

File No. 140781

Committee Item No. 5

Board Item No. 35

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date July 23, 2014

Board of Supervisors Meeting

Date July 29 2014

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
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| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" 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"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Executive Directive 14-01</u> |
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Completed by: Linda Wong Date July 18, 2014

Completed by: Linda Wong Date 7/27/14

FILE NO. 140781

RESOLUTION NO.

[Emergency Contracts - Repairing Lower Cherry Aqueduct and Upgrading Sunol Valley Water Facilities Related to Drought Declaration - Not to Exceed \$5,137,000]

1
2 **Resolution approving the emergency public work contract between the San Francisco**
3 **Public Utilities Commission and Monterey Mechanical under San Francisco**
4 **Administrative Code, Section 6.60, to perform immediate work to repair Sunol Valley**
5 **Water Treatment Plant, San Antonio Pump Station and related infrastructure in an**
6 **amount not to exceed \$5,137,000.**

7
8 WHEREAS, California continues to experience one of the most extreme droughts since
9 hydrologic recordkeeping began; and

10 WHEREAS, As of April 27, 2014, precipitation in the Hetch Hetchy watershed was at
11 57% of normal levels and snowpack was at 25% of normal levels; and

12 WHEREAS, On February 10, 2014, Mayor Ed Lee issued an Executive Directive to all
13 city departments outlining actions to be taken to reduce water use, and directing the San
14 Francisco Public Utilities Commission (SFPUC) to develop alternative sources of water
15 supplies for both potable and non-potable uses; and

16 WHEREAS, On March 11, 2014, the San Francisco Board of Supervisors adopted
17 Resolution 82-14, supporting emergency drought relief and the restoration of Lower Cherry
18 Aqueduct to augment water supplies during the statewide drought; and

19 WHEREAS, Immediate SFPUC drought mitigation actions include the rehabilitation of
20 the Lower Cherry Aqueduct, to repair aging infrastructure and damages incurred during the
21 recent Rim Fire; and

22 WHEREAS, This project will enable the SFPUC to access up to 200,000 acre-feet of
23 water storage in Cherry Lake by December 15, 2014; and

1 WHEREAS, The principal purpose of the Lower Cherry Aqueduct system is to convey a
2 water supply from Cherry Creek that can supplement the primary Hetch Hetchy Reservoir
3 supply during a drought year, but due to its age and the damage caused by the Rim Fire, the
4 Lower Cherry Aqueduct system is currently unable to reliably convey this supplemental water
5 supply; and

6 WHEREAS, There are three (3) facilities that are part of the Sunol Valley Water
7 Treatment Plant Emergency Drought Reliability Improvements (SEDRI): San Antonio Pump
8 Station (SAPS), Sunol Valley Chloramination Facility (SVCF), and the Sunol Valley Water
9 Treatment Plant (SVWTP); and

10 WHEREAS, The SAPS has three (3) sets of pumps with the primary purpose of
11 transferring water from the Alameda Siphon Pipelines or San Antonio Reservoir to SVWTP for
12 treatment; and

13 WHEREAS, The SVCF, neighbors the SAPS, and treats the water blended in the
14 Alameda Siphon Pipelines from the SVWTP and Hetch Hetchy; this facility also manages
15 remote treatment facilities using supervisory control and data acquisition (SCADA)
16 technology; and

17 WHEREAS, The SVWTP is a 160 million gallons per day capacity conventional filter
18 plant that treats water from San Antonio and Calaveras Reservoirs, as well as Hetch Hetchy
19 water transferred from the Alameda Siphons; and

20 WHEREAS, Repairs to the Sunol Valley Water Treatment Plant are required to improve
21 several components of the plant to ensure treatment and safety reliability and allow the
22 SFPUC to treat the water supply from the Lower Cherry Aqueduct system; and

23 WHEREAS, The work will consist of a new flocculant chemical system and building,
24 chemical feed line replacement, replace lighting under the sedimentation basins, replace air
25 scour piping, valve replacement, and repair sludge lagoon decant system defect; and

1 WHEREAS, The communications link between the Sunol Valley Chloramination Facility
2 and Sunol Valley Water Treatment Plan will be improved for greater reliability and there are
3 electrical upgrades to improve SAPS reliability; and

4 WHEREAS, If the above mentioned work to extend SFPUC water supplies is not
5 immediately undertaken and facilities expeditiously brought into or returned to service, the
6 sustainability of San Francisco's water supply would be placed at significant risk which would
7 endanger the public's health and welfare; and

8 WHEREAS, San Francisco Administrative Code, Chapter 6, Article IV, Section 6.60,
9 authorizes department heads responsible for public work to award an emergency contract,
10 exempt from the competitive bidding process, in the event of an actual emergency which is
11 defined to include, "...The breakdown or imminent breakdown of any plant, equipment,
12 structure, street or public work necessitating immediate emergency repair or reconditioning to
13 safeguard the lives or property of the citizens, or the property of the City and County, or to
14 maintain the public health and welfare..."; and

15 WHEREAS, On February 21, 2014, the SFPUC General Manager declared an
16 emergency, approved by the President of the SFPUC, to take immediate action to extend
17 SFPUC water supplies and thereby protect public health and safety; and

18 WHEREAS, On April 29th, 2014, the SFPUC General Manager updated the original
19 emergency declaration, approved by the President of the SFPUC; and

20 WHEREAS, Administrative Code, Section 6.60(D) requires that the General Manager
21 immediately notify the Controller, and seek Board of Supervisors approval of emergency
22 public works with an estimated cost in excess of \$250,000; and

