

File No. 110586

Committee Item No. 6

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee Date: July 20, 2011

Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

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Completed by: Victor Young

Date: July 15, 2011

Completed by: Victor Young

Date: \_\_\_\_\_

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

1 [Management Services Agreement - Sewer System Improvement Program - Not to Exceed  
2 \$150,000,000]

3 **Resolution approving and authorizing the General Manager of the San Francisco Public**  
4 **Utilities Commission to execute Sewer System Improvement Program-Funded**  
5 **Agreement No. CS-165, Program Management Services, with AECOM-Parsons Joint**  
6 **Venture, for an amount not to exceed \$150,000,000 with a term of up to 15 years, under**  
7 **Charter Section 9.118.**

8  
9 WHEREAS, The San Francisco Public Utilities Commission ("SFPUC") has developed  
10 the proposed Sewer System Improvement Program ("SSIP"), following extensive public  
11 meetings, focus groups, and Commission workshops over an 18-month period regarding the  
12 condition of the City's wastewater system. Assessments revealed that the City's major  
13 stormwater/treatment and collection systems are aging and lack redundancy. The last major  
14 capital work and master planning effort for the sewer system took place in the 1970's, forty  
15 years ago. A new master planning process was initiated in 2004 that included extensive public  
16 meetings, focus groups, and detailed Commission workshops to evaluate the City's  
17 wastewater system condition, identify appropriate levels of service and improvements to  
18 better serve the public; and

19 WHEREAS, This process resulted in Commission endorsement of specific goals and  
20 levels of service to bring the sewer system to a state of good repair to ensure continued  
21 regulatory compliance, reliability, and redundancy; and to meet the known, and foreseeable  
22 challenges of today and the future. The identified challenges include: Aging infrastructure and  
23 poor condition of existing facilities with little remaining useful life; Seismic deficiencies and  
24 lack of structural integrity; Limited operating flexibility and lack of redundancy; The ongoing  
25

1 need to protect the environment and public health, meet regulatory challenges, and conserve  
2 resources; Adaptation to climate change; and Improved stormwater management; and

3 WHEREAS, The Commission identified approximately 20 proposed capital  
4 improvement projects, to address and mitigate these challenges and to meet the Commission  
5 endorsed goals and levels of service. The Commission estimated the cost to complete all of  
6 the proposed improvements to be approximately \$6.9 billion for the proposed capital  
7 improvement projects that ultimately would comprise the SSIP; and

8 WHEREAS, The evaluation of the proposed capital improvement projects will include  
9 further engineering and environmental review, as well as financial analysis, prior to any action  
10 by the Commission to approve or this Board of Supervisors to fund these proposed projects.  
11 The implementation of the SSIP, beginning with the evaluation process, is being led by City  
12 staff and is structured to function as a matrix organization that will be managed by the  
13 Infrastructure Wastewater Enterprise Capital Improvement Program Director (Program  
14 Director) and will include staff and resources from SFPUC's Infrastructure Division,  
15 Wastewater Enterprise, and the Department of Public Works. In addition, there will be support  
16 from other SFPUC departments including External Affairs and Business Services, as well as  
17 various other City departments. Consultants with extensive experience on wastewater capital  
18 programs similar in scope and size of the SSIP, however, will play a key role in the  
19 implementation of the Program; and

20 WHEREAS, For management purposes, the implementation of the SSIP is divided into  
21 2 major phases – pre-construction and construction. Pre-construction efforts include all  
22 planning, design, environmental review, right-of-way and contracting activities. The  
23 construction phase will begin following the award of a construction contract and extend  
24 through start-up, testing and close-out of that contract; and  
25

1           WHEREAS, The services of the Program Management Consultant will be used to  
2 support the SSIP management team on programmatic functions, on a task order basis,  
3 throughout the duration of the Program. The SFPUC's management team will draw upon the  
4 Program Management consultant team to supplement existing internal resources to validate  
5 the SSIP proposed projects and scope, schedule and budget, provide programmatic  
6 functions, and provide specialized technical services and resources; and

7           WHEREAS, Use of a single Program Management team though the entire capital  
8 improvement program will ensure that the SFPUC receives the benefits of continuity of  
9 specialized wastewater program consultant services, captures the consultant team's  
10 institutional knowledge gained through the contract work, and avoids the time delays,  
11 additional operational risks, and the expense of replacing and mobilizing consultant teams  
12 during the SSIP; and

13           WHEREAS, Through the Program Management contract, the SFPUC will obtain highly  
14 specialized and state of the art resources to complement the work of City staff in the areas of  
15 climate change, watershed management, regulatory compliance, energy recovery, seismic  
16 design, treatment plant technologies, sustainability, program controls and wastewater  
17 program management; and

18           WHEREAS, The estimated cost of services is not to exceed \$150,000,000, funds have  
19 been appropriated and will be available at the time of award of the agreement only for the first  
20 year's task orders from Project CENMSCSP06 - SSIP Planning, and various proposed SSIP  
21 capital project planning and design funds; and

22           WHEREAS, To ensure continuity of consultant services and to capture the Consultant  
23 team's institutional knowledge accumulated through the contract work, the contract's duration  
24 of services is up to 15 years, with services anticipated to begin in September 2011 and end in  
25 September 2026; and

1           WHEREAS, The SFPUC advertised a request for proposals ("RFP") for Program  
2 Management Services for the SSIP on March 14, 2011. The RFP solicited proposals from  
3 highly qualified firms to support the SSIP management team on a number of programmatic  
4 functions such as: strategic program development; risk management; optimization and project  
5 validation; labor and contract relations; asset management integration; scheduling; cost  
6 estimates; staff training; and analysis of alternative delivery mechanisms. The Program  
7 Management Consultant will also provide specialized technical services and resources, such  
8 as: preliminary design, engineering, watershed hydraulics, regulatory, real time controls, and  
9 City staff augmentation when appropriate on an as-needed or project-specific basis; and

10           WHEREAS, On May 5, 2011, the SFPUC received three proposals in response to the  
11 RFP; and

12           WHEREAS, AECOM-Parsons Joint Venture ("AECOM-Parsons") was the highest-  
13 ranking proposer; and

14           WHEREAS, A sub-consulting goal of 10% Local Business Enterprise ("LBE")  
15 participation (of the total value of services to be provided) has been established and approved  
16 for this agreement by the Human Rights Commission; and

17           WHEREAS, AECOM-Parsons exceeded the LBE goal by 6.1%, for a total of 16.1%  
18 LBE participation; and

19           WHEREAS, SFPUC Resolution No. 11-0101 approved the selection of AECOM-  
20 Parsons; awarded SSIP-funded Agreement No. CS-165, Program Management Services, to  
21 provide program management services for the SSIP; authorized the General Manager of the  
22 SFPUC to negotiate a professional services agreement with AECOM-Parsons for an amount  
23 not to exceed \$150,000,000, and with a duration of up to 15 years, or, in the event  
24 negotiations are not successful or City requirements are not satisfied, to negotiate a  
25 professional services agreement with the next highest-ranked proposer; and authorized the

1 General Manager to execute the agreement, subject to Board of Supervisors' approval under  
2 Charter Section 9.118; and

3 WHEREAS, The agreement with AECOM-Parsons is on file with the Clerk of the Board  
4 of Supervisors in File No. 110586, which is hereby declared to be a part of this resolution  
5 as if set forth fully herein; now, therefore, be it

6 RESOLVED, That the Board of Supervisors hereby approves and authorizes the  
7 General Manager of the SFPUC to execute SSIP-funded Agreement No. CS-165, Program  
8 Management Services, with AECOM-Parsons for an amount not to exceed \$150,000,000 and  
9 with a duration of up to 15 years, under Charter Section 9.118, in substantially the form on file  
10 with the Clerk of the Board, and in such final form as approved by the General Manager and  
11 the City Attorney.

