

DATE: September 17, 2014
TO: Water Supply Advisory Committee
FROM: Nicholas and Carie
SUBJECT: Consultant selection process for the Real Deal

We understand from City staff that the Committee has at least three ways to approach the selection of a technical support consultant for the Real Deal:

- Keep Stratus as the lead technical support consultant (e.g. because you have seen more of their work you may have come to believe that this is the best option for the Committee).
- Proceed with a Request for Information (RFI). Use the information provided in response to the RFI together with your longer experience with Stratus to decide whether to go ahead with a Request for Qualifications (RFQ) or to keep Stratus as the lead technical support consultant. (See the attached draft RFI)
- Immediately proceed with an RFQ. (See the attached draft RFQ)

Please review the attached draft RFI and RFQ. If you have comments about these documents please send them to Nicholas and Carie in advance of the meeting.



Request for Qualifications
for a
Phase 2 Technical Team for the
City Council Appointed
Water Supply Advisory Committee
City of Santa Cruz Water Department



Vern Fisher/Herald Archive

RFQ opens: Wednesday, October 9, 2014

Statements of Qualifications Due no later than 3:00 PM, Wednesday, October 29, 2014

I. Request for Qualifications

The City of Santa Cruz Water Department is soliciting Statements of Qualifications (SOQs) from a team of technical experts to support the Phase 2 work of the City Council appointed Water Supply Advisory Committee (WSAC or Committee). Phase 2 work involves working the Committee to fully evaluate a limited range of potential alternatives or portfolios of projects and programs for their suitability to be included in policy recommendations to the Santa Cruz City Council on ways to improve the reliability of Santa Cruz's water supply.

Areas of technical expertise likely to be needed to complete this work include, but are not limited to the following:

- Public policy including policy analysis and policy analysis techniques such as scenario planning, multi-criteria decision making, and communication and outreach to stakeholders to inform, educate and involve community interests and stakeholders in work related to this critical community issue
- Water resources planning and management related the full range of resource planning and management topics including hydrology, hydrogeology, the impacts of climate change, environmental compliance, in the form of fish flows, supply and demand forecasting, supply reliability, hydrologic and system modeling, long term demand management strategies as well as water use curtailment strategies associated with supply shortages and alternative water supply strategies using wastewater effluent and/or brackish groundwater;
- Water system engineering and analysis including water quality and treatment, water facility cost estimating for source, transmission, treatment facilities, on stream, off-stream and aquifer storage facilities, water facility design and construction, and methodologies for comparing and evaluating alternative or portfolios of alternatives;
- Public health and water quality and treatment related to emerging contaminants, new and emerging technologies and the preserving and enhancing public health benefits for our community;
- Economic analysis including triple bottom line analysis, benefit-cost and life-cycle cost analysis, risk analysis, decision making in the face of uncertainty, economic implications of an unreliable water supply for our community, affordability analysis,
- Environmental analysis, including carbon emissions and efforts to minimize or mitigate for additional greenhouse gases associated with some options to improve the reliability of the City's water supply, the impacts or potential benefits of various alternatives on aquatic and terrestrial resources and their protection and enhancement;
- Permitting, land use and right of way issues and regulatory compliance related to development and construction of new water supply facilities;
- Experience working with and supporting a citizens committee working; and
- Experience working in a collaborative partnership with professional facilitators, City staff, a citizens committee and an Independent Review Panel established to provide quality assurance and quality control of all technical work produced as part of this project.

II. Water Supply Advisory Committee Overview

A. Project Description

The City of Santa Cruz Water Department (SCWD) is a municipal utility that provides water service to a geographic area that includes the entire City of Santa Cruz, adjoining unincorporated areas, a small part of the City of Capitola, and coast agricultural lands north of the City limits. The current population served is approximately 94,000.

The SCWD's water supply comes entirely from local sources. Surface water accounts for over 95% of the SCWD's total water supply. Groundwater pumped from wells comprises the remaining 5% of SCWD's water sources. Due to this, the region's water supply is extremely vulnerable to fluctuations in seasonal rainfall. Frequent water shortages and restrictions exemplify the region's vulnerability.