23 WHEREAS, The SFPUC General Manager estimates that the emergency rehabilitation
24 work on the Lower Cherry Aqueduct will be approximately \$18.1 million; and
25

1 WHEREAS, The repairs to Sunol Valley Water Facilities to extend SFPUC water
2 supplies have estimated project costs of \$8.5 million; and

3 WHEREAS, A resolution (File #140586) in response to this emergency drought
4 declaration was introduced June 3, 2014, to approve a contract with Flatiron, West, Inc. to
5 perform immediate repairs to Lower Cherry Aqueduct and is pending approval by the San
6 Francisco Board of Supervisors; and

7 WHEREAS, The emergency rehabilitation work at Lower Cherry Aqueduct began April
8 2014, and should be completed December 2014; and

9 WHEREAS, The emergency repairs at Sunol Valley Treatment Plant began July 2014,
10 and should be completed October 2014; and

11 WHEREAS, The Controller has certified that funds are available for this emergency
12 work; now, therefore, be it

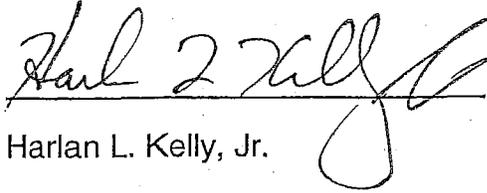
13 RESOLVED, That the Board of Supervisors approves the emergency contract between
14 the SFPUC and Monterey Mechanical under Administrative Code, Section 6.60, for an
15 amount not to exceed \$5,137,000; and, be it

16 FURTHER RESOLVED, That actions taken to date by the SFPUC to secure such
17 emergency contracts and resolve the emergency condition are hereby ratified; and, be it

18 FURTHER RESOLVED, That within (30) days of related contracts being fully executed
19 by all parties, the SFPUC shall provide the final contracts to the Clerk of the Board for
20 inclusion into the official file.

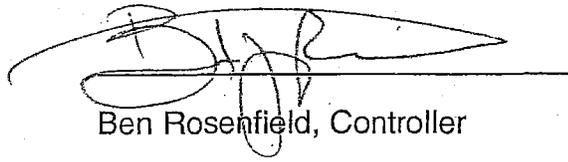
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RECOMMENDED:



Harlan L. Kelly, Jr.
General Manager

FUNDS AVAILABLE:



Ben Rosenfield, Controller



**San Francisco
Water Power Sewer**

Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 13th Floor

San Francisco, CA 94102

T 415.554.3155

F 415.554.3161

TTY 415.554.3488

TO: Supervisor Mark Farrell

FROM: Radhika Fox, Director of Policy and Government Affairs

DATE: July 8, 2014

SUBJECT: Resolution approving emergency public work contracts of the San Francisco Public Utilities Commission (SFPUC) related to drought declaration under San Francisco Administrative Code, Section 6.60

Thank you for sponsoring this legislation.

Attached please find an original and three copies of a proposed resolution approving emergency public work contracts of the San Francisco Public Utilities Commission (SFPUC) related to drought declaration under San Francisco Administrative Code, Section 6.60, to perform immediate work to repair Lower Cherry Aqueduct, Sunol Valley Water Treatment Plant, San Antonio Pump Station and related infrastructure with contract amounts not to exceed \$29,000,000, collectively.

The following is a list of accompanying documents (3 sets):

1. Board of Supervisors Resolution signed by the General Manager and Controller
2. Board of Supervisors Resolution 82-14
3. Pending Board of Supervisors Resolution File #140586
4. General Manager's declaration of emergency for the Drought from February 21, 2014, signed by the President of the Commission
5. General Manager's update amending the original declaration of emergency for the Drought from April 29, 2014, signed by the President of the Commission

Please contact Radhika Fox at 554-1830 if you need any additional information on these items.

Edwin M. Lee
Mayor

Vince Courtney
President

Ann Moller Caen
Vice President

Francesca Vietor
Commissioner

Anson Moran
Commissioner

Art Torres
Commissioner

Harlan L. Kelly, Jr.
General Manager





San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102
T 415.554.3155
F 415.554.3161
TTY 415.554.3488

The Honorable Ben Rosenfield, Controller
City and County of San Francisco
1Dr. Carlton B. Goodlett Place, Rm. 316
San Francisco, CA 94102

July 7, 2014

Subject: Resolution approving an emergency public work contract of the San Francisco Public Utilities Commission (SFPUC) related to drought declaration under San Francisco Administrative Code, Section 6.60, to perform immediate work to repair Lower Cherry Aqueduct, Sunol Valley Water Treatment Plant, and related infrastructure with contract amounts not to exceed \$29,000,000, collectively.

Dear Controller Rosenfield:

Attached please find an original copy of a resolution that requires your signature. The resolution approves an emergency public work of the Public Utilities Commission to perform immediate work to repair Lower Cherry Aqueduct, Sunol Valley Water Treatment Plant and related infrastructure in response to an emergency drought declaration, with a collective contract amounts not to exceed \$29,000,000. The resolution requires your signature to certify funds are available for this contract. Funds are available for this contract under the Hetchy Water project code CUH100.

The \$29 million includes \$16 million for a contract with Flatiron, West, Inc. for emergency repair work to Lower Cherry Aqueduct. You signed a resolution verifying \$16 million in funds available for this contract on May 30, 2014, which is pending at the Board of Supervisors.

In this packet you will find:

- Copy of the BOS resolution requiring your signature; and
- A letter signed by the President of our Commission amending the Emergency Declaration.