Item 6 File 11-0586	<b>Department:</b> Public Utilities Commission (PUC)
<b>EXECUTIVE SUMMARY</b>	
<b>Legislative Objectives</b>	
<ul style="list-style-type: none"> <li>The proposed resolution would authorize the General Manager of the San Francisco Public Utilities Commission (PUC), based on a competitive Request for Proposals (RFP) process, to execute a new Sewer System Improvement Program (SSIP) Agreement, for providing Program Management Services, with AECOM-Parsons Joint Venture (AECOM-Parsons), in an amount not to exceed \$150,000,000 with a term of up to 15 years.</li> </ul>	
<b>Key Points</b>	
<ul style="list-style-type: none"> <li>The PUC's new Sewer System Improvement Program (SSIP) consists of approximately 20 sewer system capital improvement projects to be constructed by 2040.</li> <li>The planning process for SSIP started in January 2009. On July 27, 2010, based on 18 months of internal planning and public hearings, the PUC established program goals for the SSIP. In February 2011, the Commission requested that PUC staff issue a Request for Proposals (RFP) for a Program Management (PM) consultant for the SSIP.</li> <li>Due to the complex and specialized nature of the SSIP, the PUC is requesting approval of the new Program Management (PM) agreement with AECOM-Parsons, for services including program planning and administration, program implementation, project technical support, program controls, and pre-construction management and planning.</li> <li>The proposed agreement extends for up to 15 years, from 2011 to 2026, with no option to extend. However, the PUC anticipates that completion of the SSIP will take approximately 29 years, from 2011 to 2040, or approximately 14 years more than the subject Program Management agreement.</li> <li>According to Ms. Karen Kubick, PUC Wastewater Enterprise Capital Program Director, at the conclusion of the proposed 15-year agreement, the PUC would evaluate whether to bring Program Management services in-house or rescope and reissue an RFP for PM services.</li> <li>According to Ms Kubick, delays in approving the proposed PM agreement could result in the City's sewer system becoming noncompliant with State and Federal environmental regulations.</li> </ul>	
<b>Fiscal Impacts</b>	
<ul style="list-style-type: none"> <li>The proposed agreement has a not-to-exceed amount of \$150,000,000, or an average not-to-exceed amount of \$10,000,000 per year for the 15 year term of the agreement. According to the agreement, the AECOM-Parsons would be compensated on a task-order basis. The agreement would be funded using PUC Commercial Paper and Wastewater Revenue Bond proceeds.</li> <li>The proposed \$150,000,000 agreement is projected to impact monthly sewer rates for the average San Francisco single family home by an average of \$1.74 per month, up to a maximum of \$2.62 per month, between FY 2011-12 and FY 2055-56.</li> <li>According to Ms. Kubick, total Program Management costs, including the proposed contract and PUC staffing costs, represent 4.0 percent of the projected 15 year capital costs, which, while at the high end, is within the industry standard of 2.0 to 4.0 percent range for Program Management costs.</li> </ul>	
<b>Recommendations</b>	
<ul style="list-style-type: none"> <li>Approve the proposed resolution.</li> </ul>	

## MANDATE STATEMENT AND BACKGROUND

### Mandate Statement

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

### Background

The San Francisco Public Utilities Commission (PUC) will be completing the Water System Improvement Program (WSIP) in five years, the purpose of which has been to seismically upgrade and reconstruct San Francisco's entire water delivery systems, from Hetch Hetchy in Tuolumne County to San Francisco and to the peninsula.

With WSIP nearing completion, in January 2009, the PUC began planning for an overhaul of San Francisco's municipal sewer and stormwater treatment and collection systems (together, "the sewer system"). This overhaul is known as the Sewer System Improvement Project (SSIP).

According to Ms. Karen Kubick, PUC Wastewater Enterprise Capital Program Director, San Francisco's sewer system is aged and in need of significant capital improvements. The most recent major capital work and master planning effort for the sewer system took place in the 1970s. According to the PUC, the current challenges include:

- Aging infrastructure and poor conditions in existing facilities;
- Seismic deficiencies and lack of structural integrity;
- A lack of system redundancy;
- The risk of system failure or sewerage overflow to the environment and public health;
- Adaptation to climate change and sea level rise; and
- Improved stormwater management.

From January 2009 until July 2010, the PUC conducted 18 months of internal program planning and a series of public hearings. As a result of this planning and outreach process, on July 27, 2010 the PUC established the following five sewer system service goals to be achieved by SSIP:

1. Provide a compliant, reliable, resilient, and flexible sewer system that can respond to catastrophic events;
2. Minimize flooding;
3. Provide benefits to impacted communities;
4. Modify the system to adapt to climate change; and
5. Achieve economic and environmental sustainability.



The SSIP consists of approximately 20 sewer system capital improvement projects to be constructed from 2011 through 2040 at an estimated cost of \$6.9 billion. According to Ms. Kubick, the PUC expects to complete or commence 17 of the 20 sewer system capital improvements and expend or encumber \$6.0 billion in costs in the first 15 years of the SSIP, from 2011 to 2026. The implementation of the SSIP is being led by City staff, including the PUC and the City's Department of Public Works (DPW). Due to the complex and specialized nature of the SSIP, the PUC is also seeking the assistance of consultants and construction contractors with experience working on extensive sewer system capital programs.

The SSIP was included in the City's Ten Year Capital Expenditure Plan, previously approved by the Board of Supervisors on March 29, 2011 (File 11-0284). The Board of Supervisors also previously approved an ordinance appropriating a total of \$348,064,054 to fund capital improvements for the PUC's sewer system in FY 2010-11 and FY 2011-12 (File 10-0339) and granted the PUC with authority to issue \$297,756,235 in Wastewater Revenue Bonds for SSIP (File 10-0340). The debt issued on the Wastewater Revenue Bonds are financed from sewer fees charged by the PUC to San Francisco's residents and businesses.

The SSIP is divided into two major phases: pre-construction and construction. According to the PUC, "Pre-construction efforts include all planning, design, environmental review, right-of-way and contracting activities." These pre-construction efforts began with the SSIP preliminary planning process in January 2009. The PUC is now seeking the services of a Program Management Consultant to support the PUC's SSIP management team on programmatic functions throughout both the pre-construction and construction phases of the Program.

#### *Competitive Selection Process*

On March 14, 2011, the PUC issued a competitive Request for Proposals (RFP) for a SSIP Program Management (PM) Consultant. The PUC received three qualified proposals from (a) AECOM-Parsons Joint Venture (AECOM-Parsons), (b) CDM, and (c) Jacobs Engineering, Inc.

The PUC created a five-member selection panel consisting of (1) a current PUC operations and maintenance manager; (2) a retired PUC senior project manager; and three high-level managers representing (3) the Central Contra Costa Sanitary District; (4) the City of San Jose Wastewater Capital Program; and (5) the New York Department of Environment Water and Wastewater Capital Program. The selection panel scored the three proposals according to the following 100-point criteria:

Written Proposal (including references)	45 points
Oral Interviews	45 points
<u>Overhead &amp; Profit Schedule (OPS)</u>	<u>10 points</u>
<b>Total</b>	<b>100 points</b>

The selection panel selected AECOM-Parsons as the top-ranked proposal. A summary of the scoring is shown in Table 1, below.

**Table 1. Scoring Summary of SSIP Program Management Proposals**

<b>Qualifying Firms</b>	<b>Written Proposal Score (45)</b>	<b>Oral Score (45)</b>	<b>OPS Score (10)</b>	<b>Total Score</b>
AECOM-Parsons	39.72	37.62	10.00	<b>87.34</b>
CDM	36.50	34.82	10.00	<b>81.32</b>
Jacobs Engineering Inc.	32.89	31.07	10.00	<b>73.96</b>

Parsons Water and Infrastructure, Inc., is a joint-venture partner in AECOM-Parsons. The Budget and Legislative Analyst notes that Parsons Water and Infrastructure, Inc., is currently in the sixth year of a ten year, \$64,000,000 agreement with the PUC to provide engineering services, including program management services, for the PUC's Water System Improvement Program (WSIP).

## **DETAILS OF PROPOSED LEGISLATION**

Based on a Competitive RFP process, the proposed resolution would authorize the General Manager of the San Francisco Public Utilities Commission (PUC) to execute a new agreement with AECOM-Parsons Joint Venture (AECOM-Parsons), in an amount not to exceed \$150,000,000 for a term of up to 15 years, from September 26, 2011 through September 25, 2026. Under the proposed agreement, AECOM-Parsons would provide the PUC with Program Management (PM) services for the pre-construction phase of the Sewer System Improvement Program (SSIP). Services to be provided by AECOM-Parsons under the proposed agreement would include assisting PUC staff in the areas of program planning and administration, program implementation, project technical support, program controls, and pre-construction management and planning. Since January 2009, the PUC has conducted preliminary program planning using existing staff.

An expanded summary of services that AECOM-Parsons would provide to the PUC under the agreement, from Appendix A to the proposed agreement, is shown in Attachment I to this report.

Under the proposed Program Management agreement, the work to be performed by AECOM-Parsons would be in direct response to task orders issued by the PUC Program Director or Bureau Managers, subject to the approval of the PUC Assistant General Manager of Infrastructure. The PUC would not issue any work orders before first certifying with the City Controller that funding is available, after which the PUC would issue a Notice to Proceed to AECOM-Parsons. Under the subject agreement, the PUC is not responsible for reimbursing AECOM-Parsons for any work conducted without a Notice to Proceed.

