

**Council Meeting: September 11, 2012**

SUBJECT: Rejection of Proposals Received in Response to Request for Proposals No. F1103-54 for Water Pollution Control Plant Program Management

BACKGROUND

Approval is requested to reject the three (3) proposals received in response to Request for Proposals (RFP) No. F1103-54 for Water Pollution Control Plant Program Management.

DISCUSSION

Initial stages are underway to reconstruct the Water Pollution Control Plant (WPCP), estimated to cost more than \$300 million over a multi-year period (see [Capital Project 827090 in the FY 2012/13 Adopted Budget](#)). A critical early step will be selection of a Program Manager to actively assist the City with the many facets of coordination and work required through successful project completion, such as:

- Master planning
- Multiple design and construction contracts
- Maintaining continuous WPCP operations through all project phases
- Environmental compliance and reporting
- Mitigating and resolving conflicts

The selected firm will be structured and situated to sustain Program Management over a period of several years (possibly the life of the new WPCP construction project) and to continuously interact with multiple stakeholders, including the Core Project Team, Public Works Project Administration (PAS), City executives and elected officials, and members of the public.

In support of this goal, City staff developed and issued RFP No. F1103-54 in April 2012. The RFP was distributed to sixty six (66) engineering firms who participated in the Sunnyvale Works! pre-qualification program, was published on the City's website and posted on the Onvia DemandStar public procurement network. Ninety eight (98) firms requested RFP documents. Sealed proposals were publicly received on June 6, 2012. Although there was significant interest in the RFP, only three responsive proposals were received from CSG Consultants, Inc. of San Mateo; RMC Water and Environment, of San Jose; and URS Corporation, of San Jose.

A City evaluation team consisting of Public Works and ESD staff evaluated the written proposals on their proposed management teams, quality of sub-consultants, experience and references, detailed project approaches and demonstrated understanding, project timelines, and costs. In addition, an extensive interview process was conducted with two of the three submitting firms. A top-rated proposer was then selected, contract negotiations began and reference checking commenced. As the due diligence phase progressed, staff discovered that the top-ranked proposer had as yet unresolved payment and related issues with another agency contract similar to the services required for the City's project.

Due to the low number of RFP responses received, the critical nature of the project, and the importance of the program manager role, staff feels it is in the City's best interest to reject the three proposals received and reissue the RFP. This will provide the opportunity to reevaluate the project scope and sequencing, make any necessary modifications, and expand outreach to help ensure that a requisite level of competitive proposals is received for further evaluation.

FISCAL IMPACT

None.

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 reject the three proposals received in response to RFP No. F1103-54.

Reviewed by:

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

Reviewed by:

Kent Steffens, Director, Department of Public Works

Reviewed by:

John Stuffbean, Director, Department of Environmental Services

Reviewed by:

Michael Martello, Interim City Attorney

Approved by:

Gary M. Luebbbers
City Manager