When you have signed this resolution, please contact Ben Kowalczyk at 554-0758 or fkowalczyk@sflower.org, so that it can be submitted for introduction at the Board of Supervisors.

Sincerely,

Harlan L. Kelly, Jr.
General Manager, SFPUC

Edwin M. Lee
Mayor

Vince Courtney
President

Ann Moller Caen
Vice President

Francesca Vietor
Commissioner

Anson Moran
Commissioner

Art Torres
Commissioner

Harlan L. Kelly, Jr.
General Manager

Attached: Board of Supervisors Resolution; letter amending the emergency declaration





INTER-OFFICE MEMORANDUM

DATE: April 29, 2014
 TO: Commissioner Vince Courtney, President
 THROUGH: Harlan L. Kelly, Jr. *HK*
 General Manager
 FROM: Steven R. Ritchie *[Signature]*
 Assistant General Manager, Water
 SUBJECT: Update on Declaration of Emergency – 2014 Drought Conditions

On February 21, 2014, General Manager Harlan Kelly requested and Commission Vice President Ann Moller Caen approved an emergency declaration regarding the 2014 Drought Conditions and critical repairs and projects needed to extend our precious water supplies. California continues to experience one of the most extreme droughts in our history and the Hetch Hetchy system is no exception.

The emergency declaration provided authorization to enable the Water Enterprise to procure construction and professional services for projects that were identified for immediate action including the rehabilitation of the Lower Cherry Aqueduct, pump station and water treatment plant improvements in the Sunol area, and other necessary work to extend our water supplies.

The estimated costs at the time of the original emergency declaration were in excess of \$10,000,000. The San Antonio Pump Station and Sunol Valley Water Treatment Plant Emergency Improvements¹ have now been scoped and the Lower Cherry Aqueduct Emergency Rehabilitation Project estimate has been refined. The total cost of the combined projects is now estimated at \$29,000,000.

I am therefore updating the declaration of an emergency to reflect these changes – increasing the costs of the contracts to a total of \$29,000,000. I trust that this meets with your concurrence and approval.

CONCUR AND APPROVE: *[Signature]*

Vince Courtney – President
 San Francisco Public Utilities Commission

cc: Commissioners

- Edwin M. Lee
Mayor
- Vince Courtney
President
- Ann Moller Caen
Vice President
- Francesca Victor
Commissioner
- Anson Moran
Commissioner
- Art Torres
Commissioner
- Harlan L. Kelly, Jr.
General Manager

¹The San Antonio and Sunol Improvements represent an acceleration of already-planned capital improvements.



1 [Urging the State Legislature to Provide Drought Mitigation Funding for Critical Water Supply
2 and Conservation Projects for San Francisco]

3 **Resolution urging the State Legislature to provide drought mitigation funding for**
4 **critical water supply and conservation projects for the San Francisco Bay Area.**

5
6 WHEREAS, The Hetch Hetchy Regional Water System operated by the San Francisco
7 Public Utilities Commission (SFPUC) provides 265 million gallons of water per day to 2.6
8 million people in Alameda, Santa Clara, San Mateo, and San Francisco counties; and

9 WHEREAS, California continues to experience one of the most extreme droughts since
10 hydrologic recordkeeping began; and

11 WHEREAS, As of February 19, 2014, precipitation in the Hetch Hetchy watershed was
12 at 47% of normal levels and snowpack was at 22% of normal levels; and

13 WHEREAS, On Friday, January 17th, Governor Brown issued a State Declaration of
14 Emergency for California due to drought and severe water supply conditions; and

15 WHEREAS, On January 31, 2014, the SFPUC asked customers to voluntarily conserve
16 water with the goal of reducing systemwide usage by 10% to stretch limited water supplies
17 during this time of drought; and

18 WHEREAS, On February 10, 2014, Mayor Ed Lee issued an Executive Directive to all
19 city departments outlining actions to be taken to reduce water use, and directing the SFPUC
20 to develop alternative sources of water supplies for both potable and non-potable uses; and

21 WHEREAS, Both Federal and State lawmakers have introduced bills that would
22 appropriate funding for drought mitigation measures including funding for local drought
23 alleviation projects; and

24 WHEREAS, The California State Legislature is considering legislation to direct over
25 \$640 million toward projects that would alleviate the effects of current drought conditions; and

1 WHEREAS, The SFPUC has identified three projects that can be quickly implemented
2 and would have an immediate impact in stretching critical water supplies throughout its
3 service area during this statewide drought, including: San Francisco Groundwater Supply
4 Project, Lower Cherry Aqueduct Restoration Project, and Citywide Direct Install Toilet
5 Program; now, therefore, be it

6 RESOLVED, That should the State of California appropriate funding for emergency
7 drought relief, the State should prioritize the funding of the above identified SFPUC projects,
8 which help strengthen immediate water reserves and promote conservation and water supply
9 diversification for the long-term sustainability of critical water supplies for 2.6 million residents
10 in the San Francisco Bay Area.

