

## PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 19-0082

WHEREAS, In 1997, when the U.S. Department of Defense closed the Naval Station Treasure Island (NSTI), the City and County of San Francisco (City) entered into a Base Caretaker Cooperative Agreement with the U.S. Navy; and

WHEREAS, The Treasure Island Development Authority (TIDA) currently operates and maintains NSTI, including both properties transferred by the U.S. Navy to TIDA and properties that remain under the jurisdiction of the U.S. Navy; and

WHEREAS, TIDA's responsibilities generally include, among other matters: (1) operation and maintenance (O&M) services for all the existing utility systems on Treasure Island/Yerba Buena Island (TI/YBI), (2) grounds and street maintenance and repair, (3) property management, and (4) public health, security, and safety services; and

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) has been operating and maintaining water, wastewater, electric, and gas utility systems on TI/YBI since 1997, as requested by TIDA; and

WHEREAS, The Treasure Island Community Development (TICD) has initiated a phased 15 to 20-year development project which includes demolition of existing buildings and utilities, geotechnical improvements, construction of 8,000 new homes, and construction of new wastewater and stormwater infrastructure on Treasure Island; and

WHEREAS, The TICD is obligated to design, construct and complete the infrastructure for TI/YBI, including new, separate wastewater and stormwater collection and conveyance systems, and stormwater management controls; and

WHEREAS, The SFPUC will assume ownership of the new wastewater and stormwater infrastructure upon its completion and acceptance by the Board of Supervisors; and

WHEREAS, The new wastewater treatment plant (WWTP) is not part of TICD's infrastructure construction obligations and will be planned, designed, constructed, and owned by the SFPUC under Project No. CWP11001, New Treasure Island Wastewater Treatment Plant; and

WHEREAS, The SFPUC staff evaluated four project delivery methods, traditional Design-Bid-Build (DBB), Design-Build (DB), Design-Build-Operate (DBO), and Construction Manager/General Contractor (CM/GC) for this complex, multi-design discipline, treatment facility project; and

WHEREAS, For the reasons set forth in the memorandum dated April 1, 2019 titled "SFPUC New Treasure Island Wastewater Treatment Plant Project – Project Delivery Determination," a copy of which is on file with this Commission SFPUC staff and the General Manager recommend the DBO project-contract delivery method in order to provide a single point of accountability for the design, construction, operation, maintenance, and training of the new WWTP while the SFPUC develops an operation and maintenance staffing plan for the new facility; and

WHEREAS, Following the Commissions's approval of this resolution, the SFPUC will seek approval from the Board of Supervisors through a project-specific ordinance to use this alternate project delivery method and customize the procurement to deliver the project in a manner that is most efficient and cost-effective; and

WHEREAS, If approved by the Board of Supervisors, the proposed DBO procurement process will involve the advertisement of a Request for Qualifications (RFQ) and Request for Proposals (RFP); and

WHEREAS, The evaluation of the non-cost criteria for the proposal will constitute not less than 60% of the overall evaluation for the RFP, and evaluation of cost criteria will constitute a maximum of 40% of the overall evaluation, consistent with other alternative delivery methods in Administrative Code Chapter 6; and

WHEREAS, The cost evaluation will be evaluated based on a Fixed Price (FP) Net Present Value (NPV) analysis that incorporates the fixed design-build cost and annual O&M/R&R costs over a 20-year analysis period. O&M and R&R costs for the operations and maintenance of the WWTP and collections system will be based on the DBO team's guaranteed Year 1 pricing, then adjusted for inflation annually; and

WHEREAS, The non-cost criteria will include qualifications, safety, team integration, training opportunities, approach to the transfer of operations, team structure and management, and technical strategy; and

WHEREAS, It is anticipated that the duration for the design-build portion of the contract will be three (3) years at a cost of \$110-\$130 million, and that the duration for the operations, maintenance, and training portion for the WWTP and collection system will be up to 20 years at a cost of up to \$50-\$60 million (based on 20-year duration); and

WHEREAS, The Final Environmental Impact Report for Treasure Island and Yerba Buena Island ("FEIR"), prepared pursuant to the California Environmental Quality Act (Cal. Pub. Resources Code §§ 21000 et seq.) was certified by the Treasure Island Development Authority ("TIDA") and the Planning Commission on April 21, 2011, by Resolution No. 11-34-0/21 and Motion No. 8325, respectively, relating to the Treasure Island and Yerba Buena Island Project ("Project"), including the WWTP, which certifications are incorporated herein by reference; and

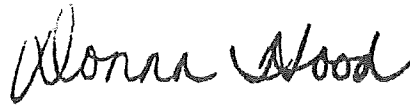
WHEREAS, The Planning Commission also adopted environmental findings for the Project pursuant to CEQA Section 21081, including a Mitigation Monitoring and Reporting Plan, in Resolution No. 246-11, on file with the Clerk of the Board of Supervisors (File No. 110328) and incorporated herein by reference; and

WHEREAS, The Planning Department has considered this Resolution and found that no substantial changes are proposed to the Project or the WWTP, or to the circumstances under which the Project or the WWTP will be undertaken, which would require major changes to the FEIR, nor is there significant new information, which was not known and could not have been known at the time the FEIR was certified as complete, which would require major changes to the FEIR; and

WHEREAS, This Commission has reviewed the FEIR and the environmental findings, and adopts these findings as its own; now therefore, be it

RESOLVED, That this Commission hereby approves the project delivery method of Design-Build-Operate for Project No. CWP11001, New Treasure Island Wastewater Treatment Plant and the operation, maintenance, and training of the Treasure Island collection system, and authorizes the General Manager to seek approval by ordinance from the Board of Supervisors to use this alternative project delivery method for the proposed design, build, operations, maintenance, training and transfer of the project, and to customize the procurement to deliver the project in a manner that is most efficient and cost-effective.

*I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of April 23, 2019.*



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*Secretary, Public Utilities Commission*