



**Council Meeting: April 24, 2012**

**SUBJECT: Award of Contract for a Recycled Water System Master Plan and Approval of Budget Modification No. 31 (F1108-10)**

**BACKGROUND**

Approval is requested to award a contract in the amount of \$225,000 to HydroScience Engineers, Inc. of San Jose for a Recycled Water System Master Plan (RWMP) as required by the Environmental Services Department (ESD). Approval is also requested for a 15% design contingency in the amount of \$33,750, and for Budget Modification No. 31 to provide funding for this project.

**DISCUSSION**

The City operates a recycled water production and distribution system that serves primarily landscape irrigation demands in the City's commercial and industrial area located north of Highway 101. The distribution system consists of 17.3 miles of reclaimed water pipelines that are the result of five (5) projects designed and constructed between 1992 and 2000 and funded through the issuance of utility revenue bonds.

In 2000, the City completed a Recycled Water Master Plan that was designed to maximize the delivery of recycled water to customers within the service area, as well as identify opportunities for recycled water expansion throughout the City and for other uses such as stream-flow augmentation. The City has continued to bring new customers online to the system where it is feasible to do so, and has continued to explore other uses for its recycled water. Changes to the characteristics of the service area, as well as the economics of potable water have made an update of the Recycled Water Master Plan an important piece of the City's near term water supply.

Specifications for a Request for Proposals (RFP) were developed by Public Works, Environmental Services and Purchasing staff and RFP No. F1108-10 was released on November 1, 2011 to eighteen (18) engineering firms who had previously participated in the Sunnyvale Works! pre-qualification program. The RFP was also posted on the Onvia Demandstar public procurement network. Twenty six (26) firms requested proposal documents. Sealed proposals were publicly received on November 23, 2011. Three responsive proposals were received as follows:

RMC Water and Environment, of San Jose	\$198,00
GHD (formerly Winzler & Kelly), of San Jose	\$252,40
HydroScience Engineers, Inc. of San Jose*	\$299,00

\*HydroScience proposal included an additional \$100,000 in optional services.

A City evaluation team consisting of Environmental Services, Finance and Public Works staff evaluated the written proposals based on qualifications, experience, quality and project understanding. All three proposers were invited for interviews with Environmental Services and Purchasing staff. As a result of the interview process, HydroScience Engineers, Inc. was unanimously selected as the highest ranking proposer. Subsequent contract negotiations reduced the project fee from \$299,000 to \$225,000, with the inclusion (in the baseline pricing) of a feasibility study which could result in federal grant funding to offset a portion of the RWMP cost. Staff recommends the award of the Recycled Water System Master Plan contract to HydroScience Engineers, Inc.

### **FISCAL IMPACT**

The total cost of this project, including contingency, is \$258,750. Both the wastewater utility and the water utility benefit from the production and use of recycled water. Therefore, this project will be funded by the Water Supply and Distribution Fund and the Wastewater Management Fund.

Over the past several years, through efforts like the dual plumbing study issue, the City has been moving toward increased recycled water applications. With the reorganization of Public Works into two departments, and the hiring of the new Environmental Services Director, the Environmental Services Department has reprioritized its projects for FY 2012/2013 with a higher priority placed on recycled water. Updating the master plan is the next step in laying the groundwork for recycled water expansion. Although not included in the last project budget cycle, through the shifting of priorities and corresponding funding (i.e. bringing some budgets forward while deferring others), this project does not impact water or wastewater rates.

### **Budget Modification No. 31 FY 2011/2012**

	<b>Current</b>	<b>Increase/ (Decrease)</b>	<b>Revised</b>
<b>Water Supply and Distribution Fund</b>			
<u>Expenditures</u>			
New Project: Recycled Water System Master Plan	\$0	\$258,750	\$258,750
<u>Reserves</u>			
Rate Stabilization Reserve	\$1,130,720	(\$108,675)	\$1,022,045
<b>Wastewater Management Fund</b>			
<u>Reserves</u>			
Rate Stabilization Reserve	\$8,866,597	(\$150,075)	\$8,716,522

**PUBLIC CONTACT**

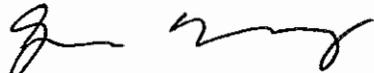
Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City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

**RECOMMENDATION**

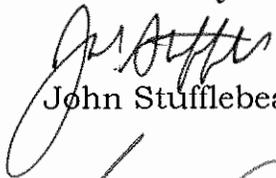
It is recommended that Council:

1. Award a contract, in substantially the same form as the attached draft and in the amount of \$225,000 to HydroScience Engineers, Inc. for the subject project, and authorize the City Manager to execute the contract when all the necessary conditions have been met;
2. Approve a 15% design contingency in the amount of \$33,750; and
3. Approve Budget Modification No. 31 to provide funding for this project.

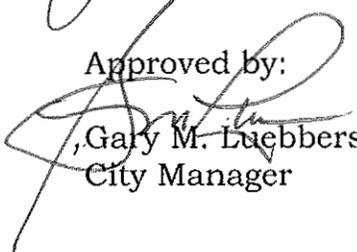
Reviewed by:

  
Grace K. Leung, Director of Finance  
Prepared by: Pete Gonda, Purchasing Officer

Reviewed by:

  
John Stufflebean, Director, Environmental Services

Approved by:

  
Gary M. Luebbers  
City Manager

**Attachments**

- A. Consultant Services Agreement

## ATTACHMENT A

### CONSULTANT SERVICES AGREEMENT BETWEEN CITY OF SUNNYVALE AND HYDROSCIENCE ENGINEERS, INC., FOR RECYCLED WATER SYSTEM MASTER PLAN (RWMP)

THIS AGREEMENT dated \_\_\_\_\_ is by and between the CITY OF SUNNYVALE, a municipal corporation ("CITY"), and HYDROSCIENCE ENGINEERS, INC. ("CONSULTANT").

WHEREAS, CITY desires to secure professional services necessary for investigation, analysis, preparation, evaluation, documentation and other services for a project known as Recycled Water System Master Plan; and

WHEREAS, CONSULTANT represents that it, and its sub-consultants, if any, possess the professional qualifications and expertise to provide the required services and are licensed by the State of California to practice engineering in the required disciplines;

NOW, THEREFORE, THE PARTIES ENTER INTO THIS AGREEMENT.

#### 1. Services by CONSULTANT

CONSULTANT shall provide services in accordance with Exhibit "A" entitled "Scope of Work." All exhibits referenced in this Agreement are attached hereto and are incorporated herein by reference. To accomplish that end, CONSULTANT agrees to assign Mary Hoang, PE to this project, to act in the capacity of Project Manager and personally direct the professional services to be provided by CONSULTANT.