In response to the region's water supply reliability issues, the City has spent decades observing, researching, and reporting on new water supply opportunities and conservation methods. In 2010, after multiple studies, evaluations and reports, SCWD (partnered with Soquel Creek Water District) proposed a sea water reverse osmosis desalination plant (desal) as a potential solution to the region's water shortages.

The public responded to the proposed desalination plant by requesting that it be put to a vote, and gathered enough signatures to qualify a measuring requiring a public vote before funding for construction or acquisition of a desal project could commence. This measure, known as Measure P, was placed on the November 2012 ballot and passed with 72% of the vote.

In the fall of 2013, following continuing expressions of concern about a possible desal project by community interests, the City stepped back from the path it had been on and decided to create a citizens committee to consider the water supply issues, alternative strategies and solutions, and the public policy implications for Santa Cruz and provide recommendations to the Santa Cruz City Council. The Water Supply Advisory Committee (WSAC or Committee) was formed in early 2014 and began meeting in late April. It is made up of 14 citizens with diverse backgrounds and professions and the Santa Cruz Water Department Director is an ex officio member of the committee.

The Committee convened in April 2014 and spent two months establishing its charter and workplan (see Attachment A – report to council on June 24, 2014). The structure of the work plan called for the work to be divided into two phases: a reconnaissance phase (recon) and a “real deal” phase.

The recon phase of work was initiated in June of 2014 and concluded in November 2014. During recon, the Committee toured the water system and its facilities, received informational briefings on current supply and demand, future supply and demand and challenges facing the system related to climate changes and fish flow releases. Many presentations, reports, meeting agendas and summaries related to this work can be found at the following websites:

- www.santacruzwatersupply.com – this is the WSAC's website;

- <http://www.cityofsantacruz.com/departments/water/city-water-commission/meetings-and-agenda/-toggle-allpast> – this is the website of the City’s Water Commission. Presentations from meetings in 2014, in particular, include detailed discussions about long term water conservation planning and analyses and fishery issues;
- <http://www.cityofsantacruz.com/departments/water/online-reports> -- a variety of reports related to water planning can be found at this site.

During recon, the Committee also developed and applied a multi-criteria decision support model, and defined and agreed upon criteria to use in the model as well as rating scales to be used with each criteria. The Committee members became familiar with the use of this kind of evaluation tool by applying various versions of the model at several stages of the Phase 1 work. For example, a simple version of the model will be used by Committee members to evaluate several dozen ideas that were developed and submitted in response to the “call for ideas” for the Santa Cruz Water Supply Convention that is planned for October 16, 2014. The model will also be used in November 2014 as a key element in the planned process of winnowing down the range of potential alternatives, or portfolios of projects and ideas. To progress from the recon phase of the work to the second phase of the work that will involve detailed evaluations.

The WSAC has created an Independent Review Panel (IRP) to assist it in effectively interacting with its consultant support team. To achieve this goal, the Panel would:

- Provide critical review, on an as assigned or as needed basis, of products created by the WSAC technical support team. The goal of the Panel's work is to offer feedback to the Committee on work provided by its technical support team. Specifically, review of the work produced by the technical support team would focus on:
 - The accuracy and appropriateness of analytical, scientific, and technical methods;
 - The clarity and accuracy of statements of assumptions; and
 - The appropriate characterization of the strengths and weaknesses of the analyses, especially with respect to uncertainty, data quality, or other factors that, if different, could affect the results in a significant manner.
- Offer advice or suggestions to the WSAC regarding lines of inquiry or technical questions that should be evaluated by the technical team.

B. Schedule

The WSAC technical team will begin work immediately on the City Council’s approval of the contract and run through the completion of the WSAC’s work. Anticipated start date for this contract would be December 12, 2014. The WSAC meets at least monthly as a full committee and typically several sub-committees and working groups meet between monthly meetings. The WSAC is scheduled to complete its work by spring of 2015 unless the work is extended by the City Council.

III. RFQ Process

A. Process

Parties interested in being considered to provide these services are requested to submit their SOQs on or before 3:00 pm, Wednesday, October 29, 2014. SOQs will be evaluated by a Panel selection team made up of City of Santa Cruz staff and WSAC members using the criteria established in Section V. The panel selection team may make its selection entirely based on the SOQs or top rated candidates may be asked for supplemental information or may be invited to interview with the panel selection team. During the interview phase, if it is used, semi-finalists may be asked to:

- Make an oral presentation, and/or
- Respond to pre-established questions.