Under the proposed agreement, AECOM-Parsons will provide the following six key/lead personnel to PUC's SSIP management team:

- Program Management Advisor, reporting to the SSIP Director;
- Program Controls Manager;
- Pre-Construction Technical Advisor;

- Process Engineering/Utility Manager;
- Program Quality Assurance Manager; and
- Lead Cost Estimator.

AECOM-Parsons will also provide additional assistance to PUC’s SSIP management team in the areas of communications, engineering, project controls, and climate change. According to Ms. Kubick, the PUC staff does not have sufficient internal expertise in these areas to complete the SSIP.

Under the proposed agreement, AECOM-Parsons is required to allocate Local Business Enterprise (LBE) subcontracting participation of 16.1 percent, which is equal to approximately \$24,150,000 of the proposed \$150,000,000 agreement. Attachment II, provided by the PUC, is a list of the LBEs and the percentage they would contribute to the proposed \$150,000,000 agreement.

According to Ms. Kubick, while the proposed agreement is for a period of up to 15 years, from 2011 through 2026, with no option to extend, the PUC projects that completion of the SSIP will take approximately 29 years, from 2011 through 2040 (see Policy Considerations section, below). Ms. Kubick stated that at the conclusion of the proposed agreement, the PUC would evaluate whether to bring Program Management services in-house or rescope and reissue an RFP for PM services.

**FISCAL IMPACTS**

The proposed agreement has a not-to-exceed authorized amount of \$150,000,000, or an average of \$10,000,000 per year, for the 15 year term of the agreement. According to the proposed agreement, payments will be administered on a task order basis. Table 2, below, provides a summary breakdown of the proposed \$150,000,000 budget. Attachment III, provided by the PUC, is a 15-year spending plan for the proposed agreement.

**Table 2: Program Management Agreement Cost Summary**

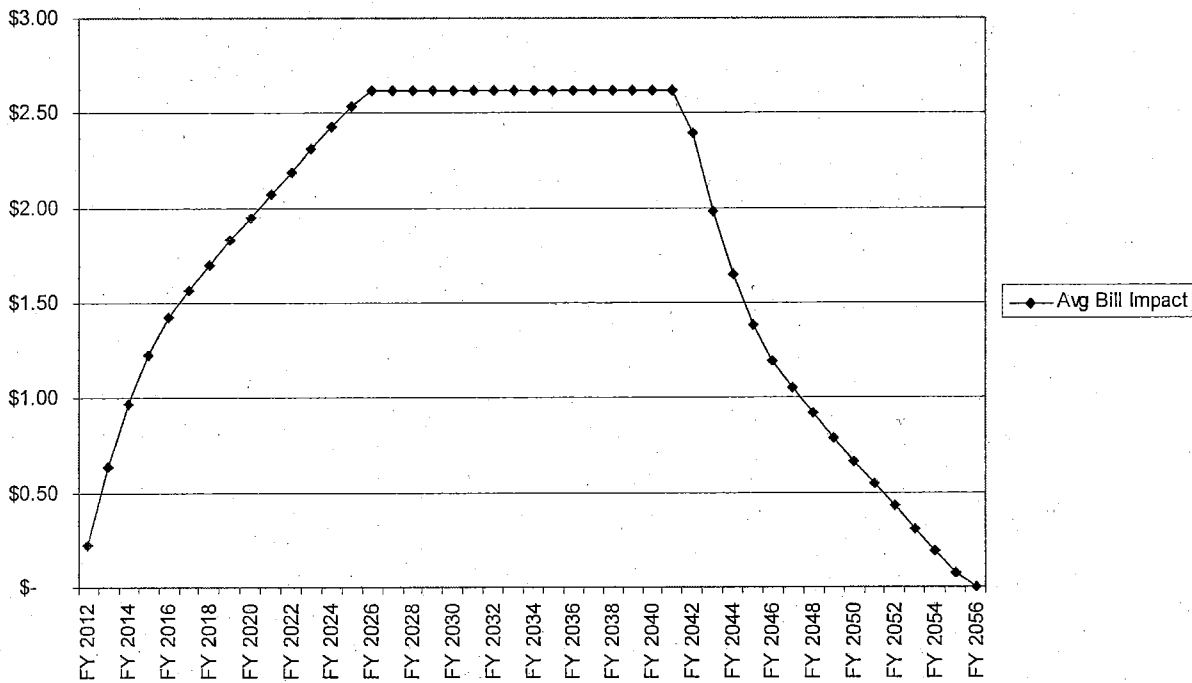
Total Labor Costs	\$134,259,370
Total Other Direct Costs	3,000,000
Escalation (assumes 3.5% annual escalation)	11,043,870
Markup on Subconsultant Labor Cost (Maximum allowable: 5% of subconsultant labor costs)	1,696,760
<b>Total</b>	<b>\$150,000,000</b>

According to the proposed agreement, Parsons-AECOM would provide approximately 650,500 hours of service over the 15 year period and a total labor cost of \$134,259,370, or an average hourly rate of approximately \$206.39 per hour. As shown in Table 2 above, the balance \$15,740,630 would be allocated to Total Other Direct Costs (\$3,000,000), Escalation, at an assumed annual rate of 3.5 percent (\$11,043,870), and allowable markup on subconsultant labor costs (\$1,696,760).

To date, the Board of Supervisors has appropriated \$21,925,000 for SSIP PM services out of the previously authorized \$297,756,235 in Wastewater Revenue Bond proceeds (File 10-0339). According to Mr. Frank McPartland of the PUC, this \$21,925,000 would be used to fund a portion of the proposed \$150,000,000 agreement, and the remaining \$128,075,000 or 85.4 percent would be funded using a combination of Commercial Paper and PUC Wastewater Revenue Bond proceeds.

The PUC anticipates that the total cost of the debt funding for issuing the Commercial Paper and Wastewater Revenue Bonds to fund the proposed \$150,000,000 agreement, including \$191,205,927 in principal, debt service, and interest payments, is estimated to be \$341,205,927, which is based on an annual interest rate of 5.5 percent. The PUC would pay for the costs of the Commercial Paper and PUC Wastewater Revenue Bonds with increased revenues received from wastewater customers by increasing existing sewer rates. The PUC estimates that the impact of the proposed agreement on sewer rates for the average San Francisco family’s monthly sewer bill is shown in Figure 1 below.

**Figure 1: Projected Impact of the Proposed Program Management Agreement on the Average San Francisco Single Family’s Monthly Sewer Bill, FY 2011-12 to FY 2055-56**



According to the PUC, the minimum monthly impact of the proposed \$150,000,000 agreement on the average San Francisco single family’s monthly sewer bill would be \$0.08 per month the maximum would be \$2.62 per month, and the average impact would be \$1.74.

## **POLICY CONSIDERATIONS**

### **The Proposed Agreement Is for a Shorter Duration than the Anticipated Time Needed to Complete the Sewer System Improvement Program**

If approved, the proposed agreement would extend up to 15 years, from September 26, 2011 through September 25, 2026. However, the PUC expects that the Sewer System Improvement Project (SSIP) will not be completed until approximately 2040, or approximately 14 years after the proposed agreement would terminate.

According to Ms. Kubick, program management will be needed following the anticipated completion of the proposed agreement. However, Ms. Kubick notes “we are focused on training staff to assume program management responsibilities by that time where possible.” Furthermore, according to Ms. Kubick, if the PUC continued to require the Program Management services of an outside contractor after September 25, 2026, the PUC would rescope and reissue an RFP for PM services.

### **Delaying the Award of the Proposed Agreement Could Result in Sewer System Performance Problems**

According to a June 28, 2011 PUC memorandum, “A delay in awarding this agreement will further defer much needed capital improvements to the City’s wastewater system; which, if unaddressed, will result in regulatory non-compliance, loss of system reliability, and increased public and worker safety risks.”

According to Mr. McPartland, the City’s sewer system is currently in regulatory compliance. However, delays in approving the proposed PM agreement could result in the City’s sewer system becoming noncompliant with State and Federal environmental regulations.

### **The Cost of the Proposed Program Management Agreement Is Within a Normal Range for Extensive Capital Projects**

As Ms. Kubick reports in Attachment IV to this report, the industry standard for Program Management services for capital improvement programs for utilities is 2 to 4 percent of total program costs, depending on the nature of the program management services and the complexity of the capital program. As shown in Attachment IV, in addition to the \$150,000,000 cost of the proposed 15-year agreement, the PUC is assuming internal Program Management costs totaling \$90,000,000 for the first 15 years of the SSIP. Therefore, total PM costs for the SSIP are projected to be \$240,000,000, including the proposed agreement and City staff costs. This \$240,000,000 is 4.0 percent of the estimated \$6,000,000,000 that the PUC estimates will be expended or encumbered in the first 15 years of the SSIP. Therefore, while at the high end of the industry standard, the proposed \$150,000,000 agreement is within the 2.0 to 4.0 percent industry standard for PM costs.

