



City Council Staff Report

Date: July 20, 2011

CONSENT CALENDAR

Subject: APPROVAL OF AMENDMENT NO. 11 TO THE AMENDED AND RESTATED WASTEWATER SERVICES AGREEMENT (AGREEMENT NO. 4123) WITH VEOLIA WEST OPERATING SERVICES, INC. (FORMERLY VEOLIA WATER NORTH AMERICA-WEST, LLC)

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

SUMMARY

Agreement No. 4123 with Veolia West Operating Services, Inc., ("Veolia"), provides the City with turn-key operation and maintenance of the City's sanitary sewer system. An amendment to the current agreement is recommended to add services related to providing a Recycled Water Site Supervisor for operation and maintenance of the recycled water systems to be used at the new Animal Shelter.

RECOMMENDATION:

- 1) Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE BUDGET FOR THE 2011/2012 FISCAL YEAR"; and
- 2) Approve Amendment No. 11 to the Amended and Restated Wastewater Services Agreement (Agreement No. 4123) with Veolia West Operating Services, Inc. (formerly Veolia Water North America-West, LLC); and
- 3) Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

On June 21, 2006, City Council approved the Amended and Restated Wastewater Services Agreement (Agreement No. 4123) with Veolia West Operating Services, Inc. (formerly Veolia Water North America-West, LLC) ("Veolia"). The Agreement provides the City with operation and maintenance of the City's sanitary sewer collection system and its wastewater treatment plant, as well as to provide the City with a variety of associated programs (such as the Fats, Oils and Grease [FOG] pollution control

program, stormwater quality program, and sewer system management plan). The Agreement was a restatement of an original agreement with Veolia (at that time known as U.S. Filter) approved July 28, 1999.

The new Animal Shelter to be operated by the City will be the first dual-plumbed facility in all of Riverside County. The use of recycled water within the Animal Shelter is regulated by the California Department of Public Health ("DPH"). In order to receive permitted status from DPH the new Animal Shelter must be constructed under rigid standards to ensure that there is no possibility of a cross connection between the reclaimed and potable water systems. The DPH also requires that the City comply with the following standards:

The City will provide appropriate training for all staff and volunteers of the Animal Care Facility in the correct operations and use of the proposed recycle water system, procedures for use of the SMT wash-down system, and the facilities other uses of recycled water. Only trained staff and volunteers will be allowed to operate the SMT kennel wash-down system. The public shall be restricted from access to the SMT water supply and shall not be present when the system is in operation.

In addition to well trained staff required to operate the Animal Care Facility recycle water systems, the City must also appoint a Recycled Water Site Supervisor, described by DPH as follows:

The City will appoint a Recycled Water Supervisor at the facility who will obtain training and certification on the operational practices of recycled water. The site supervisor's contact information will be provided to the DPH and the Desert Water Agency (DWA) for emergency purposes.

The City desires to out-source this function to Veolia, whereby Veolia shall provide all services associated with assigning a Recycled Water Site Supervisor for the Animal Shelter.

FISCAL IMPACT:

The 2011/2012 fiscal budget did not anticipate the need for a Recycled Water Site Supervisor assigned to the Animal Shelter, as required by the California Department of Public Health. In order to obtain required permitting for the Animal Shelter by the state, a Recycled Water Site Supervisor must be assigned. It is staff's recommendation that Veolia furnish the staff to satisfy the state's requirements.

The compensation for these services has been established on a "Time & Material" basis, at the hourly rate of \$65 for a maximum of 60 hours per month, equivalent to \$46,800 annually. In addition, an annual materials and supply budget of \$6,000 is included to allow Veolia to be compensated for miscellaneous parts and repairs that may be necessary in operating and maintaining the recycled water systems at the

Animal Shelter. The total maximum budget for providing these services is being established at \$52,800.

The services being added to Veolia's contract related to the Recycled Water Site Supervisor for the Animal Shelter are not associated with operation and maintenance of the wastewater treatment plant or sanitary system. Therefore, wastewater funds cannot be used to compensate Veolia for these services.

It will be necessary to amend the 2011/2012 fiscal year budget to increase the budget for contractual services related to the Animal Shelter, using General Fund balance. With adoption of the budget amendment, sufficient funds will be available in account 001-3304-43200 (Contractual Services).

