” for the crew training briefing to be used by the Environmental Inspector and/or other SFPUC personnel conducting the training. This “crib sheet” will not be distributed to the crew. For the days that CM Firm will not have an Environmental Inspector on site to perform the environmental training, CM Firm shall provide the on-site SFPUC QA Inspector with said “crib – sheet” to be used when performing the training.

Prepare two color 8 ½” x 11” brochures (i.e., both an English and Spanish version) for handout to all attending the training an environmental training briefing that describes federally listed species that could potentially occur on site (Mission blue butterfly, California red-legged frog, and San Francisco garter snake). [USFWS BA Project Conservation Measure 1. b.]

Subtask 10.1.3 Construction Inspection and Environmental Compliance

10.1.3.1 – Construction Inspection and Environmental Compliance

Provide Construction and Environmental Inspectors, Biological and Cultural Resource Specialty Environmental Monitors (SEM), and Restoration Specialists to perform quality assurance inspections and documentation in accordance with WSIP Construction Management procedures and HRP MMRPs. All inspection and monitoring staff will report to the HRP EM.

The above field staff will provide quality assurance inspections of site civil, electrical, mechanical work and environmental monitoring during construction and will each submit Daily Inspection Reports and monitoring reports as required.

Deliverables:

Provide the resumes of potential inspection candidates where necessary for review and approval by the SFPUC.

Prepare an Environmental QA Daily Inspection and Monitoring Reports for the days on-site and supporting photographs, as applicable and necessary, in accordance with CM P052 and CM P08. Inspection staff will use a Word file form (Word file form template to be provided by SFPUC).

Prepare Environmental Requirements Table in accordance with CM P051. Prepare Environmental Quarterly Compliance Reporting Table in accordance with CM P056.

QA Inspection staff will use Word and Excel file forms (templates to be provided by the SFPUC).

Develop and prepare discipline specific specialty environmental surveys, plans and reports.

Subtask 10.1.4 Special Studies / Investigations

10.1.4.1 – Additional Services for Special Studies and Investigations.

RCM shall provide provisional additional services for construction management and environmental compliance, investigations and special studies as defined and directed by the RPM. If any additional services are required, a written authorization shall be provided in the form of a task order revision. The task order revision shall include a detailed scope of work and budget. Examples include:

- Soil sampling and testing
- Cultural resources surveys and recovery (e.g., accidental discoveries)
- Paleontological resources surveys and recovery (e.g., accidental discoveries)
- Other services deemed necessary for the successful completion of the Peninsula HRP Sites



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

Date: June 14, 2010
Case No.: 2005.0146E
Project: Bay Division Pipeline Reliability Upgrade Project
Project Sponsor: San Francisco Public Utilities Commission
MEA Contact: Timothy Johnston – (415) 575- 9035
timothy.johnston@sfgov.org

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

NOTE TO FILE FOR BAY DIVISION PIPELINE RELIABILITY UPGRADE PROJECT ENVIRONMENTAL IMPACT REPORT – SECONDARY IMPACTS OF MITIGATION

Background

On July 9, 2009, by Motion No. 17918, the San Francisco Planning Commission certified the Final Environmental Impact Report (EIR) for the Bay Division Pipeline Reliability Upgrade Project (Project). Subsequently, on July 14, 2009, by Resolution No. 09-0120, the San Francisco Public Utilities Commission (SFPUC) approved the Project, and adopted CEQA findings and a Mitigation Monitoring and Reporting Program (MMRP). The EIR and MMRP included mitigation measures that are required to compensate for significant impacts of the Project on biological resources. At the time the EIR was certified and the Project was adopted, specific locations for the compensatory mitigation had not been determined. As a result of ongoing coordination with the relevant resource agencies, the SFPUC has identified the Homestead Pond Mitigation Site as a location which it proposes to satisfy certain habitat compensation mitigation for the Project. The final decision, however, on the location of this, or any other compensatory mitigation site, is subject to approval from the resource agencies. This Note to File discusses potential significant environmental effects related to implementing habitat compensation at the Homestead Pond Mitigation Site in accordance with CEQA Guidelines Section 15126.4(a)(1)(D).

Location and Description of Mitigation Activities

The Homestead Pond site is located on the western edge of the Cañada Road and I-280 intersection in the southern portion of the SFPUC Peninsula Watershed. The site is owned by the City and County of San Francisco and is managed by the SFPUC. The site contains non-native eucalyptus trees, grasslands, and a mix of wetland and riparian vegetation that are degraded by non-native invasive plants.

Mitigation at the Homestead Pond site will include creation, restoration, enhancement and preservation of grassland, scrub, oak woodland, riparian and wetland habitats. Specific activities will include:

- Removal of non-native vegetation and planting with native plants;
- Installation of temporary irrigation to support new plantings until established (2-3 years);

- Grading to create and enlarge wetlands; and
- Grading and planting to stabilize eroding stream channels and riparian corridors.

Long-term management activities are expected to include inspection and repair, control of non-native predators (e.g., bullfrogs), spot application of herbicides, spot burning and hand weeding to control invasive weeds. Preservation of the habitat in perpetuity will be achieved through a conservation easement or other legal instrument.

Habitat compensation activities will require up to 20 workers and will occur over a 16-week period between approximately August 1, 2010 and January 31, 2011. All in-stream earthwork will be conducted between August 1 and October 15. All other earthwork and construction activities could occur throughout the construction period. The site will be accessed from Cañada Road. No new access roads will be constructed. Construction vehicles, equipment and materials will be staged in an existing disturbed area adjacent to Cañada Road.