## **RECOMMENDATION**

Approve the proposed resolution.

**Appendix A**  
**Services to be provided by Contractor**

Contractor agrees to perform services under this Agreement in accordance with the terms of this Agreement, the RFP, and its proposal dated May 12, 2011. The RFP and Contractor's proposal are incorporated by reference into this Agreement as though fully set forth herein. In the event of an inconsistency or conflict between the RFP and Contractor's proposal, the RFP shall take precedence. This Agreement shall take precedence over the RFP and Contractor's proposal.

**1. Description of Services**

Contractor will be required to assist the SFPUC Infrastructure Division and Wastewater Enterprise (WWE) in implementing the Sewer System Improvement Program (SSIP).

The Contractor shall provide qualified personnel to assist the SFPUC in five areas: Program Planning and Administration; Program Implementation; Project Technical Support; Program Controls; and Pre-Construction Management and Planning. The following is a summary of the tasks involved:

**1. Program Planning and Administration (P)**

- Program Manager Lead Advisor
- Program Contract Manager
- Program Technical Support
- Procedures Review and Update
- Program Management Plan
- Program Review, Optimization, and Validation
- Asset Management Integration
- Triple Bottom Line
- Operational Permit Support
- Document Management

**2. Program Implementation (I)**

- Risk Management
- Facilities Integration Plan
- Project Labor Agreement Support
- Quality Assurance (Procedures)
- Quality Control (Design)
- Communications and Reporting Support

**3. Project Technical Support (T)**

- Preliminary Project Scoping and Development
- Project Alternatives Analysis Support
- Seismic Evaluation/Standards
- Collection System and Treatment Plant Systemic Hydraulic Modeling/Systems Engineering
- Hydraulic Model Refinement and Modeling Support

- Watershed Assessments
- Evaluation of the Effect of Climate Change on the System, Development of an Adaptation Plan, and Update the Bayside Operations Plan
- Design Standards Review and Recommendations
- Staff Training
- Condition Assessment Support
- Emerging Technologies Review and Utility Expertise
- Value Engineering
- Independent Technical Reviews and Input

**4. Program Controls (PC)**

- Schedules and Budget
- Reports
- Cost Estimates
- Change Management
- Cost Controls
- Life Cycle Costs
- Quarterly Reporting and Monitoring

**5. Pre-Construction Management and Planning (PCMP)**

- Program Pre-Construction Management
- Pre-Construction Optimization
- Pre-Construction Final Review
- Pre-Construction Management Policies and Procedures for SSIP
- Pre-Construction Supplier Quality Surveillance for the SSIP

CS - 165 Program Management Services, Sewer System Improvement Program (SSIP)		
AECOM-Parsons	Participation %	Scope of Work
Atelier Dreiseltl	0.3	Provide urban watershed and green infrastructure planning support services during implementation of the urban watershed Framework. These services may include work on the following program tasks: T6- Watershed Assessments
Davis & Associates Communications (LBE)	0.9	Provide communication support services with an emphasis on community outreach. These services may include work on the following Program tasks: T6- Watershed Assessments, P8- Triple Bottom Line, P6- Program Review, Optimization, and Validation, P5- Program Management Plan, I6- Communications Reporting Support
Joe Hill Consulting Engineers (LBE)	0.6	Provide civil engineering and general program management support such as project scoping and alternatives analysis and program planning and procedures development. These services may include work on the following Program tasks: T2- Project Alternatives Analysis Support, T10- Condition Assessment Support, T1- Preliminary Project Scoping and Development, P5- Program Management Plan, P4- Procedures Review and Update, I2- Facilities Integration Plan
L. Luster & Associates, Inc.	0.6	Provide support on workforce development and labor relations. These services may include work on the following Program tasks: PCMP1- Program Pre-Construction Management, I3- Project Labor Agreement Support
M. Lee Corporation (LBE)	2	Provide cost estimating services. These services may include work on the following Program tasks: T2- Project Alternatives Analysis Support, T1- Preliminary Project Scoping and Development, PC6- Life Cycle Costs, PC5- Cost Controls, PC3- Cost Estimates
Marina Dee Design (LBE)	0.3	Provide graphics and drafting support for communications and project development/analyses. These services may include work on the following Program tasks: T4- Collection System and Treatment Plant Systemic Hydraulic Modeling/Systems Engineering, T2- Project Alternatives Analysis Support, T1- Preliminary Project Scoping and Development, I6- Communications and Reporting Support
Sonika Corporation (LBE)	0.2	Provide stakeholder communication & coordination services related to triple bottom line analysis. These services may include work on the following Program tasks: P8- Triple Bottom Line
Yolanda's Construction Management and Traffic Control (LBE)	0.8	Provide document management support services on various tasks program wide. These services may include work on the following Program tasks: PC4- Change Management, PC1- Schedules and Budget, P10- Document Management
Alan Wong	0.2	Provide technical input and advisory services related to treatment processes for food waste and fats, oils and grease (FOG). These services may include work on the following program tasks: T2- Project Alternatives Analysis Support, T11- Emerging Technologies Review and Utility Expertise, T1- Preliminary Project Scoping and Development
Tim (Roger) Haug	0.03	Provide technical advisory services on treatment process issues and projects. These services may include work on the following Program tasks: T4 - Collection System and Treatment Plant Systemic Hydraulic Modeling/Systems Engineering
AE3 Partners, Inc. (LBE)	0.4	Provide technical support services in the area of architectural planning and pre-construction management. These services may include work on the following Program tasks: T2- Project Alternatives Analysis Support, T1- Preliminary Project Scoping and Development, PC1- Schedules and Budget
Associated Right of Way	0.3	Provide right of way management support services during pre-construction phases of the program. These services may include work on the following Program tasks: PCMP3 - Pre-Construction Final Review
Carey & Co. Inc. (LBE)	0.1	Provide architectural planning services with an emphasis on historical architecture and conservation. These services may include work on the following Program tasks: T2- Project Alternatives Analysis Support, T10- Condition Assessment Support, T1- Preliminary Project Scoping and Development, PCMP3 - Pre-Construction Final Review
Chaves & Associates (LBE)	1.9	Provide document management services on various SSIP Program tasks. These services may include work on the following Program tasks: P2- Program Contract Manager, P10- Document Management
Environmental & Construction Slits Inc. (LBE)	0.7	Provide project controls support in the areas of scheduling, reporting and cost controls. These services may include work on the following Program tasks: PCMP1- Program Pre-Construction Management, PC5- Cost Controls, PC2- Reports, PC1- Schedules and Budget, P8- Program Review, Optimization, and Validation
E.F. Manning Consultants, Inc.	0.4	Provide support services in the area of labor relations, including assistance with development of a Project Labor Agreement should the SFPUC determine that one will be developed for the SSIP. These services may include work on the following Program tasks: I3- Project Labor Agreement Support
Effective Management Services LLC (LBE)	3	Provide program management support services with an emphasis in the areas of risk management, program management planning and construction/pre-construction management planning. These services may include work on the following Program tasks: PCMP4- Pre-Construction Management Policies and Procedures for SSIP, PCMP2- Pre-Construction Optimization, P5- Program Management Plan, I2- Facilities Integration Plan, I1- Risk Management
EPC Consultants, Inc	2.1	Provide program management support services in the area of operational permitting, facilities planning and document control. These services may include work on the following Program tasks: P9- Operational Permit Support, P10- Document Management, I2- Facilities Integration Plan