1 [Emergency Contract - Flatiron, West, Inc. - Repairing Lower Cherry Aqueduct - Not to
2 Exceed \$16,000,000]

3 **Resolution approving an emergency public work contract between the Public Utilities**
4 **Commission and Flatiron, West, Inc., under San Francisco Administrative Code,**
5 **Section 6.6, to perform immediate work to repair Lower Cherry Aqueduct in response**
6 **to an emergency drought declaration with a contract amount not to exceed**
7 **\$16,000,000.**

8
9 WHEREAS, California continues to experience one of the most extreme droughts since
10 hydrologic recordkeeping began; and

11 WHEREAS, As of April 27, 2014, precipitation in the Hetch Hetchy watershed was at
12 57% of normal levels and snowpack was at 25% of normal levels; and

13 WHEREAS, On February 10, 2014, Mayor Ed Lee issued an Executive Directive to all
14 city departments outlining actions to be taken to reduce water use, and directing the San
15 Francisco Public Utilities Commission (SFPUC) to develop alternative sources of water
16 supplies for both potable and non-potable uses; and

17 WHEREAS, Immediate SFPUC drought mitigation actions include the rehabilitation of
18 the Lower Cherry Aqueduct, to repair aging infrastructure and damages incurred during the
19 recent Rim Fire; and

20 WHEREAS, This project will enable the SFPUC to access 200,000 acre-feet of water
21 storage in Cherry Lake by October 1, 2014; and

22 WHEREAS, The principal purpose of the Lower Cherry Aqueduct system is to convey a
23 water supply from Cherry Creek that can supplement the primary Hetchy Reservoir supply
24 during a drought year, but due to its age and the damage caused by the Rim Fire, the Lower
25

1 Cherry Aqueduct system is currently unable to reliably convey this supplemental water supply;
2 and

3 WHEREAS, If the above mentioned work to extend SFPUC water supplies was not
4 immediately undertaken and facilities expeditiously brought into or returned to service, the
5 sustainability of San Francisco's water supply would be placed at significant risk which would
6 endanger the public's health and welfare; and

7 WHEREAS, San Francisco Administrative Code, Chapter 6, Article IV, Section 6.60,
8 authorizes department heads responsible for public work to award an emergency contract,
9 exempt from the competitive bidding process, in the event of an actual emergency which is
10 defined to include, "...The breakdown or imminent breakdown of any plant, equipment,
11 structure, street or public work necessitating immediate emergency repair or reconditioning to
12 safeguard the lives or property of the citizens, or the property of the City and County, or to
13 maintain the public health and welfare..."; and

14 WHEREAS, On February 21, 2014, the SFPUC General Manager declared an
15 emergency, approved by the President of the San Francisco Public Utilities Commission, to
16 take immediate action to extend SFPUC water supplies and thereby protect public health and
17 safety; and

18 WHEREAS, On April 29th, 2014, the SFPUC General Manager updated the original
19 emergency declaration, approved by the President of the San Francisco Public Utilities
20 Commission; and

21 WHEREAS, Administrative Code, Section 6.60(D) requires that the General Manager
22 immediately notify the Controller, and seek Board of Supervisors approval of emergency
23 public works with an estimated cost in excess of \$250,000; and

24
25

1 WHEREAS, The SFPUC General Manager estimates that the emergency rehabilitation
2 of the Lower Cherry Aqueduct to extend SFPUC water supplies will cost approximately
3 \$16,000,000; and

4 WHEREAS, The emergency rehabilitation work at Lower Cherry Aqueduct began April
5 2014, and should be completed October 2014; and

6 WHEREAS, The Controller has certified that funds are available for this emergency
7 work and contract; now, therefore, be it

8 RESOLVED, That the Board of Supervisors approves the emergency work under
9 Administrative Code, Section 6.60, for extending SFPUC water supplies with a contract
10 amount not to exceed \$16,000,000; and, be it

11 FURTHER RESOLVED, That actions taken to date by the San Francisco Public
12 Utilities Commission to secure such emergency contracts and resolve the emergency
13 condition are hereby ratified.

14 FURTHER RESOLVED, That within (30) days of the contract being fully executed by
15 all parties, the Public Utilities Commission shall provide the final contract to the Clerk of the
16 Board for inclusion into the official file.

17
18
19 RECOMMENDED:

FUNDS AVAILABLE:

20
21 _____
22 Harlan L. Kelly, Jr.

23 General Manager

Ben Rosenfield, Controller



San Francisco Water Power Sewer

Operator of the Hetch Hetchy Regional Water System

525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102
T 415.554.3154
F 415.554.3181
TTY 415.554.3488

MEMORANDUM

Date: February 21, 2014

To: Commissioner ~~Vince Courtney, President~~ *Ann Moller Caen, Vice President*

From: *Harlan L. Kelly, Jr.*
Harlan L. Kelly, Jr., General Manager

Subject: Declaration of Emergency - 2014 Drought Conditions

In accordance with Chapter 6, Article IV, Section 6.60(D) and Chapter 21, Section 21.15 of the Administrative Code of the City and County of San Francisco, I am declaring an emergency on behalf of the San Francisco Public Utilities Commission (SFPUC).

California continues to experience one of the most extreme droughts since hydrologic recordkeeping began. The Hetch Hetchy system is no exception. As of February 19, precipitation in the Hetch Hetchy watershed was 47% of normal and snowpack was 22% of normal. We have requested that our customers voluntarily reduce water use 10% system-wide. On February 10, Mayor Lee issued an Executive Directive to all city departments outlining actions to be taken to reduce water use. It also directed the PUC to develop alternative sources of water supplies for both potable and non-potable uses.

This request for emergency declaration is to provide immediate authorization to enable the Water Enterprise to procure construction and professional services to extend our water supplies. Immediate actions include rehabilitation of the Lower Cherry Aqueduct which was damaged during the recent Rim Fire (a federal and state declared emergency) to be able to access the 200,000 acre-feet of water storage in Cherry Lake by October 1, 2014; pump station and water treatment plant improvements in the Sunol area and Thomas Shaft so that we can safely and efficiently treat supplies from Cherry Lake at Sunol Valley Water Treatment Plant; services for installing water-saving plumbing fixtures; and other necessary work to extend our precious water supplies.