SECONDARY IMPACTS OF MITIGATION MEASURES

Implementation of habitat compensation mitigation at the Homestead Pond site will not result in any significant impacts on the environment beyond those identified for the Project in the EIR. As further discussed below, implementation of the same mitigation measures identified in the EIR for impacts on cultural and paleontological resources, biological resources, and air quality will reduce significant impacts that could result from the habitat compensation actions to a less than significant level.

CULTURAL AND PALEONTOLOGICAL RESOURCES

The San Francisco Planning Department conducted a records search and field surveys, consulted with the Native American Heritage Commission, other Native American organizations and individuals and Historical Society organizations, and conducted an evaluation of potential resources identified during field surveys to determine whether historical structures, archaeological resources or Native American artifacts or burial sites may be present at the Homestead Pond site. Based on these efforts, there are no pre-historic or historic era cultural resources that could be affected by the proposed habitat compensation activities at the Homestead Pond site (Pacific Legacy/Carey & Company 2009; ICF International 2010).

Grading to create or enlarge wetlands and stabilize streams and riparian corridors and other ground disturbance could affect undiscovered archaeological resources, paleontological resources or human remains.

The impacts of the habitat compensation activities on cultural resources will be similar in nature to but substantially lesser in magnitude to the impacts of the pipeline and tunnel components of the Project, which are identified in the EIR as **Impacts CR-1a, CR-5 and CR-6**. The impacts of the habitat compensation activities can be adequately addressed with implementation of **Mitigation Measures CR-1a, CR-1b, CR-1c, CR-1d, CR-1e, CR-1f, CR-1g,**

CR-5a and CR-5b. Therefore, the habitat compensation activities will not result in any new significant effects on cultural resources beyond those identified in the EIR in relation to the pipeline and tunnel construction/operation elements of the Project or an increase in the severity of a significant impact, and no new mitigation measures will be required.

AIR QUALITY

The use of heavy equipment for excavation and grading and trucks to haul trees and excess spoils offsite will generate criteria pollutants and particulate matter from diesel exhaust and fugitive dust. Although these emissions will be substantially lower than the emissions generated by construction of the pipeline and tunnel construction components of the Project, the same mitigation measures required for Project construction will be applied to reduce emissions from implementation of the habitat compensation actions. Application of Mitigation Measures AIR-1a and AIR-1b will ensure that the impacts of the habitat compensation actions on air quality will be less than significant. Therefore, the habitat compensation mitigation will not result in any new significant effects on air quality beyond those identified in the EIR in relation to the pipeline and tunnel construction/operation elements of the Project or an increase in the severity of a significant impact, and no new mitigation measures will be required.

BIOLOGICAL RESOURCES

The habitat compensation activities at the Homestead Pond site are intended to mitigate for impacts on special-status species and sensitive habitats. As such, the actions at the Homestead Pond site will have a beneficial effect on biological resources. However, short-term construction activities such as tree removal, grading, excavation and planting could have unintended impacts on special-status wildlife and plants. However, the habitat compensation actions at the Homestead Pond site have been designed to avoid impacts on sensitive habitats and species as documented through biological resources field surveys, including rare plant surveys and delineation of wetlands and other waters of the U.S. and state, and through consultations with the U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, California Department of Fish and Game and the San Francisco Bay Regional Water Quality Control Board (ESA+Orion 2010). Therefore, as designed the habitat compensation actions will avoid impacts on biological resources to the maximum extent feasible. In addition, application of mitigation measures already identified in the Project EIR (including Mitigation Measures BIO-2, BIO-11a, BIO-11b, BIO-11c, BIO-11d, BIO-13a, BIO-13b, BIO-13c, BIO-14a, BIO-14b, and BIO-15c), will ensure that impacts on biological resources will not result in any new significant effects beyond those identified in the EIR in relation to the pipeline and tunnel construction/operation elements of the Project or an increase in the severity of a significant impact, and no new mitigation measures will be required.

CONCLUSION

Overall, implementation of habitat compensation activities at the Homestead Pond site will not result in any additional significant impacts beyond those disclosed for the pipeline and

tunnel construction/operation elements of the Project or an increase in the severity of a significant impact. As noted in this Note to File, implementation of mitigation measures identified in the EIR for the Project, where applicable, will reduce all associated impacts to a less than significant level. Consistent with Mitigation Measure 4.16-4a of the SFPUC Water System Improvement Program (WSIP) Final EIR, habitat compensation mitigation actions at the Homestead Pond site will be undertaken as part of a coordinated regional approach to minimize the overall impacts on and to benefit multiple species and habitats that will be impacted by the WSIP facility improvement projects (SFPUC 2010).

References

Pacific Legacy/Carey & Company 2009. Historic Context and Archaeological/Architectural Survey Report for the Habitat Reserve Program, Alameda, San Mateo, Santa Clara, and Tuolumne Counties, California, November 2009.

ESA+Orion 2010. San Francisco Public Utilities Commission Habitat Reserve Program: Homestead Pond, Biological Resources May 2010.

ICF International, 2010. Final Cultural Resources Inventory and Evaluation Report, San Francisco Public Utilities Commission 2010 Habitat Reserve Program, Alameda and San Mateo Counties, California, May 1010.

SFPUC 2010. WSIP Final Program EIR Report for Mitigation Measure 4.16-4a, San Francisco Public Utilities Commission, April 30, 2010.