Except as specified in this Agreement, CONSULTANT shall furnish all technical and professional services, including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to satisfactorily complete the services required in this Agreement.

#### 2. Notice to Proceed/Completion of Services

- (a) CONSULTANT shall commence services upon receipt of a Notice to Proceed from CITY. Notice shall be deemed to have occurred three (3) calendar days after deposit in the regular course of the United States mail.
- (b) When CITY determines that CONSULTANT has satisfactorily completed the services defined in Exhibit "A," CITY shall give CONSULTANT written Notice of Final Acceptance, and CONSULTANT shall not incur any further costs hereunder. CONSULTANT may request this determination of completion when, in its opinion, it has satisfactorily completed the Scope of Work (Exhibit "A"), and if so requested, CITY shall make this determination within fourteen (14) days of such request.

#### 3. Project Schedule

The Project Schedule is set forth in the attached Exhibit "A-1."

#### 4. Payment of Fees and Expenses

Payments shall be made to CONSULTANT on a monthly basis as set forth in the attached Exhibit "B" entitled "Compensation Schedule." All compensation will be based on monthly billings as provided in Exhibit "B." Compensation will not be due until said detailed billing is submitted to CITY within a reasonable time before payment is expected to allow for normal CITY processing. An estimate of the percent of total completion associated with the various categories of the services shall be furnished by CONSULTANT with said billing. When

applicable, copies of pertinent financial records will be included with the submission of billing(s) for all direct reimbursables. Compensation shall not exceed the amounts set forth in Exhibit "B" for each phase. In no event shall the total amount of compensation payable under this agreement exceed the sum of Two Hundred Twenty Five Thousand and No/100 Dollars (\$225,000.00) unless upon written modification of this Agreement. All invoices, including detailed backup, shall be sent to City of Sunnyvale, attention Accounts Payable, P.O. Box 3707, Sunnyvale, CA 94088-3707.

5. No Assignment of Agreement

CONSULTANT bind themselves, their partners, successors, assigns, executors, and administrators to all covenants of this Agreement. Except as otherwise set forth in this Agreement, no interest in this Agreement or any of the work provided for under this Agreement shall be assigned or transferred, either voluntarily or by operation of law, without the prior written approval of CITY. However, claims for money due to or to become due to CONSULTANT from CITY under this Agreement may be assigned to a bank, trust company or other financial institutions, or to a trustee in bankruptcy, provided that written notice of any such assignment or transfer shall be first furnished to CITY. In case of the death of one or more members of CONSULTANT's firm, the surviving member or members shall complete the services covered by this Agreement. Any such assignment shall not relieve CONSULTANT from any liability under the terms of this Agreement.

6. Consultant is an Independent Contractor

CONSULTANT is not an agent or employee of CITY but is an independent contractor with full rights to manage its employees subject to the requirements of the law. All persons employed by CONSULTANT in connection with this Agreement will be employees of CONSULTANT and not employees of CITY in any respect. CONSULTANT is responsible for obtaining statutory Workers' Compensation coverage for its employees.

7. Consultant's Services to be Approved by a Registered Professional

All reports, costs estimates, plans and other documents which may be submitted or furnished by CONSULTANT shall be approved and signed by a qualified registered professional in the State of California. The title sheet for calculations, specifications and reports, and each sheet of plans, shall bear the professional seal, certificate number, registration classification, expiration date of certificate and signature of the professional responsible for their preparation.

8. Standard of Workmanship

CONSULTANT represents and maintains that it is skilled in the professional calling necessary to perform the services and its duties and obligations, expressed and implied, contained herein, and CITY expressly relies upon CONSULTANT's representations regarding its skills and knowledge. CONSULTANT shall perform such services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

The plans, designs, specifications, estimates, calculations reports and other documents furnished under the Scope of Work (Exhibit "A") shall be of a quality acceptable to CITY. The criteria for acceptance of the work provided under this Agreement shall be a product of neat appearance, well-organized, technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar projects.

9. Responsibility of CONSULTANT

CONSULTANT shall be responsible for the professional quality, technical accuracy and the coordination of the services furnished by it under this Agreement. Neither CITY's review, acceptance nor payment for any of the

services required under this Agreement shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement and CONSULTANT shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONSULTANT's negligent performance of any of the services furnished under this Agreement.

Any acceptance by CITY of plans, specifications, calculations, construction contract documents, reports, diagrams, maps and other material prepared by CONSULTANT shall not, in any respect, absolve CONSULTANT for the responsibility CONSULTANT has in accordance with customary standards of good engineering practice in compliance with applicable Federal, State, County and/or municipal laws, ordinances, regulations, rules and orders.

10. Right of CITY to Inspect Records of CONSULTANT

CITY, through its authorized employees, representatives, or agents, shall have the right, at any and all reasonable times, to audit the books and records including, but not limited to, invoices, vouchers, canceled checks, time cards of CONSULTANT for the purpose of verifying any and all charges made by CONSULTANT in connection with this Agreement. CONSULTANT shall maintain for a minimum period of three (3) years from the date of final payment to CONSULTANT or for any longer period required by law, sufficient books and records in accordance with generally accepted accounting practices to establish the correctness of all charges submitted to CITY by CONSULTANT. Any expenses not so recorded shall be disallowed by CITY.

11. Confidentiality of Material

All ideas, memoranda, specifications, plans, calculations, manufacturing procedures, data, drawings, descriptions, documents, discussions or other information developed or received by or for CONSULTANT and all other written information submitted to CONSULTANT in connection with the performance of this Agreement shall be held confidential by CONSULTANT and shall not, without the prior written consent of CITY be used for any purposes other than the performance of the Project services, nor be disclosed to an entity not connected with the performance of the Project services. Nothing furnished to CONSULTANT which is otherwise known to CONSULTANT or is or becomes generally known to the related industry shall be deemed confidential. CONSULTANT shall not use CITY's name, insignia or distribute exploitative publicity pertaining to the services rendered under this Agreement in any magazine, trade paper, newspaper or other medium without the express written consent of CITY.

12. No Pledging of CITY's Credit

Under no circumstances shall CONSULTANT have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

13. Ownership of Material

All material, including information developed on computer(s), which shall include, but not be limited to, data, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared or caused to be prepared, under this Agreement shall be the property of CITY, but CONSULTANT may retain and use copies thereof.

CITY shall not be limited, in any way, in its use of said material, at any time, for work associated with Project. However, CONSULTANT shall not be responsible for damages resulting from the use of said material for work other than Project, including, but not limited to the release of this material to third parties for work other than on Project.

