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.

WHEREAS, The San Francisco Public Utilities Commission ("SFPUC") has developed the proposed Sewer System Improvement Program ("SSIP"), following extensive public meetings, focus groups, and Commission workshops over an 18-month period regarding the condition of the City's wastewater system. Assessments revealed that 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 detailed Commission workshops to evaluate the City's wastewater system condition, identify appropriate levels of service and improvements to better serve the public; and

WHEREAS, This process resulted in Commission endorsement of specific goals and levels of service 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: Aging infrastructure and poor condition of existing facilities with little 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; and

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

WHEREAS, The evaluation of the proposed capital improvement projects will include further engineering and environmental review, as well as financial analysis, prior to any action by the Commission to approve or this Board of Supervisors to fund these proposed projects. The implementation of the SSIP, beginning with the evaluation process, 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; and

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

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

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

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

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

*San Francisco Public Utilities Commission*
BOARD OF SUPERVISORS
WHEREAS, The SFPUC advertised a request for proposals ("RFP") for Program Management Services for the SSIP on March 14, 2011. The RFP solicited proposals from highly qualified firms to 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 Program Management Consultant 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; and

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

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

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

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

WHEREAS, SFPUC Resolution No. 11-0101 approved the selection of AECOM-Parsons; awarded SSIP-funded Agreement No. CS-165, Program Management Services, to provide program management services for the SSIP; authorized the General Manager of the SFPUC to negotiate a professional services agreement with AECOM-Parsons for an amount not to exceed $150,000,000, and with a duration of up to 15 years, or, in the event negotiations are not successful or City requirements are not satisfied, to negotiate a professional services agreement with the next highest-ranked proposer; and authorized the
General Manager to execute the agreement, subject to Board of Supervisors' approval under Charter Section 9.118; and

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

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

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