Hollins Consulting, Inc. (LBE)	0.2	Provide program and construction management support services, focusing on pre-construction reviews. These services may include work on the following Program tasks: PCMP3 - Pre-Construction Final Review.
David Jenkins	0.03	Provide technical input, review and advisory services related to wastewater treatment process engineering. These services may include work on the following Program tasks: T13 - Provide Independent Technical Reviews and Input
Fred Krieger	0.4	Provide regulatory permit support such as working with federal, state and local agencies, permit updates, legislation review and preparation of documentation for regulatory review. These services may include work on the following Program tasks: P8 - Operational Permit Support
Susan Leal	0.1	Provide management consulting services in the formulation of management plans, strategies and policies and procedures, management structures, staffing to meet SSIP Program needs. Provide assistance in communications and community benefits. These services may include work on the following Program tasks: P6 - Program Review, Optimization, and Validation
Meriwether & Williams Insurance Service Inc.	0.7	Provide support for community relations / community benefits in the areas of local hire programs and small business development. These services may include work on the following Program tasks: PCMP1 - Program Pre-Construction Management, P8 - Triple Bottom Line, P5 - Program Management Plan, I6 - Communications and Reporting Support
Molly Duggan Associates LLC (LBE)	1.6	Provide communications support in the areas of print media and technology and assistance with branding development. These services may include work on the following Program tasks: I6 - Communications and Reporting Support
John Novak	0.03	Provide technical support services related to biosolids treatment processes. These services may include work on the following Program tasks: T4 - Collection System and Treatment Plant Systemic Hydraulic Modeling/Systems Engineering
Olivia Chen Consultants (LBE)	0.1	Provide management consulting services in the formulation of work plans, strategies and policies and procedures, management structures, staffing to meet SSIP Program needs. Provide assistance in communications and community benefits efforts related to corporate volunteerism and local business development. These services may include work on the following Program tasks: P6 - Program Review, Optimization, and Validation; P5 - Program Management Plan
RDJ Enterprises (LBE)	0.9	Provide communications and outreach support in the area of community benefit, workforce development and local business development. These services may include work on the following Program tasks: PCMP1 - Program Pre-Construction Management, P8 - Triple Bottom Line, P5 - Program Management Plan, I6 - Communications and Reporting Support
Charles Scawthorn	0.1	Provide technical input, review and advisory services related to seismic reliability, design, and design criteria. These services may include work on the following Program tasks: T8 - Design Standards Review and Recommendation, T3 - Seismic Evaluation/Standards
Lisa Spinati	0.1	Provide assistance with community benefit planning and implementation in the area of volunteer programs and strategic partnerships. These services may include work on the following Program tasks: P5 - Program Management Plan, I6 - Communications and Reporting Services
Strategic Thought Group plc	0.03	Provide Program risk management services and associated analytical tools. These services may include work on the following Program tasks: I1 - Risk Management
Sustainable Watershed Designs (LBE)	0.9	Provide planning and hydraulic/hydrologic analysis support services in the area of urban watershed planning and low impact design to manage stormwater. These services may include work on the following Program tasks: I6 - Watershed Assessments, P8 - Triple Bottom Line
George Tchobanoglous	0.03	Provide technical input, review and advisory services related to wastewater treatment process engineering. These services may include work on the following Program tasks: T13 - Provide Independent Technical Reviews and Input
Thomas D. O'Rourke	0.1	Provide technical input, review and advisory services related to seismic reliability, design, and design criteria. These services may include work on the following Program tasks: T8 - Design Standards Review and Recommendation, T3 - Seismic Evaluation/Standards
Townsend Management Inc. (LBE)	0.4	Provide support services in the area of cost estimating, value engineering and pre-construction management planning. These services may include work on the following Program tasks: I2 - Value Engineering; PCMP1 - Program Pre-Construction Management; P8 - Cost Estimates
Westland Management Solutions LLC (LBE)	1.1	Provide support on project and program management controls solutions and data systems integration. These services may include work on the following Program tasks: PC7 - Quarterly Reporting and Monitoring; PC5 - Cost Controls; PC2 - Reports; PC1 - Schedules and Budget; P8 - Program Review, Optimization and Validation; P5 - Program Management Plan; I2 - Facilities Integration Plan
<b>LBE Participation %</b>	<b>16.1%</b>	
<b>Non LBE Participation %</b>	<b>8.3%</b>	
<b>Prime/JV Participation %</b>	<b>75.6%</b>	
<b>Total</b>	<b>100.0%</b>	





TO: Ian Hart, Budget Analyst Office

DATE: 7-14-11

FM: Karen Kubick, Wastewater Enterprise Capital Program Director, SSIP

The industry standard for Program Management services for capital improvement programs for Utility Companies is 2-4% of the Total Program Cost; however, this percentage depends upon the program management services included and the complexity of the program involved. We believe the SSIP is not only technically complex but community and regulatory agencies issues are also very challenging. Furthermore, a significant amount of the upfront work including needs assessment and program assessment and verification is needed before the implementation details of the program can be developed.

The following table gives you a breakdown for the anticipated program management costs during the first 15 years of the program.

Table: Estimated SSIP Program Management Cost for the first Fifteen Years

Fifteen Year Cost of SSIP	\$6,000,000,000	
Fifteen Year Program Management Contract	\$150,000,000	2.5%
Fifteen Year City Program Management Staff Costs	\$90,000,000	1.5%



# San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

1155 Market Street, 11th Floor  
San Francisco, CA 94103  
T 415.554.3155  
F 415.554.3161  
TTY 415.554.3488

**TO: Angela Calvillo, Clerk of the Board of Supervisors**  
**FROM: Nathan Purkiss, 554-3404**  
**DATE: 6/30/11**  
**SUBJECT: Resolution approving Agreement No CS-165**

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2011 JUN 30 PM 4:43  
AK

Please find the original and 4 copies of a Board of Supervisors resolution approving and authorizing the General Manager of the San Francisco Public Utilities Commission to execute Sewer System Improvement Program-funded Agreement No. CS-165, Program Management Services with AECOM-Parsons Joint Venture, for an amount not to exceed \$150,000,000 with a term of up to 15 years.

Included in this packet are an original and four copies of:

1. BOS Resolution;
2. SFPUC Agenda Item and Resolution
3. Human Rights Commission Memorandum
4. Agreement between CCSF and AECOM/Parsons

This item is requested to be heard at the earliest possible meeting of the Budget and Finance Committee.

Please contact us if you need any additional information.

**Departmental representative to receive a copy of the adopted resolution:**

Name: Nathan Purkiss

Phone: 554-3404

Interoffice Mail Address: 1155 Market Street, 11<sup>th</sup> Floor

- Edwin M. Lee**  
Mayor
- Francesca Vietor**  
President
- Anson Moran**  
Vice President
- Ann Moller Caen**  
Commissioner
- Art Torres**  
Commissioner
- Vince Courtney**  
Commissioner
- Ed Harrington**  
General Manager







**AGENDA ITEM**  
**Public Utilities Commission**  
*City and County of San Francisco*



DEPARTMENT Infrastructure Division AGENDA NO. 10  
MEETING DATE June 28, 2011

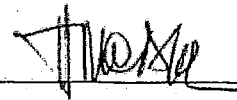
**Professional Services Award: Regular Calendar**  
**Project Manager: Karen Kubick**

**Agreement No. CS-165, Award, Sewer System Improvement Program, Program Management Services**

<p><b>Summary of Proposed Commission Action:</b></p>	<p>Approve the selection and award of Wasterwater Enterprise, Sewer System Improvement Program (SSIP)-funded SSIP Program Management Services (CS-165) to <b>AECOM-Parsons Joint Venture (AECOM-Parsons)</b>, to provide program management services including providing qualified personnel to assist the SFPUC in the areas of program planning and administration, program implementation, project technical support, program controls and pre-construction management and planning; and <b>authorize the General Manager of the San Francisco Public Utilities Commission to negotiate and execute a professional services agreement with AECOM-Parsons Joint Venture</b> for an amount not-to-exceed \$150,000,000 and with a duration of fifteen (15) years, subject to the Board of Supervisors approval pursuant to Charter Section 9.118.</p>
<p><b>Background &amp; Description of Scope of Services:</b></p>	<p><b>Background:</b> The City's major stormwater/treatment and collection systems are aging and lack redundancy. The last major capital work and master planning effort for the sewer system took place in the 1970's, forty years ago. A new master planning process was initiated in 2004 that included extensive public meetings, focus groups, and 18 months of detailed Commission workshops which concentrated on the City's wastewater system condition. This process resulted in Commission endorsement of specific goals and levels of service, and the approval of \$4.9 billion dollars as part of the ten year capital plan for the proposed capital improvement projects that ultimately comprise the Sewer System Improvement Program (SSIP). The goal of the SSIP is to bring the sewer system to a state of good repair to ensure continued regulatory compliance, reliability, and redundancy; and to meet the known, and foreseeable challenges of today and the future. The identified challenges include:</p> <ul style="list-style-type: none"> <li>• Aging infrastructure and poor condition of existing facilities with little</li> </ul>

**APPROVAL:**

DEPARTMENT / BUREAU

  
\_\_\_\_\_

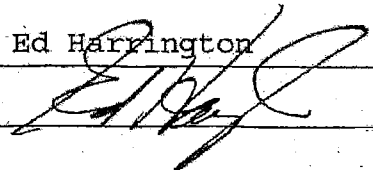
FINANCE

Todd L. Rydstrom  
\_\_\_\_\_

COMMISSION SECRETARY

Mike Housh  
\_\_\_\_\_

GENERAL MANAGER

Ed Harrington  
  
\_\_\_\_\_

- remaining useful life;
- Seismic deficiencies and lack of structural integrity;
- Limited operating flexibility and lack of redundancy;
- The ongoing need to protect the environment and public health, meet regulatory challenges, and conserve resources;
- Adaptation to climate change; and
- Improved stormwater management.

