



DATE: September 8, 2015

TO: Mayor and Members of the City Council

VIA: Kevin M. Miller, City Manager

FROM: Jeff C. Moneda, Public Works Director/City Engineer  
Edmund Suen, Finance Director

SUBJECT: AWARD OF PROFESSIONAL SERVICES AGREEMENTS WITH SCHAAF & WHEELER CONSULTING CIVIL ENGINEERS, SCI CONSULTING GROUP, AND KITAHATA & COMPANY AND WILLIAM EUPHRAT MUNICIPAL FINANCE, INC. AS JOINT CONSULTANTS - LEVEE PROTECTION PLANNING AND IMPROVEMENTS PROJECT (CIP 301-657)

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## RECOMMENDATION

It is recommended that the City Council adopt the attached resolutions authorizing the Mayor to execute professional services agreements with:

1. Schaaf & Wheeler Consulting Civil Engineers, in the amount not-to-exceed \$887,644, to provide professional services including preliminary design and environmental regulatory permitting for the Levee Protection Planning and Improvements Project (CIP 301-657); and
2. SCI Consulting Group, in the amount not-to-exceed \$110,000, to provide feasibility analysis and public opinion survey, assessment engineering, proposition 218 balloting and other professional consulting services associated with exploring funding options for the Levee Protection Planning and Improvements Project (CIP 301-657); and
3. Kitahata Company and William Euphrat Municipal Finance, Inc., as joint consultants, in the amount not-to-exceed \$80,000, to provide an evaluation of financing options and the implementation of the chosen financing strategy for the Levee Protection Planning and Improvements Project (CIP 301-657) and appropriating \$80,000 from the City Capital Projects Fund to said project.

## EXECUTIVE SUMMARY

Based on the Federal Emergency Management Agency (FEMA) Coastal Flood Hazard Study, roughly 85% of Foster City's levee system does not meet the required freeboard elevation per Title 44 of the Code of Federal Regulations (CFR), Section 65.10 and therefore, the levee will not retain accreditation status when the Flood Insurance Rate Map (FIRM) is updated in mid-2016. CIP 301-657 consists of raising the existing levee to meet FEMA certification to retain accreditation status when a new Flood Insurance Rate Map (FIRM) is updated in the future. With an accredited levee protecting Foster City, residents will not be required to purchase mandatory flood insurance annually.

Execution of the agreements with Schaaf & Wheeler, SCI Consulting Group, and Kitahata & Company and William Euphrat Municipal Finance, Inc. jointly as the City's municipal financial advisors and design team will allow the continuation of work to regain accreditation. Funding of \$1 million was approved for CIP 301-657 with the adoption of the FY 2015/16 budget in June 2015. The \$1 million is only sufficient to cover the costs of services from Schaaf & Wheeler and SCI Consulting Group. Staff recommends that the City Council approve an additional appropriation of \$80,000 to cover the costs of the municipal financial advisory services for Kitahata & Company and William Euphrat Municipal Finance, Inc. There is sufficient reserve in the Capital Improvement Fund to make this appropriation.

## BACKGROUND

FEMA is finalizing the Coastal Flood Hazard Study to be published in mid-2016. The study shows the Foster City levee is deficient and will not retain accreditation status when the FIRM is updated in mid-2016. Foster City will be designated as a high-risk Special Flood Hazard area and property owners with federally-insured loans will be required to purchase annual flood insurance and pay higher rates, unless progress is made to the satisfaction of FEMA in meeting their requirements.

The City engaged Schaaf & Wheeler to conduct an independent study of how its flood risk is impacted by the newly released coastal study. At a special meeting on July 27, 2015, staff and Schaaf & Wheeler presented the Levee Protection Planning Report to the City Council. The report concluded that the levee surrounding Foster City will have to be raised by 2.5 to 5.5 feet, depending on the location, to meet the accreditation requirements. This includes an allowance of an additional 1.5 feet in height to meet the 2050 Sea Level Rise freeboard projection (1 foot) and future settlement estimate of the levee (6 inches). The following three (3) alternatives for improving the levee were presented:

1. Raise the levee using imported soil (\$50 – \$75 million),
2. Construct a flood wall and earthen backfill (\$40 – \$65 million), and
3. Construct sheet piles and earthen backfill - **Hybrid Design** (\$35 – \$65 million).

At the conclusion of the meeting, the City Council adopted Minute Order No. 1431, directing staff to explore the Hybrid Design alternative.

For Foster City to be able to retain a Zone X designation while the levee modifications are being done, FEMA has approved the use of "Seclusion Mapping" for the next FIRM update, scheduled to be published in mid-2016. Since FEMA has agreed to use Seclusion Mapping for Foster City as a temporary measure, Foster City residents will not be required to pay for mandatory flood insurance while the City continues working on its plans for the design, construction, and funding of the levee improvements required by FEMA in order to regain accreditation. To maintain Seclusion Mapping status, the City must continue to make sufficient progress on its levee improvement plans to satisfy FEMA.