All responsive teams will be given equal opportunity to provide any requested additional information to the City. Any interviews will be scheduled on a mutually agreed upon date and will be at no cost to the City. The Evaluation Committee will use all available information to rank the semi-finalists in order of their ability to best meet the needs of the City.

B. Timeline

The tentative timeline for the selection process is as follows.

3:00 pm, October 29, 2014 -----	SOQs Due
Week of November 17, 2014 -----	Interviews, if applicable
Friday, December 12, 2014 -----	Contracts with Technical Team in place

C. Information Disclosure to Third Parties

SOQs are a matter of public record and are open to inspection under the California Public Records Act. If any respondent claims any part of its SOQ is exempt from disclosure and copying, they shall so indicate in the transmittal letter. By responding to this RFQ, respondents waive any challenge to the City's decision in this regard.

If any SOQ contains confidential information, the respondent shall clearly label and stamp the specific portions that are to be kept confidential. The respondent is urged to identify the truly confidential portions of the SOQ and not simply mark all or substantially all response as confidential. Notwithstanding the foregoing, respondents recognize that the City will not be responsible or liable in any way for losses that the respondents may suffer from the disclosure of information or materials to third parties.

D. City Rights and Options

The City, at its sole discretion, reserves the following rights:

1. To reject any, or all SOQs or information received pursuant to this RFQ;
2. To supplement, amend, substitute or otherwise modify this RFQ at any time by means of written addendum;
3. To cancel this RFQ with or without the substitution of another RFQ or prequalification process;
4. To request additional information and/or schedule interviews as part of the selection process;
5. To verify the qualifications and experience of each respondent;
6. To require one or more respondents to supplement, clarify or provide additional information in order for the City to evaluate SOQs submitted;
7. To hire multiple contractors to perform the necessary duties and range of services if it is determined to be in the best interests of the City: and
8. To waive any minor defect or technicality in any SOQ received.
9. City reserves the right to determine the extent, duration and limit of Panel member service

E. Questions/Clarification Request

For the City, the primary contact is:

Rosemary Menard
Water Director
City of Santa Cruz Water Department
212 Locust Street, Suite A,
Santa Cruz CA 95060
Email: RMenard@cityofsantacruz.com
Phone: (831)420-5205

During the SOQ process, interested parties shall direct all questions via email to the City's primary contact listed above.

IV. Submittal of SOQs

The SOQs shall provide the information requested and be organized into sections as follows:

- Cover letter
- Statement of qualifications covering
 - The qualifications and experience of the firms involved in proposed technical team in working on similar projects;
 - A listing of all of the industry associations, for example, Water Environment Foundation, to which each firm belongs;
 - The qualifications and experience of the individual technical team members, particularly emphasizing their experience working on similar projects;
 - Availability of the team members to begin work immediately following the approval of the contract and to dedicate the time necessary to complete the necessary work by the late spring of 2015
- Resume or curriculum vitae for each member of the proposed team.
- Three references for work of a similar nature for each key members of the proposed team.

V. Evaluation Criteria and Selection

The City will evaluate each respondent's experience and expertise in relation to the required experience and expertise outline in panel characteristics described in section I above. Final selection may be based on the SOQ as well as any supplemental information or interviews conducted. Evaluation factors used to select the semi-finalists shall include the following:

1. Technical experience and qualifications and capacities of the firms that are proposed as part of the Phase 2 technical team as they relate to this project (30%)
2. Technical experience and qualifications of the proposed individual members of the technical team (30%).
3. Experience of the lead consultant and key members of the consultant members who will interact directly with the WSAC in supporting a citizen committee working on a major public policy question that has a substantial technical component, and involves significant uncertainty. (20%)
4. Experience of the lead consultant and key members of the consultant team in working in a collaborative problem solving process designed and supported by professional facilitators and using a consensus approach to develop recommendations. (20%)

VI. Response Format

One hard copy and one electronic copy of the Statement of Qualifications shall be submitted. Excluding resumes or curricula vitae, responses are to be no longer than 20 individual sheets in length including any attachments. Proposal may be printed on both sides of sheet and submitters are encouraged to use a double-sided format and recycled paper when possible.