For the Lower Cherry Aqueduct, the design is being completed through an existing as-needed contract which included a streamlined competitive process for this design Task Order. HHWP and Infrastructure staff have been directed to use a pre-qualified list of large pipeline contractors to develop a short competitive process to select the construction contractor who can be brought on while the project is under design so that there will be no delays in constructing the project.

Services of the San Francisco Public Utilities Commission

Edwin M. Lee
Mayor

Vince Courtney
President

Ann Moller Caen
Vice President

Francesca Viator
Commissioner

Anson Moran
Commissioner

Art Torres
Commissioner

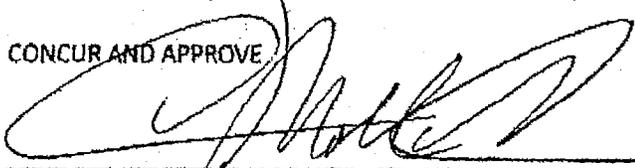
Harlan L. Kelly, Jr.
General Manager



This request for emergency declaration is for resources and materials to perform work as soon as possible that is beyond the capabilities of City resources. Total estimated costs at this time are \$10,000,000, but will be dependent on the duration and depth of the drought.

I am therefore declaring the existence of an emergency for contracting purposes. This declaration does not serve as a declaration of water shortage emergency under Water Code Sections 350 et. seq., which the Commission may adopt in the near future depending on conditions as a means of requiring mandatory rationing by our customers. I trust that this meets with your concurrence and approval.

CONCUR AND APPROVE


~~Vice President~~

Ann Moller Caen, Vice President
San Francisco Public Utilities Commission

cc: Commissioners
City Controller



Executive Directive 14-01
Water Conservation – City Departments
February 10, 2014

San Francisco is a leader in using water wisely. Our citizens have some of the lowest water use in California, and the City has taken steps to help residents and businesses become even more efficient in their water use. In 2009, the City and County of San Francisco passed two water conservation ordinances for residential and commercial properties to install high-efficiency plumbing fixtures. The San Francisco Public Utilities Commission (SFPUC) offers financial incentives and technical assistance to replace inefficient plumbing fixtures for retail water customers. Additionally, San Francisco is diversifying our water supply by developing groundwater and recycled water.

Snowmelt from the Sierra Nevada is the primary drinking water source for 2.6 million people in the Bay Area. In 2013, California experienced one of the driest years on record, setting the stage for reduced water storage levels and possible first year drought conditions. These conditions have persisted in 2014, which could be the driest water year in the state's history. Precipitation has been less than 10 percent of normal so far for the year. After two years of below-average rainfall in California, Governor Jerry Brown declared a statewide drought in January 2014.

Given the current conditions in California, the City and County of San Francisco is requesting its water customers to reduce overall water consumption by 10 percent. Reducing water usage is essential to stretching our water supplies during this time of drought.

City agencies have made great strides to use less water. Since the last period of voluntary rationing in 2007, water use by City departments has declined by 22%. While many departments have implemented water conservation measures, there is still room to improve and save more water. Therefore, with this Executive Directive, I am outlining actions City departments should pursue to further reduce their consumption of water.

Further reduce consumption by 10 percent. All departments are directed to take steps immediately to reduce their water consumption with a goal of achieving a 10 percent reduction. Department heads are requested to report innovative conservation strategies to the SFPUC (contacts below) for the purpose of sharing best practices with other Departments. This reporting will be voluntary.

Develop a Water Conservation Plan. By August 1, 2014 all departments shall develop a Water Conservation Plan that includes:

- A departmental contact for water conservation efforts.
- An inventory of all departmental plumbing fixtures and their flow rates, including toilets, urinals, faucets, and showerheads.
- Timeline for retrofitting inefficient plumbing fixtures with high-efficiency models.
- A list of best management practices that departments will implement to achieve water-efficient operations and maintenance of parks, medians and other irrigated landscapes.

Executive Directive 14-01
Water Conservation – City Departments
February 10, 2014

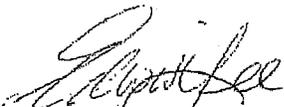
Educate staff and visitors on water conservation practices. Effective immediately, all departments shall educate employees and facility visitors about the efficient use of water at City facilities and the need to conserve.

Explore the use of non-potable water for street cleaning. City departments should explore the feasibility of replacing potable water with non-potable water sources for street cleaning.

Develop alternative sources of water supply. The SFPUC is directed to develop alternative sources of water supplies for both potable and non-potable uses. All departments shall cooperate with the SFPUC in developing these alternative water supplies. These alternatives shall include, but not be limited to: Cherry Lake; groundwater; recycled water; and foundation drainage.

The SFPUC can provide departments with assistance to comply with this Executive Directive. Please contact Steven Ritchie, Assistant General Manager, SFPUC (415-934-5736, sritchie@sfgwater.org) or Paula Kehoe, Director of Water Resources, SFPUC (415-554-0792, pkehoe@sfgwater.org).

This Executive Directive shall be effective immediately, and remain in place until rescinded or amended by future Directive.



Edwin M. Lee
Mayor, City & County of San Francisco

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Supervisor Farrell

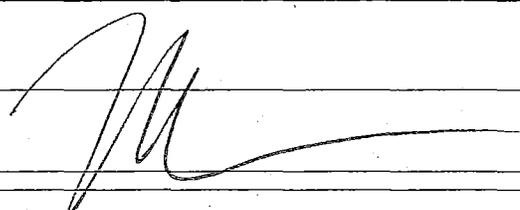
Subject:

Emergency Contracts - Repairing Lower Cherry Aqueduct and Upgrading Sunol Valley Water Facilities Related to Drought Declaration - Not to Exceed \$29,000,000.