Approximately 20 capital improvement projects are proposed for construction by 2040, to address and mitigate these challenges and to meet the Commission endorsed goals and levels of service.

The implementation of the SSIP is being led by City staff and is structured to function as a matrix organization that will be managed by the Infrastructure Wastewater Enterprise Capital Improvement Program Director (Program Director) and will include staff and resources from SFPUC's Infrastructure Division, Wastewater Enterprise, and the Department of Public Works. In addition, there will be support from other SFPUC departments including External Affairs and Business Services, as well as various other City departments. Consultants with extensive experience on wastewater capital programs similar in scope and size of the SSIP, however, will play a key role in the implementation of the Program.

For management purposes, the implementation of the SSIP is divided into 2 major phases – pre-construction and construction. Pre-construction efforts include all planning, design, environmental review, right-of-way and contracting activities. The construction phase will begin following the award of a construction contract and extend through start-up, testing and close-out of that contract. The services of the Program Management Consultant will be used to support the SSIP management team on programmatic functions throughout the duration of the Program.

**Description of Scope of Services:**

The primary role of the Program Management Consultant (PMC) under this agreement will consist of:

- Program Planning and Administration
- Program Implementation
- Project Technical Support
- Program Controls
- Pre-Construction Management and Planning

The detailed scope of work identifies 41 tasks which stipulate the specific expectations and deliverables. Services provided by the PMC are intended to augment the City's workforce through the provision of expertise in the development and management of this large-scale capital improvement program; and where needed, through supplementary services to meet peak workload demands. Task orders will be issued by the Program Director, or Bureau Managers, and approved by the Assistant General Manager, Infrastructure. The Program Director, retains the authority and discretion to initiate, augment, alter, or terminate specific services and tasks provided through this agreement.

	<p>The services of the PMC are needed to work with City staff to validate the SSIP scope, schedule, and budget. The PMC will support the SSIP management team on a number of programmatic functions such as: strategic program development; risk management; optimization and project validation; labor and contract relations; asset management integration; scheduling; cost estimates; staff training; and analysis of alternative delivery mechanisms. The PMC will also provide specialized technical services and resources, such as: preliminary design, engineering, watershed hydraulics, regulatory, real time controls, and City staff augmentation when appropriate on an as-needed or project-specific basis.</p> <p>In addition, the PMC will provide dedicated, professional staff and experts to work on an integrated City/consultant team led by City staff to implement the SSIP, adhere to the City's Environmental Justice and Community Benefits Policies, Sustainability Plan and Program, and San Francisco's Local Hire Policy for Construction. The SFPUC Infrastructure Division and Wastewater Enterprise have developed a detailed scope of services, functional roles, and estimates of work hours required for each, that were included in the RFP for Agreement No. CS-165. The scope includes six key/lead personnel and additional support specialists:</p> <p><b>Key/Lead Positions:</b></p> <ul style="list-style-type: none"> <li>• Program Management Advisor (PMA)</li> <li>• Program Controls Manager (PCM)</li> <li>• Pre-Construction Technical Advisor (PCTA)</li> <li>• Process Engineering/Utility Manager (PEUM)</li> <li>• Program Quality Assurance Manager (PQAM)</li> <li>• Lead Cost Estimator (LCE)</li> </ul> <p><b>Additional Specialists:</b></p> <ul style="list-style-type: none"> <li>• Communications Coordinator (CC)</li> <li>• Engineering Specialists</li> <li>• Project Controls Specialists</li> <li>• Climate Change Specialist</li> </ul>
<p><b>Result of Inaction:</b></p>	<p>A delay in awarding this agreement will further defer much needed capital improvements to the City's wastewater system; which, if unaddressed, will result in regulatory non-compliance, loss of system reliability, and increased public and worker safety risks.</p>

<p><b>Budget &amp; Costs:</b></p>	<p><b>Funding:</b> will be available at the time of award of the agreement for the first year's task orders from Project CENMSCSP06 - SSIP Planning (also known as Sewer System Master Plan project, and various SSIP projects to be determined.</p> <p><b>Not-To-Exceed Amount:</b> \$150,000,000. The contract will be administered on a task order basis.</p>
<p><b>Schedule:</b></p>	<p><b>Advertised:</b> March 14, 2011</p> <p><b>Estimated Start Date:</b> September 2011</p> <p><b>Estimated End Date:</b> September 2026</p> <p><b>Duration:</b> 15 years</p>
<p><b>Evaluation and Selection Criteria:</b></p>	<p><b><u>Minimum Qualifications</u></b></p> <p><b><u>Prime Proposer/Lead JV Partner Qualification Requirements</u></b></p> <p>To qualify as a Prime Proposer or Lead JV Partner for this Agreement, the Proposers must have demonstrated substantial financial capability, reliability, strength, and corporate depth as well as significant knowledge, capability, and breadth of experience in program management; to successfully perform its role and responsibilities in supporting the implementation of the SSIP. At a minimum, the Prime Proposer (or Lead JV Partner) must possess the following:</p> <ul style="list-style-type: none"> <li>• The Prime Proposer or Lead JV Partner must either (i) have been in business for a minimum of twenty (20) years providing Program Management, Planning, Design, and Pre-Construction Management services for large water or wastewater infrastructure capital programs; <b>OR</b> (ii) have been in business for ten (10) years providing water or wastewater Program Management Services <b>AND</b> have an owner, partner, or principal officer responsible for making significant administrative and business decisions on behalf of the firm, with a minimum of twenty (20) years experience providing Program Management, Planning, Design, and Pre-Construction Management services for large water or wastewater infrastructure capital programs; <b>AND</b></li> <li>• The Prime Proposer or Lead JV Partner must have experience as the Prime, or Lead JV, Program Manager where it was responsible for management of a programmatic team on at least two (2) complex water or wastewater infrastructure programs, with a value of \$1 Billion or more, within the last fifteen (15) years, that are similar in complexity to the SSIP; <b>AND</b></li> <li>• The Prime Proposer and Lead JV Partner must possess a strong knowledge and understanding of current California wastewater and stormwater issues, regulations, and stakeholder concerns.</li> </ul>



**Non-Lead JV Partner Qualification Requirements**

To qualify as a Non-Lead JV Partner for this RFP, the Proposer must have demonstrated the Non-Lead JV Partner's substantial financial capability, reliability, strength, and corporate depth as well as significant knowledge, capability, and breadth of experience in program management to successfully perform its role and responsibilities in supporting the implementation of the SSIP. At a minimum, the Non-Lead JV Partner must possess the following:

- The Non-Leading JV Partner must either (i) have been in business for a minimum of fifteen (15) years providing Program Management, Planning, Design, and Pre-Construction Management for large water or wastewater infrastructure capital programs; OR (ii) have been in business for five (5) years providing water or wastewater Program Management Services AND have an owner, partner, or principal officer responsible for making significant administrative and business decisions on behalf of the firm with a minimum of fifteen (15) years experience providing Program Management, Planning, Design, and Pre-Construction Management services for large water or wastewater infrastructure capital programs; AND
- The Non-Lead JV Partner must have experience as a Prime or JV Partner who has managed a programmatic team on at least two (2) complex water or wastewater infrastructure programs, with a value of \$500 Million or more, within the last fifteen (15) years, that are similar in complexity to the SSIP; AND

The Non-Leading JV Partner must also possess a strong knowledge and understanding of current California wastewater and stormwater issues, regulations, and stakeholder concerns.

**Evaluation and Selection**

The highly qualified selection panel consisted of two individuals with SFPUC wastewater expertise, an operations and maintenance manager and a retired senior project manager, and three high level managers representing Central Contra Costa Sanitary District, the City of San Jose Wastewater Capital Program and the New York Department of Environment Water and Wastewater Capital Program. All members have extensive wastewater program/technical experience.