Parties interested in being considered for this project are requested to submit their Statements of Qualifications **by 3:00 pm, Wednesday, October 29, 2014** to:

City of Santa Cruz Water Department
212 Locust Street, Suite A
Santa Cruz, CA 95060
Attention: Rosemary Menard
rmenard@cityofsantacruz.com

Attachment B

Request for Information for Consultants Interested in Providing Technical and Analytical Services for the City Council Appointed Water Supply Advisory Committee's Phase 2 Work.

1. Intent

The intent of this Request for Information ("RFI") is to identify consultant teams interested and qualified to provide technical and analytical services for the Water Supply Advisory Committee's (WSAC or Committee) Phase 2 work. The City is specifically interested in looking at teams prepared to provide the full range of technical and analytical support that will be needed to support the Committee in completing its work.

All responses are greatly appreciated and will be utilized in the best interests of the City. Information submitted to the City may or may not be used to develop a Request for Qualifications (RFQ), or a Request for Proposal (RFP).

Please submit your response prior to Wednesday, October 29th at 3 pm. Responses may be emailed to bids to rmenard@cityofsantacruz.com or mailed to City of Santa Cruz Water Department at 212 Locust, Suite A, Santa Cruz, CA 95060. The City will not be liable for any expenses incurred by participants in preparing a response to this RFI.

Questions regarding this RFI should only be directed to Rosemary Menard, at 831-420-5205 or at rmenard@cityofsantacruz.com.

2. Overview of the Water Supply Advisory Committee

The City of Santa Cruz Water Department (SCWD) is a municipal utility that provides water service to a geographic area that includes the entire City of Santa Cruz, adjoining unincorporated areas, a small part of the City of Capitola, and coast agricultural lands north of the City limits. The current population served is approximately 94,000.

The SCWD's water supply comes entirely from local sources. Surface water accounts for over 95% of the SCWD's total water supply. Groundwater pumped from wells comprises the remaining 5% of SCWD's water sources. Due to this, the region's water supply is extremely vulnerable to fluctuations in seasonal rainfall. Frequent water shortages and restrictions exemplify the region's vulnerability.

In response to the region's water supply reliability issues, the City has spent decades observing, researching, and reporting on new water supply opportunities and conservation methods. In 2010, after multiple studies, evaluations and reports, SCWD (partnered with Soquel Creek Water District) proposed a sea water reverse osmosis desalination plant (desal) as a potential solution to the region's water shortages.

The public responded to the proposed desalination plant by requesting that it be put to a vote, and gathered enough signatures to qualify a measuring requiring a public vote before funding for

construction or acquisition of a desal project could commence. This measure, known as Measure P, was placed on the November 2012 ballot and passed with 72% of the vote.

In the fall of 2013, following continuing expressions of concern about a possible desal project by community interests, the City stepped back from the path it had been on and decided to create a citizens committee to consider the water supply issues, alternative strategies and solutions, and the public policy implications for Santa Cruz and provide recommendations to the Santa Cruz City Council. The Water Supply Advisory Committee (WSAC or Committee) was formed in early 2014 and began meeting in late April. It is made up of 14 citizens with diverse backgrounds and professions and the Santa Cruz Water Department Director is an ex officio member of the committee.

The Committee convened in April 2014 and spent two months establishing its charter and work plan. The structure of the work plan called for the work to be divided into two phases: a reconnaissance phase (recon) and a “real deal” phase.

The recon phase of work was initiated in June of 2014 and concluded in November 2014. During recon, the Committee toured the water system and its facilities, received informational briefings on current supply and demand, future supply and demand and challenges facing the system related to climate changes and fish flow releases. Many presentations, reports, meeting agendas and summaries related to this work can be found at the following websites:

- www.santacruzwatersupply.com – this is the WSAC’s website;
- <http://www.cityofsantacruz.com/departments/water/city-water-commission/meetings-and-agenda/-toggle-allpast> – this is the website of the City’s Water Commission. Presentations from meetings in 2014, in particular, include detailed discussions about long term water conservation planning and analyses and fishery issues;
- <http://www.cityofsantacruz.com/departments/water/online-reports> -- a variety of reports related to water planning can be found at this site.