14. Hold Harmless/Indemnification

To the extent permitted by law (including, without limitation, California Civil Code section 2782.8), CONSULTANT agrees to indemnify, defend and hold harmless CITY, its officers and employees from any and all claims, demands, actions, causes of action, losses, damages, liabilities, known or unknown, and all costs and expenses, including reasonable attorneys' fees in connection with any injury or damage to persons or property to the extent arising out of any negligence, recklessness or willful misconduct of CONSULTANT, its officers, employees, agents, contractor, subcontractors or any officer, agent or employee thereof in relation to CONSULTANT's performance under this Agreement. Such defense and indemnification shall not apply in any instance of and to the extent caused by the sole negligence, recklessness or willful misconduct of CITY, its officers, employees, agents or representatives.

15. Insurance Requirements

CONSULTANT shall take out and maintain during the life of this Agreement policies of insurance as specified in Exhibit "C" attached and incorporated by reference, and shall provide all certificates and/or endorsements as specified in Exhibit "C."

16. No Third Party Beneficiary

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

17. Notices

All notices required by this Agreement, other than invoices for payment which shall be sent directly to Accounts Payable, shall be in writing, and shall be personally delivered, sent by first class with postage prepaid, or sent by commercial courier, addressed as follows:

To CITY:                      John Stufflebean, Director  
   Environmental Services Division (ESD)  
   CITY OF SUNNYVALE  
   P. O. Box 3707  
   Sunnyvale, CA 94088-3707

To CONSULTANT:        HYDROSCIENCE ENGINEERS, INC.  
   Attn: Mary Hoang, PE  
   4055 Evergreen Village Drive, Suite 250  
   San Jose, CA 95135

Nothing in this provision shall be construed to prohibit communication by more expedient means, such as by telephone or facsimile transmission, to accomplish timely communication. However, to constitute effective notice, written confirmation of a telephone conversation or an original of a facsimile transmission must be sent by first class mail, by commercial carrier, or hand-delivered. Each party may change the address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three days after mailing, unless such date is a date on which there is no mail service. In that event communication is deemed to occur on the next mail service day.

18. Waiver

CONSULTANT agrees that waiver by CITY of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

19. Amendments

No alterations or changes to the terms of this Agreement shall be valid unless made in writing and signed by both parties.

20. Integrated Agreement

This Agreement embodies the agreement between CITY and CONSULTANT and its terms and conditions. No verbal agreements or conversation with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Any such verbal agreement shall be considered as unofficial information and in no way binding upon CITY.

21. Conflict of Interest

CONSULTANT certifies that to the best of its knowledge, no CITY employee or officer of any public agency interested in this Agreement has any pecuniary interest in the business of CONSULTANT and that no person associated with CONSULTANT has any interest that would conflict in any manner or degree with the performance of this Agreement.

22. California Agreement

This Agreement has been entered into in the State of California and this Agreement shall be governed by California law.

23. Records, Reports and Documentation

CONSULTANT shall maintain complete and accurate records of its operation, including any and all additional records required by CITY in writing. CONSULTANT shall submit to CITY any and all reports concerning its performance under this Agreement that may be requested by CITY in writing. CONSULTANT agrees to assist CITY in meeting CITY's reporting requirements to the state and other agencies with respect to CONSULTANT's work hereunder. All records, reports and documentation relating to the work performed under this Agreement shall be made available to City during the term of this Agreement.

24. Termination of Agreement

If CONSULTANT defaults in the performance of this Agreement, or materially breaches any of its provisions, CITY at its option may terminate this Agreement by giving written notice to CONSULTANT. If CITY fails to pay CONSULTANT, CONSULTANT at its option may terminate this Agreement if the failure is not remedied by CITY within thirty (30) days after written notification of failure to pay.

Without limitation to such rights or remedies as CITY shall otherwise have by law, CITY also shall have the right to terminate this Agreement for any reason upon ten (10) days' written notice to CONSULTANT. In the event of such termination, CONSULTANT shall be compensated in proportion to the percentage of services performed or materials furnished (in relation to the total which would have been performed or furnished) through the date of receipt of notification from CITY to terminate. CONSULTANT shall present CITY with any work product completed at that point in time.

25. Subcontracting

None of the services covered by this Agreement shall be subcontracted without the prior written consent of CITY. Such consent may be issued with notice to proceed if subcontract consultants are listed in the project work plan.

26. Fair Employment

CONSULTANT shall not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, condition of physical handicap, religion, ethnic background or marital status, in violation of state or federal law.

27. Changes

CITY or CONSULTANT may, from time to time, request changes in the terms and conditions of this Agreement. Such changes, which are mutually agreed upon by CITY and CONSULTANT, shall be incorporated in amendments to this Agreement.

28. Other Agreements

This Agreement shall not prevent either Party from entering into similar agreements with others.

29. Severability Clause

In case any one or more of the provisions contained herein shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions which shall remain in full force and effect.

30. Captions

The captions of the various sections, paragraphs and subparagraphs, of the contract are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

31. Entire Agreement; Amendment

This writing constitutes the entire agreement between the parties relating to the services to be performed or materials to be furnished hereunder. No modification of this Agreement shall be effective unless and until such modification is evidenced by writing signed by all parties.

32. Miscellaneous

Time shall be of the essence in this Agreement. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision. This Agreement shall be governed and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement.

ATTEST:

CITY OF SUNNYVALE ("CITY")

By \_\_\_\_\_  
City Clerk

By \_\_\_\_\_  
City Manager

HYDROSCIENCE ENGINEERS, INC. ("CONSULTANT")

By \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
City Attorney

By \_\_\_\_\_

\_\_\_\_\_  
Name/Title

March 12, 2012

David Gakle  
Principal Buyer  
City of Sunnyvale  
650 West Olive Avenue  
Sunnyvale, CA 94088

**SUBJECT: City of Sunnyvale Recycled Water Master Plan**

Dear Mr. Gakle:

HydroScience Engineers (HSe) appreciates the opportunity to work with the City to provide high-quality engineering services that meet the City's goals and objectives. It is our understanding that the City no longer needs evaluation of streamflow augmentation and indirect potable reuse since the City's wholesaler, Santa Clara Valley Water District (SCVWD), will be partnering with South Bay Water Recycling (SBWR) to evaluate both of these potential recycled water uses as part of the Santa Clara Countywide Recycled Water Master Plan. In addition, the City is interested in developing a Feasibility Study that meets USBR Title XVI requirements in order to qualify for Federal grant funds for recycled water.