The text is listed below or attached:

See attached.

Signature of Sponsoring Supervisor: _____



For Clerk's Use Only:

<p>Items 5 and 6 Files 14-0781 and 14-0586</p>	<p>Department: Public Utilities Commission (PUC)</p>
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EXECUTIVE SUMMARY

Legislative Objectives

File 14-0781: The proposed resolution would approve an emergency public work contract between the Public Utilities Commission (PUC) and Monterey Mechanics to perform immediate work to improve the Sunol Valley Water Treatment Plant in order to treat water from the Lower Cherry Aqueduct in response to an emergency drought declaration.

File 14-0586: The proposed resolution would approve an emergency public work contract not to exceed \$16,000,000 between the Public Utilities Commission (PUC) and contractor Flatiron West, Inc. to perform immediate work to repair the Lower Cherry Aqueduct in response to an emergency drought declaration.

Key Points

- On February 21, 2014 the Vice President of the PUC approved an emergency declaration regarding drought conditions and the need for critical repairs and projects to expand the City's supply of water, consisting of the proposed repair of the Lower Cherry Aqueduct and improvements to various conveyance and treatment facilities including the Sunol Valley Water Treatment Plant (SVWTP).
- According to PUC staff, the Lower Cherry Aqueduct, which conveys water from Cherry Creek located in Tuolumne County, was damaged by the 2013 Rim Fire. The Sunol Valley Water Treatment Plant (SVWTP) treats all water from the Calaveras and San Antonio reservoirs, which provide 10% of the City's water supply. PUC states that repairs to the SVWTP are needed to reliably treat water from the Lower Cherry Aqueduct.

Fiscal Impact

- The Lower Cherry Aqueduct project budget is \$18.1 million, which is funded by Water Revenue Bonds and other sources appropriated by the Board of Supervisors in June 2014. Of the \$18.1 million budget, \$14 million funds the proposed contract between PUC and Flatiron West for construction management/general contractor services.
- The SVWTP project is \$8.5 million, which is funded by Water Revenue Bonds and other sources appropriated by the Board of Supervisors in June 2014. Of the \$8.5 million budget, \$5.1 million funds the proposed contract between PUC and Monterey Mechanical for construction management/general contractor services.

Recommendations

- Amend File 14-0586 to reduce the not-to-exceed contract amount by \$2,000,000, from \$16,000,000 to \$14,000,000.
- Amend File 14-0781 to specify that the public work contract being approved as an emergency contract is the contract between PUC and Monterey Mechanical for construction management/general contractor services for the Sunol Valley Water Treatment Plant project in an amount not to exceed \$5,137,000. The following revisions to the proposed resolution should be made:
 - Lines 3 through 7 on page 1 should be revised to state: "Resolution approving the emergency public work contract between the San Francisco Public Utilities Commission and Monterey Mechanical under San Francisco Administrative Code Section 6.60 to perform immediate work to repair Sunol Valley Water Treatment Plant, San Antonio Pump Station and related infrastructure in an amount not to exceed \$5,137,000.
 - Lines 3 through 5 on page 4 should be revised to state: "Whereas, the repairs to Sunol Valley Water Facilities to extend SFPUC water supplies have estimated project costs of \$8.5 million;" and
 - Lines 16 through 18 on page 4 should be revised to state: "Resolved, that the Board of Supervisors approves the emergency contract between PUC and Monterey Mechanical under Administrative Code Section 6.60 for an amount not to exceed \$5,137,000;"
- Approve the proposed resolutions as amended.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

In accordance with Administrative Code Section 6.60, an emergency contract awarded by a City department that exceeds \$250,000 requires approval by the Board of Supervisors. Administrative Code provisions also authorize department heads responsible for such emergency work to award and proceed with emergency contracts, which are not subject to the City's regular competitive bidding procedures. The Administrative Code defines an emergency as a sudden, unforeseeable and unexpected occurrence or a discovery of a condition involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss or damage to, life, health, property or essential public services.

Background

On February 10, 2014 the Mayor issued an Executive Directive to all City departments outlining initiatives to reduce water use. The Mayor specifically directed the Public Utilities Commission (PUC) to develop alternative sources of water supplies for both potable and non-potable uses.

According to the Vice President of the PUC, on February 19, 2014 precipitation in the Hetch Hetchy system was 47% below normal levels and snowpack was 22% below normal levels. On February 21, 2014 the Vice President of the PUC issued a Declaration of Emergency due to drought conditions. The Declaration found that repairs to the Lower Cherry Aqueduct and Sunol Valley Water Treatment Plant were critical to ensuring the sustainability of the City's water supply, and authorized the Water Enterprise to procure construction and professional services to conduct these repairs.

Lower Cherry Aqueduct

The Lower Cherry Aqueduct was constructed to convey water from Cherry Creek to supplement the City's primary water supply from the Hetch Hetchy Reservoir during a drought year. The Lower Cherry Aqueduct is able to provide the City with 200,000 acre-feet of water¹ from Cherry Creek in Tuolumne County, California.

According to PUC staff, the Lower Cherry Aqueduct, which was heavily damaged during the 2013 Rim Fire,² is in need of critical repairs in order to provide a reliable supplemental water supply. According to Mr. Carlos Jacobo, PUC Budget Director, damage from the Rim Fire included:

- Destruction of buildings that house mechanical equipment needed to operate the aqueduct.
- Destruction of hydraulic operating equipment making water conveyance from the aqueduct impossible.