During recon, the Committee also developed and applied a multi-criteria decision support model, and defined and agreed upon criteria to use in the model as well as rating scales to be used with each criteria. The Committee members became familiar with the use of this kind of evaluation tool by applying various versions of the model at several stages of the Phase 1 work. For example, a simple version of the model will be used by Committee members to evaluate several dozen ideas that were developed and submitted in response to the “call for ideas” for the Santa Cruz Water Supply Convention that is planned for October 16, 2014. The model will also be used in November 2014 as a key element in the planned process of winnowing down the range of potential alternatives, or portfolios of projects and ideas. To progress from the recon phase of the work to the second phase of the work that will involve detailed evaluations.

The WSAC has created an Independent Review Panel (IRP) to assist it in effectively interacting with its consultant support team. To achieve this goal, the Panel would:

- Provide critical review, on an as assigned or as needed basis, of products created by the WSAC technical support team. The goal of the Panel's work is to offer feedback to the Committee on work provided by its technical support team. Specifically, review of the work produced by the technical support team would focus on:
 - The accuracy and appropriateness of analytical, scientific, and technical methods;
 - The clarity and accuracy of statements of assumptions; and
 - The appropriate characterization of the strengths and weaknesses of the analyses, especially with respect to uncertainty, data quality, or other factors that, if different, could affect the results in a significant manner.
- Offer advice or suggestions to the WSAC regarding lines of inquiry or technical questions that should be evaluated by the technical team.

3. Scope of Services

Phase 2 of the WSAC's work plan involves providing technical and analytical support to the Committee as it fully evaluates a limited range of potential alternatives or portfolios of projects and programs for their suitability to be included in policy recommendations to the Santa Cruz City Council on ways to improve the reliability of Santa Cruz's water supply.

Areas of technical expertise likely to be needed to complete this work include, but are not limited to the following:

- Public policy including policy analysis and policy analysis techniques such as scenario planning, multi-criteria decision making, and communication and outreach to stakeholders to inform, educate and involve community interests and stakeholders in work related to this critical community issue
- Water resources planning and management related the full range of resource planning and management topics including hydrology, hydrogeology, the impacts of climate change, environmental compliance, in the form of fish flows, supply and demand forecasting, supply reliability, hydrologic and system modeling, long term demand management strategies as well as water use curtailment strategies associated with supply shortages and alternative water supply strategies using wastewater effluent and/or brackish groundwater;
- Water system engineering and analysis including water quality and treatment, water facility cost estimating for source, transmission, treatment facilities, on stream, off-stream and aquifer storage facilities, water facility design and construction, and methodologies for comparing and evaluating alternative or portfolios of alternatives;
- Public health and water quality and treatment related to emerging contaminants, new and emerging technologies and the preserving and enhancing public health benefits for our community;
- Economic analysis including triple bottom line analysis, benefit-cost and life-cycle cost analysis, risk analysis, decision making in the face of uncertainty, economic implications of an unreliable water supply for our community, affordability analysis,
- Environmental analysis, including carbon emissions and efforts to minimize or mitigate for additional greenhouse gases associated with some options to improve the reliability of the

City's water supply, the impacts or potential benefits of various alternatives on aquatic and terrestrial resources and their protection and enhancement;

- Permitting, land use and right of way issues and regulatory compliance related to development and construction of new water supply facilities;
- Experience working with and supporting a citizens committee working; and
- Experience working in a collaborative partnership with professional facilitators, City staff, a citizens committee and an Independent Review Panel established to provide quality assurance and quality control of all technical work produced as part of this project.

4. Submittal Instructions

A specific format is not required for response to this RFI. Information that will be most useful to the City in conducting its evaluation would include:

- Information about the firms that would be involved in the proposed team, such as existing descriptive materials about the kinds of work the firm does;
- A listing of all of the industry associations, for example, Water Environment Foundation, to which each firm belongs;
- Information about individuals who would be part of the proposed team, such as a resume or curriculum vitae; and
- A list of references for key team members for clients for which work of a similar nature was performed.

To be considered, please submit your response prior to Wednesday, October 29th at 3 pm.