In an effort to meet the project objectives within the City's budget, HSe is pleased to offer the following scope and fee:

**SCOPE OF WORK**

**Task 1 – Existing Recycled Water Program Review**

Building on our team's past history planning, designing, and constructing the City's existing recycled water system, as well as our knowledge of neighboring recycled water programs, we will review any recent developments, goals, and objectives for your recycled water system through the following efforts:

- Conduct meetings and discussions with City staff and others (such as SCVWD and SBWR) involved in the planning, production, promotion, coordination, distribution, and use of recycled water. The HSe team has budgeted up to six 2-hour coordination meetings for this task.
- Review key documents, including the City's 2000 RWMP, the 2009 Recycled Water Annual Report, the City's recycled water permit (Regional Water Board Order No. 94-069, with revised monitoring requirements from the General Order 96-011), the Recycled Water System Hydraulic Model Report, the Potable Water Utility Master Plan, the WPCP's Strategic Infrastructure Plan Technical Memo on Recycled Water Treatment Alternatives, and relevant portions of the City's General Plan (as described in the Water Subelement and Wastewater Subelement, but currently under revision/reorganization).

- Review current City policies and ordinances, including the City's Recycled Water Rules and Regulations and Administrative Procedures, relevant sections of the Sunnyvale Municipal Code, and in particular, the Report to Council on requiring dual plumbing for future developments (Attachment A of the RFP).
- Review other relevant information including infrastructure maps, O&M data, documents and reports, City construction standards, information regarding expected future potable water wholesale deliveries and pricing.
- Review relevant information relating to regional opportunities for connecting the City recycled water distribution system to other sources, specifically the City of Palo Alto/City of Mountain View and SBWR. This review will include analyzing available capacities in these systems and determining the water quality of these supplies (both current and proposed for SBWR AWT). This review will form the basis for execution of the other tasks.

#### **Task 1 Deliverables**

- Coordination Meeting Agendas and Minutes

#### **Task 2 – Analysis and Recommendations Related to Recycled Water Policies and Practices**

HSe will make recommendations for updating the City's current recycled water policies and practices, including any new policies or ordinances that may be needed to support the recommendations. The analysis and recommendations will be fully coordinated with other components of the RWMP effort, and will address (as appropriate) issues of public acceptance, impact on recycled water demand (and timing of such demand), water quality requirements, system reliability, regulatory impacts, staffing requirements, economic development, etc. This effort will shine particular attention on the possible implementation of requirements for dual plumbing in future development projects.

HSe will integrate the forecasts developed under **Task 3** into recommendations for long-term planning and policies for expansion of the recycled water system. The recommendations will take into account technical and economic analyses of potential funding sources for capital improvements (**Task 6**), system reliability needs (**Task 6**), and salinity reduction alternatives (**Task 3**). Detailed technical and economic analyses will be performed as a subtask in **Task 6**. These recommendations will be consistent with the goals established in the City's General Plan and the Potable Water Utility Master Plan, and presented in the context of the State Water Conservation law (SBX7-7) and regional efforts for recycled water distribution. The policies and practices will be based on the recommendations in **Task 5** that will address the role of recycled water in the City's long-term water supply needs, and whether the City is best served to meet future needs by producing recycled water itself, purchasing it from another provider, or some combination thereof.

#### **Task 2 Deliverables**

- TM #1: Dual Plumbing Policies Recommendations (Draft and Final)

- TM #2: Overall Policies and Practices for the City's Recycled Water Program (Draft and Final)

### **Task 3. Forecast of Recycled Water Demand and Quality Requirements**

The HSe/KJ team will develop forecasts of potential recycled water demand for scenarios that reflect both current and potential uses. Demand forecasts will be developed for the near/mid-term (1-8 year) periods. Design criteria from the City's Recycled Water Modeling Report will be reviewed and confirmed with the City.

For the purposes of this scope, near-term demands will focus on uses that have minimal environmental impacts and can be used with very little adjustment to the existing recycled water quality. Demand forecasts will be coordinated with the recommended Capital Improvement Plan for system expansion to be developed under **Task 6**, and the pricing and marketing strategies to be developed under **Task 4**.

For the near-term opportunities, the HSe/KJ team will identify the water quality requirements and needs associated with each of the specified uses and demands. For uses that will result in a return of recycled water or concentrated recycled water constituents to the WPCP (e.g., dual plumbing and cooling towers), the analysis will include an assessment of the return stream's impact on the WPCP influent stream and subsequent recycled water quality.

#### **Near-Term Demand Forecasts**

For each identified type of recycled water use, the HSe/KJ team will also analyze use-specific reliability issues, and make recommendations for the system elements or actions needed (e.g. potable water backup, distribution system configuration, etc.) to provide the appropriate level of reliability.

The City has previously identified near-term recycled water in the vicinity of the City's recycled water distribution system in the 2000 RWMP and more current modeling reports. The team's near-term focus will be on characterizing recycled water demands that have not been previously identified. In particular:

- Irrigation and non-irrigation demands associated development at Moffett Field or those resulting from inter-jurisdictional agreements with neighboring communities.
- Non-irrigation demands resulting from expanded uses such as dual plumbing. These demands will have to be developed in coordination with City.
- Cooling towers or other industrial applications within the City.
- New developments such as the proposed Apple 2 campus in Cupertino and redevelopment opportunities at Moffett Field.

Meter data will be reviewed and analyzed by HSe if available in a format that is usable and available for analysis. This data would have the goal of quantifying and identifying any trends in the use of potable (and recycled) water for landscape irrigation, and providing a basis for the irrigation demands to be used in the RWMP.

It is recognized that separate meter data for dual plumbing customers or cooling towers will not be available, since these water demands are not usually separately metered. HSe will identify separate methods to estimate and quantify potential dual plumbing and industrial demands and include them in the Near Term Demand Forecasts. It is the intent to use either Water Supply Assessments or development applications submitted to the City (or other local agencies) to quantify the potential recycled water demand associated with new developments. Efforts to quantify existing recycled water demand for Moffett Field and Apple will be of particular interest. It is believed that Apple has a recycled water demand of just less than 500 AFY.

All of these demands will be evaluated, mapped, and grouped into clusters to identify key areas where distribution system pipelines should be routed. Based on the identified potential demand, demand projections will be developed for each alignment identified in the CIP based on the water demand assumptions utilized as part of this RWMP.