The evaluation and selection process consisted of three components: i) written proposals, including responses from references, ii) oral interview process, and iii) overhead and profit schedule. The scores from the written evaluation, references, oral interviews, and overhead and profit schedule were combined and tabulated according to the following scoring breakdown:

Written Proposal (including references)	45 points
Oral Interviews	45 points
Overhead & Profit Schedule	10 points
<b>Total</b>	<b>100 points</b>

The top ranked consultant team, AECOM-Parsons, is being recommended for

	contract award.						
<b>Final Score Summary:</b>	Written, Oral, Overhead & Profit Schedule (OPS) and Human Rights Commission (HRC) Bonus:						
		<b>Written Proposal Score (45)</b>	<b>Oral Score (45)</b>	<b>OPS Score (10)</b>	<b>Points Subtotal (100)</b>	<b>HRC Bonus or N/A</b>	<b>Total Score</b>
<b>Firms</b>							
AECOM-Parsons Joint Venture		39.72	37.62	10.00	87.34	N/A	87.34
CDM		36.50	34.82	10.00	81.32	N/A	81.32
Jacobs Engineering Inc.		32.89	31.07	10.00	73.96	N/A	73.96
<b>Compliance With Chapter 14B: Local Business Enterprise (LBE) And Non-Discrimination In Contracting Ordinance:</b>	<p>A Human Rights Commission (HRC) subconsulting goal of 10% Local Business Enterprise (LBE) participation (of the total value of services to be provided) has been established for this Agreement.</p> <p>HRC has determined that AECOM-Parsons have complied with the pre-award 14B requirements and are eligible for award of this Agreement. AECOM-Parsons has committed to a LBE subconsultant participation of 16.1%.</p>						
<b>Protest:</b>	There were no protests filed on this Agreement.						
<b>Recommendation:</b>	SFPUC staff recommends the approval of the selection of the highest scoring proposer, AECOM-Parsons Joint Venture, for Agreement No. CS-165, and that the Commission adopt the attached resolution.						
<b>Attachments:</b>	<ol style="list-style-type: none"> <li>1. SFPUC Resolution</li> <li>2. HRC Memo</li> </ol>						

## PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. \_\_\_\_\_

WHEREAS, There has been a seven year master planning process that included extensive public meetings, focus groups, and 18 months of detailed Commission workshops that focused on the City's wastewater system condition. The process resulted in specific goals, levels of service, and proposed projects which ultimately comprise the collection of capital improvements known as the Sewer System Improvement Program (SSIP). The Program Management Consultant (PMC) is needed to work with City staff to validate the SSIP scope, schedule, and budget; support SFPUC management team on programmatic functions; and to provide specialized technical services and resources; and

WHEREAS, It is necessary to procure the services of a qualified program management team to provide specialized Program Planning and Administration, Program Implementation, Project Technical Support, Program Controls and Pre-Construction Management and Planning to supplement SFPUC staff; and

WHEREAS, The estimated cost of services is \$150,000,000; and

WHEREAS, The proposal was advertised on March 14, 2011; and

WHEREAS, Services are anticipated to begin in September 2011 and end in September 2026 and the duration of this agreement is 15 years; and

WHEREAS, SFPUC staff and Human Rights Commission (HRC) review of the selection panel evaluations and the proposals resulted in the establishment of AECOM-Parsons Joint Venture as the highest ranked consulting firm; and

WHEREAS, An HRC subconsulting goal of 10% Local Business Enterprise (LBE) participation (of the total value of services to be provided) has been established for this agreement; and

WHEREAS, Failure to reach successful agreement on contract terms and conditions within 30 days of the date of the Commission award may result in award of the contract to the next highest ranked proposer, or re-advertising and re-selecting consultants at the discretion of the City; and

WHEREAS, The firms being awarded a contract by the SFPUC must be in compliance with the Equal Benefits Provisions of Chapter 12B of the City's Administrative Code either at the time of the award, or within 2 weeks of the date of the Commission award; failure of the bidder to obtain compliance certification from HRC may, in the General Manager's sole discretion, result in award of the agreement to the next highest ranked proposer, or re-advertising and re-selecting consultants at the discretion of the City; and

WHEREAS, Funds for this agreement will be available at for the first year's task orders, at the time of award of the agreement, from Project CENMSCSP06 - SSIP Planning (also known as the Sewer System Master Plan project, and various SSIP projects, to be determined; now, therefore, be it

RESOLVED, That this Commission hereby approves the selection of AECOM-Parsons Joint Venture; awards Wastewater Enterprise, Sewer System Improvement Program-funded, Agreement No. CS-165, Sewer System Improvement Program, Program Management Services, to provide program management services and authorizes the General Manager of the San Francisco Public Utilities Commission to negotiate and execute a professional services agreement with AECOM-Parsons Joint Venture for an amount not-to-exceed \$150,000,000 and with a duration of 15 years, or, in the event negotiations are not successful or City requirements are not satisfied, to negotiate and execute a professional services agreement with the next highest ranked proposer 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* \_\_\_\_\_ *June 28, 2011*

\_\_\_\_\_  
*Secretary, Public Utilities Commission*

City and County of San Francisco



Edwin M. Lee  
Mayor

Human Rights Commission

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

Theresa Sparks  
Executive Director

MEMORANDUM

Date: June 17, 2011  
 To: Karen Kubick, Program Manager, PUC  
 Kofo Domingo, Principle Contract Analyst, PUC  
 From: Mindy Lee, Contract Compliance Representative, HRC  
 Subject: CS-165 Program Management Services, Sewer System Improvement Program (SSIP)

The Human Rights Commission ("HRC") has reviewed the consultant proposals and supporting documentation, applied the appropriate rating bonuses, and determined responsiveness to the pre-award Chapter 14B requirements for the above referenced project. A LBE subconsulting goal of 10% was established for this project. Three firms submitted proposals: AECOM/Parsons Joint Venture ("AECOM/Parsons JV"); Camp Dresser & McKee, Inc. ("CDM"); and Jacobs Engineering Group ("Jacobs").

**Rating Bonus**

The rating bonus is not applicable to this project because the estimated contract amount is over \$20 Million.

**Score Sheets and Score Tabulations**

HRC has reviewed the score sheets submitted by the panelists, the overhead profit schedule and the final score tabulations from the Department. Based on this information, the proposers are ranked as follows:

FIRM	RANK
AECOM/Parsons JV	1
CDM	2
Jacobs	3

**LBE Subconsulting Goal**

AECOM/Parsons JV met the 10% LBE subconsulting goal by listing the following LBE firms:

FIRM	SERVICE	LBE STATUS	LBE
AE3 Partners, Inc.	Provide technical support services in the area of architectural planning and pre-construction management. These services may include work on the following Program tasks: T-2 – Project Alternatives Analysis	LBE-MBE	0.4%



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



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



	Support, T1 – Preliminary Project Scoping and Development, PC1 – Schedules and Budget		
Carey & Co, Inc.	Provide architectural planning services, with an emphasis on historical architecture and conservation. These services may include work on the following Program tasks: T2 - Project Alternatives Analysis Support , T10 - Condition Assessment Support , T1 - Preliminary Project Scoping and Development , PCMP3 - Pre-Construction Final Review	LBE-WBE	0.1%
Chaves & Associates	Provide document management services on various SSIP Program tasks. These services may include work on the following Program tasks: P2 - Program Contract Manager , P10 - Document Management	LBE-WBE	1.9%
Davis & Associates Communications	Provide communications support services with an emphasis on community outreach. These services may include work on the following Program tasks: T6 – Watershed Assessment, P8 – Triple Bottom Line, P6 – Program Review, Optimization, and Validation, P5 – Program Management Plan, 16 – Communications and Reporting Support	LBE-MBE	0.9%
Effective Management Services, LLC	Provide program management support services, with an emphasis in the areas of risk management, program management planning, and construction/pre-construction management planning. These services may include work on the following Program tasks: PCMP4 - Pre-Construction Management Policies and Procedures for SSIP, PCMP2 - Pre-Construction Optimization , P5 - Program Management Plan , 12 - Facilities Integration Plan , 11 - Risk Management	LBE-MBE	3.0%
Environmental & Construction SItns, Inc. (ECS)	Provide project controls support, in the areas of scheduling, reporting and cost controls. These services may include work on the following Program tasks: PCMP1 - Program Pre-Construction Management , PC5 – Cost Controls, PC2 - Reports, PC1 - Schedules and Budget, P6 - Program Review, Optimization, and Validation	LBE-WBE	0.7%
Hollins Consulting, Inc.	Provide program and construction management support services, focusing on pre-construction reviews. These services may include work on the following Program tasks: PCMP3 – Pre-Construction Final Review	LBE-OBE	0.2%
Joe Hill Consulting	Provide civil engineering and general	LBE-OBE	0.6%

