



# AGENDA REPORT

## Public Works

<b>DATE:</b>	April 28, 2026
<b>TO:</b>	Mayor Martinez and Members of the City Council
<b>FROM:</b>	Daniel Chavarria, PE, Director of Public Works Tawfic Halaby, PE, Deputy Director of Public Works Bradley Harms, Environmental Manager
<b>Subject:</b>	Contract with The Halleman Group, LLC for Owner's Advisor Services for Wastewater and Stormwater Operator Procurement
<b>FINANCIAL IMPACT:</b>	The proposed \$250,000 expenditure is included within the approved fiscal year 2025-2026 Wastewater Enterprise Fund budget. If portions of the work are determined to be attributable to the stormwater system, those costs may be charged to the appropriate Stormwater Utility Fund accounts in coordination with Finance. There is no impact on the General Fund. (Account String: 40321731-400201).
<b>PREVIOUS COUNCIL ACTION:</b>	March 17, 2026
<b>STATEMENT OF THE ISSUE:</b>	City staff is seeking City Council approval for a contract with The Halleman Group, LLC to serve as the City's Owner's Advisor to support procurement of a new operator for the City's wastewater treatment plant, wastewater collection system, and stormwater collection system.
<b>RECOMMENDED ACTION:</b>	ADOPT a resolution to APPROVE a contract with The Halleman Group, LLC to provide Owner's Advisor services for procurement of an operator for the wastewater treatment plant, wastewater collection system, and stormwater collection system, in an amount not to exceed \$250,000, for a term from May 1, 2026, through April 30, 2028; and AUTHORIZE the City Manager or their designee to execute all necessary

	documents – Public Works Department (Daniel Chavarria 510-620-5478/Tawfic Halaby 510-620-5482).
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**DISCUSSION:**

Hiring an Owner’s Advisor

Veolia Water North America currently operates and maintains the City’s wastewater treatment plant, wastewater collection system, and stormwater collection system. The City’s contract with Veolia is set to expire on May 15, 2027.

In December 2024, in anticipation of the expiration of the existing operations and maintenance contract, City Council awarded a professional services contract to Watearth, Inc. to evaluate potential pathways for future operations and maintenance of the City’s wastewater and stormwater systems.

On March 17, 2026, City Council received a presentation outlining the findings of that analysis and directed staff to initiate a competitive procurement process to select an operator to operate, maintain, and improve the City’s wastewater treatment plant, wastewater collection system, and stormwater collection system.

The procurement of a new operator will require development of a comprehensive Request for Proposal, including clearly defined scope of services, performance expectations, and contractual terms aligned with current regulatory requirements and industry practices. The process will also include evaluation of proposals, selection of a qualified operator, and negotiation of a new operations and maintenance agreement.

To support this effort, City staff determined that specialized technical and procurement expertise is required to assist with development of procurement documents, structuring of the operator agreement, and support throughout the evaluation and negotiation process.

Analysis

The development and procurement of a new contract for operation and maintenance of the City’s wastewater treatment plant, wastewater collection system, and stormwater collection system is a complex undertaking involving regulatory compliance, operational continuity, and long-term contractual and financial considerations.

The City must develop a competitive procurement process designed to attract qualified firms and result in a well-structured operations and maintenance agreement. This includes preparation of a comprehensive Request for Proposal, establishment of clear

performance expectations, and development of contractual terms that reflect current regulatory requirements and industry practices.

To support this effort, the City issued a Request for Proposal to retain an Owner's Advisor with specialized expertise in wastewater utility procurements. Two proposals were received and evaluated by a panel of City staff based on established criteria, including relevant experience, technical approach, and qualifications (Attachment 1). The two firms providing proposals were The Halleman Group, LLC, and HydroScience Engineers, Inc.

Following evaluation and interviews, The Halleman Group, LLC was determined to be the highest ranked firm (Attachment 2). The firm demonstrated specialized experience in owner's advisory services, including development of Requests for Proposals, structuring of performance-based operations contracts, and support for competitive procurement processes.

The proposed scope of services includes:

- Development of a procurement strategy and Request for Proposal documents
- Assistance with proposal evaluation and selection
- Support in drafting and negotiating the operator agreement
- Advisory support during transition

These services are intended to support a structured procurement process and development of a contract aligned with the City's operational and regulatory requirements.

### Summary

Approval of the proposed contract with The Halleman Group, LLC will provide the City with specialized technical and procurement expertise to support development and completion of a competitive procurement process for a wastewater and stormwater system operator within the required timeframe. The firm's experience in preparing Requests for Proposals, structuring operations agreements, and supporting evaluation and negotiations will help ensure a successful outcome. Therefore, City staff recommend that the City Council adopt a resolution to approve a contract with The Halleman Group, LLC to provide Owner's Advisor services for procurement of an operator for the wastewater treatment plant, wastewater collection system, and stormwater collection system, in an amount not to exceed \$250,000, for a term from May 1, 2026 through April 30, 2028 (Attachment 3). City staff further recommend that the City Council authorize the City Manager or their designee to execute all necessary documents (Attachment 4).

### **DOCUMENTS ATTACHED:**

Attachment 1 – Bid Summary Report  
Attachment 2 – Rating Matrix  
Attachment 3 – Resolution

Attachment 4 – Proposed Agreement with The Halleman Group