**Engaging the Customer Base:** Working face-to-face with potential key customers early in the process is critical to presenting the program in the best possible light. This first crucial meeting is where we assess how much demand truly exists and determine what requirements the customers have (typically related to issues such as water quality, onsite retrofits, supply reliability, return on investment, and pricing). Key customers can be used to "anchor" a geographic area within the City and support extension of recycled water supply to that area. Based on the market assessment and key customer outreach, the HSe/KJ team will identify the minimum and maximum potential demand and use this information as the foundation of the subsequent technical and financial analysis. Critical issues during the assessment are evaluation of the perceived value and reaction to the new water type. This could include understanding public and customer perceptions and interfacing with potential customers and the surrounding community to best understand and mitigate their concerns.

Therefore, the market assessment may include up to five interviews representing a spectrum of potential near-term customers. Two of these customers are likely to include the Sunken Gardens Golf Course and the Apple 2 campus. These interviews would be coordinated with the outreach activities currently in place with other local recycled water entities as necessary, depending on the proposed future configuration of the City's recycled water distribution system. Customer interviews will be designed to assist in gauging user's perception and knowledge of the City's recycled water system and their price sensitivity, and to identify potential barriers to the marketing of recycled water.

### **Task 3.1 Deliverables**

- TM #3: Near Term Demand Forecast and Quality Requirements (Draft and Final)

#### **Task 4. Recycled Water Pricing and Marketing Plan**

Recycled water pricing and marketing are key elements in evaluating the feasibility of a recycled water program. The HSe/KJ team will develop a pricing plan by investigating the costs and revenues associated with a recycled water program, determining how revenue would need to be augmented in order to price the recycled water competitively with the City's existing potable water supply, and (if necessary) investigating options for subsidizing rates initially to develop recycled water demands.

The HSe/KJ team will develop a marketing plan that lays out a strategy for communicating recycled water costs and pricing to the City's council and the public. Understanding and balancing what the public is willing to pay and the City's financial recover requirements is key to gaining consensus on how best to move forward with the City's recycled water program in the near- and mid-term.

##### **Task 4.1 Pricing Plan**

Currently, recycled water charges are set at 90% of the corresponding potable water charges for that category of use. The City does not currently charge connection fees for the recycled water system. The HSe/KJ team will evaluate the current rate structure and provide recommended rates that reflect the City's recommended policies identified in **Task 2** regarding the use of recycled water and the effective and efficient use of potable water and wastewater services, generate sufficient and stable revenues to pay for current and future recycled water services and related expenses, encourage the use of recycled water through appropriate pricing strategies, and comply with all applicable provisions of local, state, and federal law.

It is expected that the fee schedules for recycled water will depend on whether or not the City chooses to continue to produce recycled water, purchase recycled water from SBWR or the City of Palo Alto, or a blend thereof. Additionally, the City may choose to wholesale recycled water produced or purchased to other retailers such as SJWC and/or Cal Water, in which case a wholesale rate would need to be developed. For the purposes of this scope of work, the Pricing Plan will only evaluate the retail rate for irrigation and industrial use based on recycled water produced by the City. The Pricing Plan will identify funding opportunities and recommend fee assessment and/or fee schedules. Additional evaluation can be performed as presented in optional **Task 12**.

##### **Task 4.1 Deliverables**

- TM #5: Pricing Plan (Draft and Final)

##### **Task 4.2 Marketing Plan**

**Marketing Plan:** The HSe/KJ Team shall develop a Marketing Plan for the sale of recycled water both within the existing system and for the City's recommended future recycled water configuration. This Marketing Plan will be drafted with strong consideration to the near-term and mid-term recycled water vision outlined in the RWMP, and will be coordinated with both the CIP developed as part of **Task 6** and the recommended pricing plan developed as part of **Task 4**. The Marketing Plan will include specific near-term and mid-term marketing strategies to reach the market assessment identified as part of **Task 3**.

The Marketing Plan will identify key new customers and include the results from a preliminary customer outreach effort. These customers will be targeted for customer interviews, as identified in **Task 3** to introduce the program and investigate distribution system and customer retrofit requirements. The Marketing Plan will also include recommended strategies and programs for public outreach and for product branding that may be integrated with regional outreach and branding efforts with a focus on Sunnyvale-specific components of the RWMP.

The Marketing Plan would be developed with input from potential customers, the community, and staff so that meaningful communications materials can be developed that resonate with community audiences. In particular, communications plans for a successful Marketing Plan should:

- Demonstrate sensitivity to stakeholder interests prior to the release of project-related studies, documents, and messages.
- Provide a consistent voice and message throughout the process when communicating with stakeholders, community, and media.
- Respect and acknowledge the process and the legal and ethical responsibilities of the managing agency.

The Marketing Plan will also emphasize the value of the agency's water resources, highlighting the potential for recycled water to comply with regulatory demands in an environmentally responsible way, and in a way that can deliver multiple benefits to the community.

#### **Task 4.2 Deliverables**

- TM #6: Marketing Plan (Draft and Final)

#### **Task 5. Engineering Elements**

The HSe/KJ team will examine engineering issues related to the design, operation, and maintenance of the recycled water system for both the existing system and for future configurations to be developed under **Task 6**. Work on this task will include the following engineering elements identified in the RFP, which are restated below.

##### **Task 5.1 Distribution System**

**System Design Criteria:** The HSe/KJ team will prepare recycled water system design criteria, including minimum and maximum pressures, pipeline velocities, unit head losses per 1000 ft, storage tank sizing, pump station reliability, and looping criteria.

**Recycled Water Transmission and Distribution Piping:** The HSe/KJ team shall identify potential pipeline alignments needed to expand and optimize the operation of the City's recycled water system. This will be done in coordination with the other engineering elements described in this task. With HSe's recent experience planning more than 100 miles of recycled water pipeline for the SJWC, and designing the first 35 miles of this pipeline, coupled with KJ's

experience designing the entirety of the City's recycled water distribution system, the HSe/KJ team is uniquely suited to guide the City's future recycled water pipeline expansions.

The HSe/KJ team will complete electronic drawings of the City's existing recycled water distribution system and proposed extensions to generate up-to-date recycled water system maps in GIS format. Existing recycled water system drawings will be compiled and organized in AutoCAD format.

**Recycled Water Storage:** With only one distribution system storage tank, the City has a need for additional storage to expand recycled water deliveries. The team will identify appropriate recycled water storage volumes corresponding to the current, near-term, and mid-term demand projections developed in Task 3.

The team will also identify and evaluate at least three potential storage facility locations. This work will be coordinated with the City, specifically regarding potential conversion of existing potable water storage tanks to recycled water storage tanks and/or using the Sunnyvale Golf Course pond for recycled water storage. This evaluation will identify, in detail, the feasibility of using each of the three identified locations for a storage facility (see the Methodology section). Recommendations for additional storage will be identified and conceptual renderings of the storage tank site will be prepared. The results of this evaluation will be used for the development of the storage component of the CIP. It is expected that storage tanks will be a near-term project for the City to implement.