¹ One acre-foot of water is equivalent to 325,851 gallons of water.

² The 2013 Rim Fire was the third largest wildfire in California history. The Rim Fire burned over 257,000 acres in Tuolumne County from August to September 2013.

- Accumulation of debris within the aqueduct tunnels, which may negatively impact water quality.

Sunol Valley Water Treatment Plant (SVWTP)

The SVWTP treats all water from the Calaveras and San Antonio reservoirs, which provide 10% of the City's water supply. The SVWTP consists of three facilities which pump, convey and treat water. The SVWTP currently has the capacity to treat 160 million gallons of water per day.

According to Mr. Carlos Jacobo, PUC Budget Director, several critical components related to the SVWTP's ability to pump and treat water are in need of repairs and upgrades in order to treat water from the Lower Cherry Aqueduct. On February 11, 2014, PUC approved the Water Enterprise Ten-Year Capital and Programmatic Plans, which approved the proposed repairs to the SVWTP during FY 2015-24. However, in response to the Declaration of Emergency, PUC determined that it was necessary to begin certain repairs immediately to enable the SVWTP to treat water from the Lower Cherry Aqueduct by Fall 2014 and therefore ensure the sustainability of the City's water supply.

DETAILS OF PROPOSED LEGISLATION

File-14-0586 would approve an emergency public work contract in accordance with Administrative Code Section 6.60 between the Public Utilities Commission and Flatiron West, Inc. to perform immediate work to repair the Lower Cherry Aqueduct. The immediate work is related to the drought declaration by the PUC. The contract is for construction management/general contractor services in an amount not-to-exceed \$14,000,000.

In order to expedite selection of a contractor, PUC conducted a modified competitive process to select a construction manager/general contractor for the Lower Cherry Aqueduct project. On March 10, 2014, PUC issued a Request for Proposals (RFP) to 21 pre-qualified firms to provide pre-construction, construction management, and general contractor services. Preconstruction services include participating in design coordination meetings, performing constructability reviews, and procuring items. Construction management and general contractor services include preparing a trade work package plan and procuring trade subcontractors through competitive bidding.

PUC received three proposals in response to the expedited RFP. The proposals were evaluated for both cost (50% of total score) and qualifications (50% of total score). The proposals were evaluated by staff from PUC, Treasure Island Development Authority and the Department of Public Works. As shown in Table 1 below, Flatiron West, Inc. received the highest score.

Table 1: RFP Evaluation Scores by Proposal – Lower Cherry Aqueduct

	Flatiron West, Inc.	Stammick Construction	Preston Pipeline
Written Proposal Score	44.04	43.11	36.83
Cost Proposal Score	50.00	14.47	19.72
Total Score	94.04	57.58	56.55
Cost Proposal	\$951,351	\$3,287,200	\$2,411,750

Source: PUC

PUC awarded the contract to Flatiron on April 9, 2014 and Flatiron began providing preconstruction services, including working with the project design contract on project specifications.

According to Mr. Jacobo, during the contract negotiation process with Flatiron, PUC was made aware of unanticipated permitting requirements from the U.S. Forest Service that impacted the project’s schedule and cost. PUC determined that due to the permitting requirements, the Lower Cherry Aqueduct will need to be completed in two phases. The first phase will include maintenance and construction to allow for the temporary conveyance of water in 2014. The second phase will include permanent repairs and upgrades to the Lower Cherry Aqueduct infrastructure after the requisite permits have been acquired.

File 14-0781 would approve an emergency public work contract in accordance with Administrative Code Section 6.60 between the Public Utilities Commission and Monterey Mechanical to perform immediate work to the Sunol Valley Water Treatment Plant (SVWTP). The immediate work is for improvements to the SVWTP in order to treat water conveyed from the Lower Cherry Aqueduct as part of the drought declaration by the PUC. The contract is for construction management/general contractor services in an amount not-to-exceed \$5,137,000.

In order to expedite selection of a contractor, PUC conducted a modified competitive process to select a construction manager/general contractor for the SVWTP project. On May 22, 2014, PUC issued an RFP to 5 pre-qualified firms to provide pre-construction, construction management and general contractor services for the repairs to SVWT facilities. Preconstruction services include participating in design coordination meetings, performing constructability reviews, and procuring items. Construction management and general contractor services include preparing a trade work package plan and procuring trade subcontractors through competitive bidding.

According to the RFP, the 5 firms had previously demonstrated their ability to deliver water treatment plant improvement projects. PUC received 2 proposals in response to the expedited RFP. The proposals were evaluated by PUC staff. The proposals were evaluated for both cost (50% of total score) and qualifications (50% of total score). As shown in Table 2 below, Monterey Mechanical received the highest score.

Table 2: RFP Evaluation Scores by Proposal - SVWTP

	Monterey Mechanical	Shimmick Construction
Written Proposal Score	40.22	39.20
Cost Proposal Score	50.00	28.87
Total Score	90.22	68.07
Cost Proposal	\$927,000	\$1,605,500

According to Mr. Jacobo, the proposed emergency repair contract will result in improved safety, reliability, and capacity of SVWTP as well as enable SVWTP to treat water from the Lower Cherry Aqueduct. Monterey Mechanical began preconstruction services on June 30, 2014. The work is expected to be completed by December 1, 2014.

FISCAL IMPACT

File 14-0586: The proposed contract between PUC and Flatiron for construction management/general contractor services for repair of the Lower Cherry Aqueduct includes a budget of \$14,000,000, of which \$992,636³ is for construction management services, and \$13,007,364 is for construction repair work, as shown in Table 3 below.

