



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Award of Contract for Consulting Engineering and Establishing Jurisdictional Partnerships at the Sunnyvale Materials Recovery and Transfer Station (F17-141), Find that the Action is Exempt from CEQA Pursuant to CEQA Guidelines Section 15262, and Approve Budget Modification No.13

#### **REPORT IN BRIEF**

Approval is requested to award a contract in the amount of \$266,815 to HDR Engineering, Inc. of Folsom, CA to provide professional services for the conceptual design development and implementation of multi-jurisdictional partnerships at the Sunnyvale Materials Recovery and Transfer Station (SMaRT Station®). Approval is also requested for a 10% contract contingency in the amount of \$26,682 and a Budget Modification in the amount of \$93,497.

#### **EXISTING POLICY**

Pursuant to Section 2.08 of the Sunnyvale Municipal Code, contracts for this type of professional services are awarded through a Request for Proposal (RFP) best value process unless otherwise exempt from competitive bidding. Further, City Council approval is required for contracts exceeding \$100,000.

Pursuant to Sunnyvale Charter Section 1305, at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by affirmative votes of at least four members so as to authorize the transfer of unused balances appropriated for one purpose to another, or to appropriate available revenue not included in the budget.

#### **ENVIRONMENTAL REVIEW**

This action is exempt from environmental review pursuant to Section 15262 of the CEQA Guidelines (feasibility and planning studies for possible future actions that have not been approved, adopted or funded). The City Council certified an Environmental Impact Report (EIR) for the SMaRT Station in 1990 (SCH #89022812). Any proposals that result from the studies will be reviewed to determine if the changes fall within the scope of the 1990 EIR or require supplemental environmental review. The award of the contract to HDR Engineering does not commit the City to make any changes to the SMaRT Station infrastructure or partnership relationships. The City Council retains full discretion to ultimately approve or reject any proposed project and to impose measures to mitigate any significant environmental impacts.

#### **BACKGROUND AND DISCUSSION**

This contract will begin the first phase of work in the multi-year Project 828260, "Replace SMaRT Station." The SMaRT Station is owned by City of Sunnyvale and operated by a private contractor. The facility opened in 1993 to replace the Sunnyvale Landfill and currently provides services to three cities-Sunnyvale, Mountain View and Palo Alto (the "Participating Agencies") pursuant to a 1992

Memorandum of Understanding (MOU). The term of the MOU ends in 2021. Its provisions call for Participating Agencies to meet for at least six months, starting in October 2016, to discuss post 2021 arrangements.

After the Participating Agencies reach tentative agreement on the updated partnership and the collective vision, the vision must be translated to guide the design of both new MOU language and the new physical configuration and features of the facility. The results of this project will communicate the vision of the SMaRT Station with conceptual design of the updated facility.

The desired overall outcome of Project 828260 is to establish a long-term MOU with the Participating Agencies and update the SMaRT Station to provide facilities and services that meet the needs articulated by the City and other future participants. Additionally, the contract will develop conceptual facility plans to meet the needs of participants, and related cost estimates. Subsequent steps will involve drafting a new or updated MOUs and other legal and financial actions, including environmental review, needed to move the overall project to completion.

A competitive Request for Proposals (RFP) was posted to the City's public procurement network in May 2017. Seven firms participated in the pre-proposal conference and three proposals were received on June 7, 2017, from HDR Engineering, Inc., CalRecovery, and J.R. Miller & Associates. The proposals were reviewed by an evaluation team consisting of staff from the Environmental Services Department and representatives from the cities of Mountain View and Palo Alto. The proposals were evaluated on proposer qualifications and experience, project overview and approach, and presentation quality and content. Following the written evaluation process, all proposers were invited for scripted presentations and interviews. The evaluation team agreed that HDR Engineering, Inc. offers the best value to the City, largely due to its understanding of, and experience with, similar projects, and the team of expert partners assembled to support the project, including HF&H, RRT and For Sustainability Too. Additionally, the proposal included a comprehensive multi-jurisdictional partnership approach led by HF&H and For Sustainability Too focused on engaging with Santa Clara County jurisdictions. RRT will bring an engineering approach which provides facility inspection and assessment, in addition to participating in development of conceptual facility plans and cost estimation.

### **FISCAL IMPACT**

Total project expenditures over seven years are estimated at \$30.4 million in Project 828260, Replace SMaRT Station. It is anticipated that amounts needed between FY 2019/20 and FY 2022/23 for engineering design and construction of improvements will be funded by the sale of utility revenue bonds.

Shares of reimbursement from future participating agencies would be specified in an updated MOU. One deliverable in the proposed contract is budgetary level cost estimates for three optional facility arrangements. These estimates will be used to guide future budget projections for going forward.

Budget Modification No. 13 recommends appropriation of \$93,497 to Project 828260, Replace SMaRT Station, by transferring this amount from Project 811250, SMaRT Station Equipment Replacement, in the same fund. Current FY 2017/18 amounts include available carryover budget from the prior fiscal year.

**Budget Modification No. 13  
FY 2017/18**

	<u>Current</u>	<u>Increase/ (Decrease)</u>	<u>Revised</u>
<b>SMaRT Station Equipment Replacement Fund</b>			
<u>Expenditures</u>			
Project 828260 - Replace <u>SMaRT Station</u>	<u>\$ 200,000</u>	\$ 93,497	<u>\$ 293,497</u>
 Project 811250 – SMaRT Station Equipment Replacement	 \$1,983,788	 (\$93,497)	 \$1,890,291

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

**RECOMMENDATION**

1) Award a contract in an amount not to exceed \$266,815 to HDR Engineering, Inc. to provide professional services for the development and implementation of institutional infrastructure, multi-jurisdictional strategic planning, and conceptual design in substantially the same form as Attachment 1 to the report and authorize the City Manager to execute the contract when all necessary conditions have been met, and 2) approve a 10% contract contingency in the amount of \$26,682, and 3) Find that the Action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15262 (Feasibility and Planning Studies), and 4) Approve Budget Modification No.13 in the amount of \$93,497.

Prepared by: Gregory S. Card, Purchasing Officer  
Reviewed by: Timothy J. Kirby, Director of Finance  
Reviewed by: Mark A. Bowers, Solid Waste Programs Division Manager  
Reviewed by: Melody Tovar, Interim Director of Environmental Services  
Reviewed by: Teri Silva, Interim Assistant City Manager  
Approved by: Kent Steffens, Interim City Manager

**ATTACHMENT**

1. Draft Services Agreement