**Pumping Facilities:** The existing WPCP and San Lucar Pump Stations, as well as the hydraulic model, will be evaluated to identify the pumping requirements for the current, near-term, and mid-term configurations. In HSe's existing modeling of the distribution system, pressures as low as 52 psi were recorded in the western reaches of the model. The project to remedy this was the Maude Avenue Connector, which would allow the San Lucar Pump Station to more directly supply this area during the peak hour, and provide looping to the east and west branches of the City distribution system. Additional pumping facilities are expected to be required for both the near-term and mid-term configurations.

The HSe/KJ team will identify requirements for additional pumping facilities that are consistent with the near-term and mid-term market assessment developed in Task 3, and will include such facilities in the CIP to be prepared as part of Task 6.

**Maintenance Practices:** The team will review current maintenance practices for the recycled water system, including the corrosion control systems, and where appropriate, make recommendations for improvements. The team will also identify any significant impacts on staffing related to the recommendations.

**Intertie with Neighboring Systems:** The HSe team shall evaluate feasibility, benefits, and costs of an intertie between the Sunnyvale system, the SBWR system, and the City of Palo Alto Water Recycling System, and shall contact representatives from those programs to solicit their interest and input.

Regional opportunities have been created by SBWR through their successful efforts to obtain external funding. SBWR has significant funds available to construct pipelines, pump stations,

and storage tanks to extend recycled water to Sunnyvale. They are looking for projects that increase overall reliability, provide recycled water to Cupertino, and expand SBWR recycled water use. Using Sunnyvale's existing storage tank and pump station has the potential to meet all of these needs.

As part of this scope, the HSe team will identify, evaluate, and/or prioritize possibilities such as:

- Connecting to the SBWR system and receiving supply from SBWR
- Connecting to Mountain View and receiving recycled water from the City of Palo Alto
- Discontinuing or expanding City recycled water production
- Opportunities for water wheeling, transfers, and exchanges
- Opportunities to wholesale City recycled water to other retailers
- Partnering with SCVWD in developing regional system
- Combination of the above

As an initial step, the HSe team will identify two potential intertie alignments to each recycled water producer and perform hydraulic modeling for each alignment to ensure design criteria are met. HSe will prepare project descriptions, scope of work, cost estimates, and schedule for up to two preferred interties as part of **Task 6**. This task will include attendance at up to 10 two-hour coordination meetings, identification of constraints for each option, and recommendations for implementation. These options will be prioritized based on how they correlate with the City's long-range goals, policies, and action strategies per the City's Water Resources Subelement.

**Standard Specifications and Details for Recycled Water System:** The HSe/KJ team will review current design standards applicable to the recycled system in the City's Standard Specifications for Public Works Construction (April 2007 Revision), the City's Standard Details for Public Works Construction (June 2007 Revision), and applicable regulatory documents (e.g. Title 22 Water Recycling Criteria and CDPH Guidance memoranda).

In consultation with City Department of Public Works and Department of Utilities staff, the HSe/KJ team will develop recommendations for additional (or modified) City standard specifications and standard details that will apply to the publicly-owned portions of the recycled water distribution system. These standards will not apply to on-site facilities downstream of the recycled water service. The team will document the rationale for each proposed revision to the City's design standards. Following City concurrence, the HSe/KJ team will then proceed to develop the recommended standard details, drawings, and specifications in a manner consistent with the City's existing format for these documents.

**Monitoring Plan Update:** The HSe/KJ team will review current recycled water quality data, monitoring plans prepared for Sunnyvale Golf Course and Baylands Park in 1995, and available monitoring data from recycled water use sites (e.g. the Sunnyvale Golf Course). The team will prepare a revised Monitoring Plan for the Sunnyvale Golf Course that can be used as a template by the City for other sites as needed.

#### Task 5.1 Deliverables

- TM #7: Recommended Design Standards and Hydraulic Modeling of Expanded System with and without Inerties with
- Standard Specifications and Details
- Updated hydraulic model in InfoWater
- Updated recycled water system maps in GIS
- Monitoring Plan Update

#### Task 5.2 Treatment/Production

**WPCP Production:** The HSe/KJ team will identify treatment requirements and options for the tertiary portion of the WPCP to evaluate the feasibility and cost of moving to a continuous production mode versus the current batch production process. This evaluation will include a benefit / cost evaluation of this alternative given the ability to deliver product to meet customer demand and in consideration of potentially major changes to the secondary treatment process of the WPCP that will greatly benefit recycled water production and quality.

The evaluation will assess the continued production of recycled water in the current batch mode and provide new disinfection and storage facilities, an alternative previously investigated by KJ for the City's recycled water program that could be implemented in coordination with the new SIP to provide uninterrupted production of recycled water. The costs and benefits for treatment upgrades at the WPCP will be compared with the cost to convey recycled water from other sources (SBWR, City of Palo Alto).

**Water Quality and Treatment Needs:** The HSe/KJ team shall identify any additional treatment processes (either at the WPCP or satellite) that would be needed to meet the water quality requirements and/or needs associated with the market assessment developed as part of **Task 3**. The conceptual plan should take into account the recommendations contained in the City's SIP.

The HSe/KJ team will identify the water quality objectives for the customers identified in the market assessment and provide an evaluation of treatment technologies to meet the required water quality objectives. The treatment technologies capable of meeting water quality demands for landscape irrigation and industrial uses will be evaluated.

**Scalping Plants.** A high-level evaluation of potential satellite plant scenarios will be developed for non-site specific locations to support a screening evaluation to understand the feasibility of this option. This task assumes that the analysis would be based on available quantity and quality information for sewer flows. Potential siting options, community disruption, permitting requirements, and costs will all play into the determination of satellite treatment as a feasible option. The HSe/KJ team has recently performed similar water quality and technology evaluation of potential satellite treatment scenarios for SFPUC, Scotts Valley and other Bay Area projects. This task will include a conceptual level estimate of the capital and operating costs, facility footprint, and energy requirements to support the screening of satellite treatment as a viable option.

#### **Task 5.2 Deliverables**

- TM #8: Treatment and Production Requirements to Produce Recycled Water

#### **Task 6. Capital Improvement Plan**

The HSe/KJ team will develop a recommended CIP that describes a logical and carefully considered set of prioritized capital improvement projects for new facilities required to meet future recycled water demand and other system needs, including projects that may be needed to rehabilitate or replace existing infrastructure.

This CIP will be based on the conditions of the existing system and outcomes of the previous tasks and will develop a priority array of anticipated projects.

