

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.



City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 110586

Date Passed: July 26, 2011

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, under Charter Section 9.118.

July 20, 2011 Budget and Finance Sub-Committee - RECOMMENDED

July 26, 2011 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

File No. 110586

I hereby certify that the foregoing
Resolution was ADOPTED on 7/26/2011 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Edwin Lee

Date Approved