## ANALYSIS

To maintain momentum and continue with the work identified in the Levee Protection Planning Report, staff solicited the engineering firm, Schaaf & Wheeler, and the feasibility and assessment consultant, SCI Consulting Group, to submit proposals. Both Schaaf & Wheeler and SCI Consulting Group were part of the City of San Mateo's team, when the City of San Mateo raised its levee and regained accreditation in 2012. They are both reputable firms, who have proven track records and provide continuity and efficiencies for the project.

Schaaf & Wheeler has put together a competent team of Civil (Schaaf & Wheeler), Structural (Biggs Cardosa Associates), Geotechnical (ENGEO), Surveying (Wilsey Ham), Landscape Architect (Bellinger-Foster-Steinmetz), and Environmental Regulatory Permitting (Huffman-Broadway Group) consultants. The proposal from Schaaf & Wheeler was reviewed, and the negotiated fee in the amount of \$887,644 was determined reasonable. The negotiated fee includes discounts ranging from 6% to 9% across all job classifications in Schaaf & Wheeler's billing rates. In addition, a standard sub-consultant markup of 10% is waived in the proposal. The scope of services includes coordinating with FEMA and other agencies; preparing the materials necessary for public outreach efforts with the stakeholders; preparing the base maps to develop design alternatives; performing a geotechnical investigation for design development; developing a preliminary design based on City Council and public input; providing environmental regulatory permitting; and preparing cost estimates. All of this work will culminate with a Basis of Design report suitable for preparation of the California Environmental Quality Act (CEQA) documents and the plans and specifications for construction.

The proposal from SCI Consulting Group was reviewed, and the negotiated fee in the amount of \$110,000 was considered reasonable. SCI Consulting Group will assist the City in exploring funding options, specifically in regards to Assessment District Formation, to pay for the cost of construction. The scope of services includes conducting community outreach during project planning and design phases, preparing feasibility analysis and assessments, performing public opinion research and surveys,

and preparing the Engineer's Report to seek funding for the project. Optional services to prepare the assessment ballot proceeding and continued outreach assistance during the balloting are included in the agreement, and they could be used if necessary, when the method of funding is determined by the City Council.

On August 3, the City Council/EMID Board of Directors designated Kitahata & Company and William Euphrat Municipal Finance, Inc. as the City's joint municipal financial advisors. These two firms have been providing municipal advisory services for a combined 49 years, including new-money debt issuances for San Mateo's South Bayfront Levee and Flood Control Facilities Assessment District. The scope of services for the two firms includes the evaluation of financing options in conjunction with the Assessment Engineering firm, SCI Consulting Group, to determine the best financing option for the Levee Project for a not-to-exceed amount of \$25,000. Thereafter, once City staff and the City Council have decided on the best financing strategy, they will implement the financing strategy for a fee of \$55,000, payable on a contingent basis from the cost of issuance, when the debt (bond) financing closes. The scope of services in the attached agreement is for the Levee Protection Planning and Improvements Project only, it is one component of the municipal financial advisory services projected to be provided by Kitahata & Company and William Euphrat Municipal Finance, Inc. to the City over the next three years (until 7/31/18). Separate agreements will be brought to the City Council for other projects, such as the Wastewater Treatment Plant Project, when it is appropriate.

### FISCAL IMPACT

There is an approved budget of \$1,000,000 available for the project for FY 2015/16. With the approval of contracts with Schaaf & Wheeler and SCI Consulting Group, \$2,356 will remain in the approved budget. Since the remaining budget of \$2,356 is insufficient to cover the joint municipal financial advisory services contract for Kitahata & Company and William Euphrat Municipal Finance, Inc. in the amount of \$80,000, staff recommends that the City Council authorize an additional appropriation of \$80,000 from the City Capital Projects Fund (Reserves) for the Levee Protection Planning and Improvements Project (CIP 301-657). There is sufficient reserve in the Capital Improvement Fund to make this appropriation.

Staff is currently preparing a Request for Proposals for the preparation of the CEQA documents. CEQA documents will need to be prepared concurrently with the preliminary design and regulatory permitting in order to meet the aggressive project schedule. An additional budget amendment request to pay for the CEQA work will be brought to the City Council for review and approval, when the contract is awarded in October/November 2015. An additional budget request for the preparation of the plans and specifications suitable for bidding and construction through the completion of the project will be brought to the City Council for review and approval, during the FY 2016/2017 annual budget process.

Attachments:

- Resolution - Award of Consultant Agreement to Schaaf & Wheeler
- Resolution - Award of Consultant Agreement to SCI Consulting Group
- Resolution - Award of Consultant Agreement to Kitahata & Company and William Euphrat Municipal Finance, Inc.
- Agreement - Schaaf & Wheeler
- Agreement - SCI Consulting Group
- Joint Agreement - Kitahata & Company and William Euphrat Municipal Finance, Inc.