- Rehabilitation and replacement will be based on the useful remaining life of existing facilities based on time of installation and existing digital data provided to the project team. The initial work under this task will be to identify the condition of the City's existing recycled water infrastructure to guide recommendations for the CIP. It is assumed that the condition assessment produced for this task will be based solely on digital data already in existence. A report on the existing system, its condition, and its capabilities will be included in the 10-year CIP deliverable.
- Alternatives will be developed based on work conducted in previous tasks to describe the associated facilities and costs to meet potential future recycled water customer demands for expansion of the recycled water system. Other long-term planning and policy decisions shall be integrated into the alternatives analysis as appropriate.
- Projects shall be described in sufficient detail to support reliable planning-level capital and operations and maintenance cost estimates (AACE Class 4, -30% to +50%), with underlying assumptions and project dependencies clearly described.
- The CIP will be integrated into the overall RWMP report and will include a time schedule for implementation over a 20-year planning horizon.

The HSe/KJ team will initially meet with City staff to gain an understanding of the issues that will shape the CIP including the City's preference to spend money (level vs. front loaded), critical schedules to serve customers, and coordination requirements with other city projects to minimize disruption to public and save money. We will work with City staff to complete a prioritized array of anticipated and phased projects in a way that management and reviewers can easily assess the conclusions reached. The following elements will be considered where appropriate and integrated into the CIP: business drivers and goals, options considered, associated benefits and costs (both direct and indirect) for each option, identification of a preferred option, and reasons for recommending the preferred option.

#### **Task 6 Deliverables**

- 10-year CIP

- Presentation of future capital validation process methodology upon completion of monthly progress meeting

#### **Task 7 – Recycled Water Master Plan Report**

The HSe/KJ team will prepare a RWMP that incorporates all work performed under **Tasks 1-6**. An overall cost estimate will be developed that reflects the recommended CIP. The CIP will include one-page costs sheets similar in format to the City's existing project sheets for incorporation of this CIP into the overall City CIP. The RWMP will include an executive summary. The team will assume one meeting with City staff to present and discuss the draft RWMP, and attendance at the City Council meeting when the final RWMP is presented to Council.

#### **Task 7 Deliverables**

- RWMP (Draft and Final)

#### **Task 8 – Project Management and QA/QC**

QA/QC will be performed as part of each individual task described above. As part of the HSe/KJ team's project management responsibilities, we will perform the following tasks:

**Kickoff Meeting:** The HSe/KJ team will meet with City and project stakeholders to discuss the project parameters and to receive information. This meeting will form the basis for directing the initial project activities, introducing the project team, scheduling up to six monthly progress meetings, and formulating a game plan to implement the scope of work.

**Workshops:** The HSe/KJ team will lead and coordinate review workshops following each TM submittal. For each workshop, the team will document the decisions made, action items, and items to be addressed going forward. These workshops will coincide with monthly progress meetings.

**Project Management:** Project management for this project will include the production of monthly invoices, monthly status reports, preparing and providing status updates of the project schedule, coordination with subconsultants, and identifying contractual issues and requests. The HSe/KJ team will also ensure that the City is kept fully aware of all project issues as they arise.

#### **Task 8 Deliverables**

- Monthly invoices
- Monthly status reports
- Monthly schedule updates
- Workshop and monthly progress meeting agendas and minutes

### **Task 9 – Title XVI Feasibility Study**

A feasibility study is required in order to receive Title XVI grant funding for up to 25% of construction cost for recycled water projects identified in the CIP. The RWMP will form the basis of the Feasibility Study. The City's Title XVI Feasibility Study will follow the requirements outlined in the USBR Reclamation Manual. USBR requirements for the Title XVI Feasibility Study include the following:

- Describing recycled water sources, uses, market, and obstacles
- Description of alternatives
- Economic analysis of Alternatives
- Selection of the Proposed Title XVI project
- Analysis of whether the project will reduce, postpone, or eliminate new or expanded water supplies, existing diversions from natural watercourses or withdrawals from aquifers, demand on existing Federal water supply facilities, and the development of new or expanded wastewater facilities
- Demonstration of financial capability of the sponsor (City)
- NEPA environmental documentation (scoped separately)
- Environmental Consideration and Potential Effects

A draft copy of the Feasibility Study will be developed to meet the USBR requirements for Title XVI funding outlined in the Reclamation Manual. The draft Feasibility Study will be submitted to the USBR and the City for their review. Comments on the draft Feasibility Study from the USBR and the City will be incorporated into the final Feasibility Study.

### **FEE**

The attached fee has been revised to reflect the adjustments in the scope of services and exemplifies our commitment to providing the City with the best possible value. The total fixed fee has been adjusted from \$299,000 to \$225,000. The optional Task 10 Title XVI Feasibility Study, originally worth \$45,000, has been included in the base scope for no additional fee. The revised fee represents approximately a 40% reduction from the original HSe/KJ fee (\$299,000 plus \$45,000). In addition, by including the optional Task 10 as part of the base scope, the City may be eligible for Federal grant funding worth up to 50% of the total Recycled Water Master Plan fee, which would result in a total cost to the City of only \$112,500.