Table 3: Lower Cherry Aqueduct Contract Budget

Service	Budget
Construction Management Services	\$992,636
Construction Repair Work	13,007,364
Total Contract	\$14,000,000

The total project budget for the Lower Cherry Aqueduct project is \$18,100,000, which includes the proposed \$14,000,000 contract and \$4,100,000 for associated project costs, as shown in Table 4 below.

Table 4: Total Lower Cherry Aqueduct Project Budget

Project Phase	Budget
Project Design (PUC Staff and Consultants)	\$1,650,000
Construction Management (PUC Staff)	1,500,000
Planning and Permitting (PUC Staff)	750,000
Project Contingency (PUC Staff)	200,000
Subtotal	\$4,100,000
Flatiron West, Inc. Contract	\$14,000,000
Project Total	\$18,100,000

Source: PUC

³ Due to the new U.S. Forest Service permitting requirements and associated changes in the Lower Cherry Aqueduct project timelines and costs, the cost of pre-construction management services and general condition costs increased from \$951,351 to \$992,636.

On June 11, 2014 the Budget and Finance Committee approved a supplemental appropriation ordinance (File 14-0480) authorizing \$215,108,836 of Hetch Hetchy revenues, Cap and Trade allowances, and Power and Water Revenue for the PUC Hetch Hetchy Capital Improvement Program. Of the \$103,508,198 allocated for FY 2014-15, \$18,100,000 was allocated to fund the emergency repair work needed for the Lower Cherry Aqueduct.

The proposed resolution provides for a contract not-to-exceed amount of \$16,000,000 rather than the actual contract not-to-exceed amount of \$14,000,000. Therefore, the proposed resolution should be amended to reduce the not-to-exceed contract amount by \$2,000,000, from \$16,000,000 to \$14,000,000.

File 14-0781: The final negotiated contract between PUC and Monterey Mechanical for emergency repairs to the SVWTP is not to exceed \$5,137,000. Of the proposed not to exceed \$5,137,000, \$927,000 is for construction management services, and \$4,210,000 is for construction, as shown in Table 5 below

Table 5: SVWTP Contract Budget

Service	Budget
Construction Management Services	\$927,000
Construction Repair Work	4,210,000
Total Contract	\$5,137,000

The total project budget is \$8,513,000, which includes the not to exceed \$5,137,000 proposed contract and \$3,376,000 for associated project costs, as shown in Table 6 below.

Table 6: Total SVWTP Project Budget

Project Phase	Budget
Design and Engineering (PUC Staff)	\$718,000
PUC Staff	2,658,000
Subtotal	\$3,376,000
Monterey Mechanical Contract	5,137,000
Project Total	\$8,513,000

Source: PUC

On June 17, 2014 the Board of Supervisors approved an appropriation ordinance (File 14-0479) authorizing \$363,758,000 of proceeds from revenue bonds, Bay Area Water Supply and Conversation Agency pre-payment bonds, water revenues and water capacity fees for PUC's Water Enterprise's Capital Improvement Program. Of the \$181,213,000 allocated for FY 2014-15, \$8,513,000 will be allocated to fund the emergency repair work for the SVWTP.

The proposed resolution (File 14-0781) should be amended to specify that the public work contract being approved as an emergency contract is the contract between PUC and Monterey Mechanical for construction management/general contractor services for the Sunol Valley Water Treatment Plant project in an amount not to exceed \$5,137,000, as follows:

- Lines 3 through 7 on page 1 should be revised to state: "Resolution approving the emergency public work contract between the San Francisco Public Utilities Commission and Monterey Mechanical under San Francisco Administrative Code Section 6.60 to perform immediate work to repair Sunol Valley Water Treatment Plant, San Antonio Pump Station and related infrastructure in an amount not to exceed \$5,137,000.
- Lines 3 through 5 on page 4 should be revised to state: "Whereas, the repairs to Sunol Valley Water Facilities to extend SFPUC water supplies have estimated project costs of \$8.5 million;"
- Lines 16 through 18 on page 4 should be revised to state: "Resolved, that the Board of Supervisors approves the emergency contract between PUC and Monterey Mechanical under Administrative Code Section 6.60 for an amount not to exceed \$5,137,000;"

RECOMMENDATIONS

1. Amend proposed resolution (File 14-0586) to reduce the not-to-exceed contract amount by \$2,000,000, from \$16,000,000 to \$14,000,000.
2. Amend proposed resolution 14-0781 to (1) specify that the public work contract being approved as an emergency contract is the contract between PUC and Monterey Mechanical for construction management/general contractor services for the Sunol Valley Water Treatment Plant project in an amount not to exceed \$5,137,000, as follows:
 - Lines 3 through 7 on page 1 should be revised to state: "Resolution approving the emergency public work contract between the San Francisco Public Utilities Commission and Monterey Mechanical under San Francisco Administrative Code Section 6.60 to perform immediate work to repair Sunol Valley Water Treatment Plant, San Antonio Pump Station and related infrastructure in an amount not to exceed \$5,137,000.
 - Lines 3 through 5 on page 4 should be revised to state: "Whereas, the repairs to Sunol Valley Water Facilities to extend SFPUC water supplies have estimated project costs of \$8.5 million;"
 - Lines 16 through 18 on page 4 should be revised to state: "Resolved, that the Board of Supervisors approves the emergency contract between PUC and Monterey Mechanical under Administrative Code Section 6.60 for an amount not to exceed \$5,137,000;"
3. Approve the proposed resolutions as amended.