Engineers	program management support such as project scoping and alternatives analysis and Program planning and procedures development. These services may include work on the following Program tasks: T2 – Project Alternatives Analysis Support, T10 – Condition Assessment Support, T1 – Preliminary Project Scoping and Development, P5 – Program Management Plan, P4 – Procedures Review and Update, 12 – Facilities Integration Plans		
M Lee Corporation	Provide cost estimating services. These services may include work on the following Program tasks: T2 - Project Alternatives Analysis Support , T1 - Preliminary Project Scoping and Development , PC6 - Life Cycle Costs , PC5 - Cost Controls , PC3 - Cost Estimates	LBE-MBE	2.0%
Marina Dee Design	Provide graphics and drafting support for communications and project development/ analyses. These services may include work on the following Program tasks: T4 - Collection System and Treatment Plant Systemic Hydraulic Modeling/Systems Engineering , T2 - Project Alternatives Analysis Support , T1 – Preliminary Project Scoping and Development , I6 - Communications and Reporting Support	LBE-WBE	0.3%
Molly Duggan Associates, LLC	Provide communications support in the areas of print media and technology and assistance with branding development. These services may include work on the following Program tasks: I6 - Communications and Reporting Support	LBE-WBE	1.6%
Olivia Chen Consultants	Provide management consulting services in the formulation of work plans, strategies and policies and procedures, management structures, staffing to meet SSIP Program needs. Provide assistance in communications and community benefits efforts related to corporate volunteerism and local business development. These services may include work on the following Program tasks: P6 – Program Review, Optimization, and Validation, P5 – Program Management Plan	LBE-WBE	0.1%
RDJ Enterprises	Provide communications and outreach support in the area of community benefit, workforce development and local business development. These services may include work on the following Program task: PCMP1 – Program Pre-Construction Management,	LBE-MBE	0.9%

	P8 – Triple Bottom Line, P5 – Program Management Plan, 16 – Communications and reporting Support		
Sonika Corporation	Provide stakeholder communication & coordination services related to triple bottom line analysis. These services may include work on the following Program tasks: P8 - Triple Bottom Line	LBE-MBE	0.2%
Sustainable Watershed Designs	Provide planning and hydraulic/hydrologic analysis support services in the area of urban watershed planning and low impact design to manage stormwater. These services may include work on the following Program tasks: T6 - Watershed Assessments , P8 - Triple Bottom Line	LBE-OBE	0.9%
Townsend Management, Inc.	Provide support services in the area of cost estimating, value engineering and pre-construction management planning. These services may include work on the following Program tasks: T12 – Value Engineering, PCMP1 – Program Pre-Construction Management, PC3 – Cost Estimates	LBE-MBE	0.4%
Westland Management Solutions, LLC	Provide support on project and program management controls solutions and data/systems integration. These services may include work on the following Program tasks: PC7 - Quarterly Reporting and Monitoring , PC5 - Cost Controls , PC2 - Reports , PC1 - Schedules and Budget , P6 - Program Review, Optimization, and Validation , P5 - Program Management Plan, I2 - Facilities Integration Plan	LBE-WBE	1.1%
Yolanda's Construction Management & Traffic Control	Provide document management support services on various tasks program-wide. These services may include work on the following Program tasks: PC4 - Change Management , PC1 - Schedules and Budget, P10 - Document Management	LBE-MBE	0.8%
<b>TOTAL:</b>			<b>16.1%</b>

Based on the foregoing, HRC has determined that AECOM/Parsons JV has complied with the pre-award HRC Chapter 14B requirements. Should you have any additional questions and/or concerns, please feel free to contact me at (415) 554-3136.



# PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 11-0101

WHEREAS, There has been a seven year master planning process that included extensive public meetings, focus groups, and 18 months of detailed Commission workshops that focused on the City's wastewater system condition. The process resulted in specific goals, levels of service, and proposed projects which ultimately comprise the collection of capital improvements known as the Sewer System Improvement Program (SSIP). The Program Management Consultant (PMC) is needed to work with City staff to validate the SSIP scope, schedule, and budget; support SFPUC management team on programmatic functions; and to provide specialized technical services and resources; and

WHEREAS, It is necessary to procure the services of a qualified program management team to provide specialized Program Planning and Administration, Program Implementation, Project Technical Support, Program Controls and Pre-Construction Management and Planning to supplement SFPUC staff; and

WHEREAS, The estimated cost of services is \$150,000,000; and

WHEREAS, The proposal was advertised on March 14, 2011; and

WHEREAS, Services are anticipated to begin in September 2011 and end in September 2026 and the duration of this agreement is 15 years; and

WHEREAS, SFPUC staff and Human Rights Commission (HRC) review of the selection panel evaluations and the proposals resulted in the establishment of AECOM-Parsons Joint Venture as the highest ranked consulting firm; and

WHEREAS, An HRC subconsulting goal of 10% Local Business Enterprise (LBE) participation (of the total value of services to be provided) has been established for this agreement; and

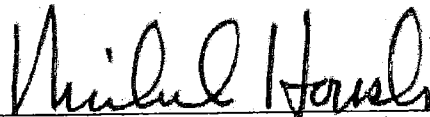
WHEREAS, Failure to reach successful agreement on contract terms and conditions within 30 days of the date of the Commission award may result in award of the contract to the next highest ranked proposer, or re-advertising and re-selecting consultants at the discretion of the City; and

WHEREAS, The firms being awarded a contract by the SFPUC must be in compliance with the Equal Benefits Provisions of Chapter 12B of the City's Administrative Code either at the time of the award, or within 2 weeks of the date of the Commission award; failure of the bidder to obtain compliance certification from HRC may, in the General Manager's sole discretion, result in award of the agreement to the next highest ranked proposer, or re-advertising and re-selecting consultants at the discretion of the City; and

WHEREAS, Funds for this agreement will be available at for the first year's task orders, at the time of award of the agreement, from Project CENMSCSP06 - SSIP Planning (also known as the Sewer System Master Plan project, and various SSIP projects, to be determined; now, therefore, be it

RESOLVED, That this Commission hereby approves the selection of AECOM-Parsons Joint Venture; awards Wastewater Enterprise, Sewer System Improvement Program-funded, Agreement No. CS-165, Sewer System Improvement Program, Program Management Services, to provide program management services and authorizes the General Manager of the San Francisco Public Utilities Commission to negotiate and execute a professional services agreement with AECOM-Parsons Joint Venture for an amount not-to-exceed \$150,000,000 and with a duration of 15 years, or, in the event negotiations are not successful or City requirements are not satisfied, to negotiate and execute a professional services agreement with the next highest ranked proposer 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* \_\_\_\_\_ *June 28, 2011*



\_\_\_\_\_  
*Secretary, Public Utilities Commission*

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

**Agreement between the City and County of San Francisco and  
AECOM/Parsons JV**

This Agreement is made this 28<sup>th</sup> day of June, 2011, in the City and County of San Francisco, State of California, by and between: **AECOM/Parsons JV, 405 Howard Street, Suite 400, San Francisco, CA 94105**, hereinafter referred to as "Contractor," and the City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through the San Francisco Public Utilities Commission.

**Recitals**

WHEREAS, the San Francisco Public Utilities Commission ("Department") wishes to retain the services of **AECOM/Parsons JV** to provide Program Management Services for the Sewer System Improvement Program; and

WHEREAS, a Request for Proposal ("RFP") was issued on **March 14, 2011**, and City selected Contractor as the highest qualified scorer pursuant to the RFP; and

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by City as set forth under this Agreement; and

WHEREAS, approval for this Agreement was obtained when the Civil Service Commission approved Contract number **4100-10/11** on **April 18, 2011**; and

WHEREAS, approval for this Agreement was obtained from the San Francisco Public Utilities Commission Resolution Number **[insert resolution number]** on **June 28, 2011**; and

WHEREAS, approval for this Agreement was obtained from the San Francisco Board of Supervisors by Resolution Number **[insert resolution number]** on **[insert date of Board of Supervisors' action]**; and

Now, THEREFORE, the parties agree as follows:

**1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has

no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

**THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.**

- 2. Term of the Agreement.** Subject to Section 1, the term of this Agreement shall be **fifteen (15) years from September 26, 2011 to September 25, 2026.**
- 3. Effective Date of Agreement.** This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.
- 4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.
- 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 performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed **One Hundred Fifty Million Dollars (\$150,000,000)**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the San Francisco Public Utilities Commission as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

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

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of HRC Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of HRC and Contractor of the 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.

- 6. Guaranteed Maximum Costs.** The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. ~~Officers and employees of the City are not authorized to offer or~~ promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.