City of Sunnyvale Recycled Water Master Plan  
David Gakle  
March 12, 2012  
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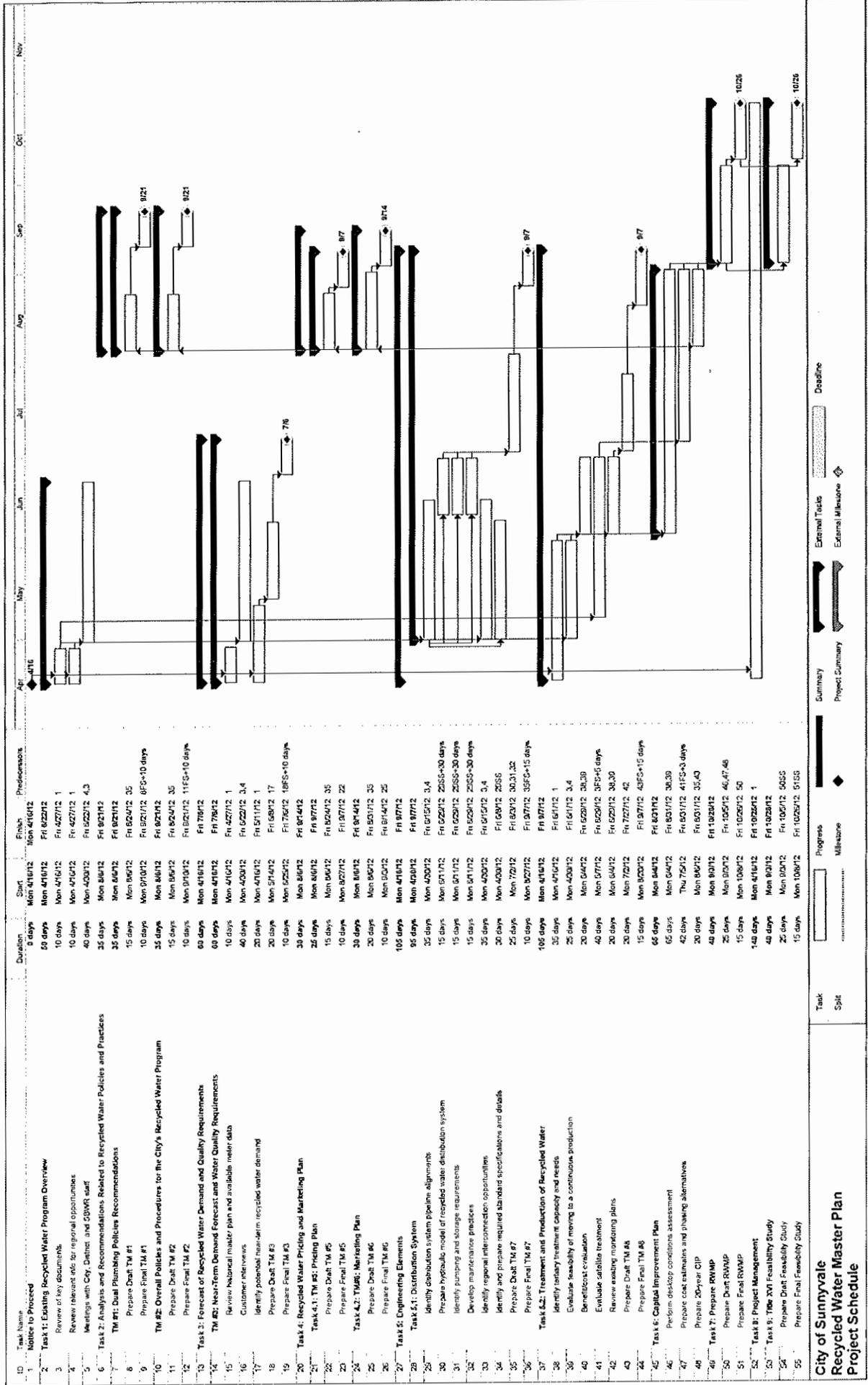
Should you have any questions regarding this proposal, you can reach me at (408) 363-3884. We thank you for the opportunity to submit this proposal, and look forward to working with you on this project.

Sincerely yours,  
HydroScience Engineers, Inc.

A handwritten signature in black ink that reads "Mary Hoang". The signature is written in a cursive, flowing style.

Mary Hoang  
Principal

# EXHIBIT "A-1"



City of Sunnyvale  
 Recycled Water Master Plan  
 Project Schedule

█ Summary  
█ Project Summary  
█ External Tools  
█ External Milestone  
█ Progress  
█ Milestone  
█ Deadline

**EXHIBIT "B"**

HydroScience Engineers, Inc.  
 City of Sunnyvale Recycled Water Master Plan  
 Fee Proposal

March 12, 2012

Task	Description	HydroScience Engineers Hours	HydroScience Engineers	Kennedy/Jenks Hours	Kennedy/Jenks	Bartle Wells Associates	Overall Fee
1	Existing Recycled Water Program Overview	72	\$9,500				\$9,500
2	Policies and Practices	54	\$7,400				\$7,400
3	Near-Term Demand Forecasts	202	\$27,000				\$27,000
4.1	Pricing Plan	2	\$400			\$7,000	\$7,400
4.2	Marketing Plan	83	\$10,700				\$10,700
5.1	Engineering Elements - Distribution System	172	\$23,000				\$23,000
5.2	Engineering Elements - Treatment/Production	0	\$0	267	\$40,000		\$40,000
6	Capital Improvement Plan	0	\$0	160	\$25,000		\$25,000
7	Recycled Water Master Plan Report	260	\$35,000				\$35,000
8	Project Management and QA/QC	105	\$15,000	24	\$5,000		\$20,000
9	Feasibility Study	161	\$20,000				\$20,000
<b>Total Proposed Fixed Fee - Basic Services</b>		<b>1,117</b>	<b>\$148,000</b>	<b>451</b>	<b>\$70,000</b>	<b>\$7,000</b>	<b>\$225,000</b>

**Notes:**

Expenses are included in the fee for each task.

Expenses for subconsultants have been included in their respective fixed fee amounts.

A fixed fee amount has been provided for basic services and will be billed based on percentage of completion.

## Exhibit "C"

### INSURANCE REQUIREMENTS FOR CONSULTANTS

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by the Consultant, his agents, representatives, or employees.

**Minimum Scope and Limits of Insurance:** Consultant shall maintain limits no less than:

1. **Commercial General Liability:** \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury and property damage. ISO Occurrence Form CG 0001 is required.
2. **Automobile Liability:** \$1,000,000 per accident for bodily injury and property damage. ISO Form CA 0001 is required.
3. **Workers' Compensation** and **Employer's Liability:** \$1,000,000 per accident for bodily injury or disease.
4. **Errors and Omissions** Liability Insurance appropriate to the Consultants Profession: \$1,000,000 per occurrence and \$2,000,000 aggregate.

### **Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared and approved by the City of Sunnyvale. The consultant shall guarantee payment of any losses and related investigations, claim administration and defense expenses within the deductible or self-insured retention.

### **Other Insurance Provisions**

The **general liability** and **automobile liability** policies are to contain, or be endorsed to contain, the following provisions:

1. The City of Sunnyvale, its officials, employees, agents and volunteers are to be covered as additional insureds with respects to liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City of Sunnyvale, its officers, employees, agents or volunteers.
2. For any claims related to this project, the Consultant's insurance shall be primary. Any insurance or self-insurance maintained by the City of Sunnyvale, its officers, officials, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City of Sunnyvale, its officers, officials, employees, agents or volunteers.

4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City of Sunnyvale.

### **Claims Made Coverage**

If the General Liability and/or Errors & Omissions coverages are written on a claims-made form:

1. The retroactive date must be shown, and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the contract work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Consultant must purchase an extended period coverage for a minimum of five years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the City of Sunnyvale for review.

### **Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City of Sunnyvale.

### **Verification of Coverage**

Consultant shall furnish the City of Sunnyvale with original a Certificate of Insurance effecting the coverage required. The certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates are to be received and approved by the City of Sunnyvale prior to commencement of work.