SUBMITTED:

Prepared by:

Recommended by:

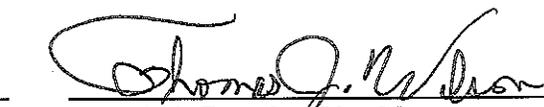


Marcus L. Fuller
Assistant Director of Public Works



David J. Barakian
Director of Public Works/City Engineer

Approved by:


Thomas J. Wilson, Asst. City Manager
David H. Ready, City Manager

ATTACHMENTS:

1. Contract Amendment
2. Resolution

AMENDMENT NO. 11 TO THE AMENDED AND RESTATED AGREEMENT NO. 4123
WITH VEOLIA WEST OPERATING SERVICES, INC.
(FORMERLY VEOLIA WATER NORTH AMERICA-WEST, LLC)
WASTEWATER SERVICES (OPERATIONS AND MAINTENANCE)

The following articles of Agreement No. 4123 are hereby amended as follows:

1. Section 5.2 **Veolia Scope of Services**. – The following sub-section (cc) shall be added, as follows:

(cc) **Animal Shelter Recycled Water Supervisor Services**. Veolia shall provide recycled water supervisor services for administering and coordinating activities related to operation and maintenance of plumbing facilities and irrigation systems using recycled water within the Animal Shelter (as generally required by the California Department of Public Health) as specifically set forth on Schedule GG. City shall pay Veolia for the cost of such services pursuant to the schedule of compensation identified on Schedule GG.

2. Section 7.1 **Fees**. – The following sub-section (i) shall be added, as follows:

(i) **Animal Shelter Recycled Water Supervisor Services**. The City shall pay Veolia for the cost of Veolia providing recycled water supervisor services for administering and coordinating activities related to operation and maintenance of plumbing facilities and irrigation systems using recycled water within the Animal Shelter, as identified on Schedule GG, pursuant to the schedule of compensation identified on Schedule GG.

3. List of Schedules – The following shall be identified on the List of Schedules:

GG Animal Shelter Recycled Water Supervisor Services

4. Schedule GG, attached to and made a part of this Amendment No. 11, shall be added.

Purchase Order Number(s):	816110
Agreement Number:	4123
Original City Council Approval:	June 21, 2006
Original M.O. Number:	7883
Original Contract Amount:	\$ 2,815,853.00 + certain pass through/cost plus expenses
Amount of Previous Increase(s)	\$ 409,303.00 (includes prior automatic CIP increases)
Amount of This Increase	\$ 52,800.00
Amended Total:	\$ 3,277,956.00 + certain pass through/cost plus expenses
Account Number:	001-3304-43200 (this \$46,800 increase)

SIGNATURES ON LAST PAGE

Except as specifically amended by this Amendment No. 11, all terms and provisions of Agreement No. 4123 shall remain in full force and effect.

ATTEST:

CITY OF PALM SPRINGS,
a California charter city

By: _____
City Clerk

By: _____
City Manager

APPROVED AS TO FORM:

By: _____
City Attorney

VEOLIA WEST OPERATING SERVICES, INC.

CONTRACTOR: Check one: Individual Partnership Corporation

Corporations require two notarized signatures: One signature must be from the Chairman of Board, President, or any Vice President. The second signature must be from the Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer).

By: _____
Notarized Signature of Chairman of Board,
President or any Vice President

By: _____
Notarized Signature Secretary, Asst Secretary,
Treasurer, Asst treasurer or Chief Financial Officer

Name: _____

Name: _____

Title: _____

Title: _____

State of _____ }

State of _____ }

County of _____ }ss

County of _____ }ss

On _____ before me, _____

On _____ before me, _____

personally appeared _____
who proved to me on the basis of satisfactory evidence) to be
the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorized capacity(ies),
and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

personally appeared _____
who proved to me on the basis of satisfactory evidence) to be
the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorized capacity(ies),
and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the
State of California that the foregoing paragraph is true and
correct.

I certify under PENALTY OF PERJURY under the laws of the
State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

WITNESS my hand and official seal.

Notary Signature: _____

Notary Signature: _____

Notary Seal:

Notary Seal:

SCHEDULE GG
ANIMAL SHELTER RECYCLED WATER SUPERVISOR SERVICES

Background

The new Animal Shelter to be operated by the City will be the first dual-plumbed facility in all of Riverside County. The use of recycled water within the Animal Shelter is regulated by the California Department of Public Health ("DPH"). In order to receive permitted status from DPH the new Animal Shelter must be constructed under rigid standards to ensure that there is no possibility of a cross connection between the reclaimed and potable water systems. The DPH also requires that the City comply with the following standards:

The City will provide appropriate training for all staff and volunteers of the Animal Care Facility in the correct operations and use of the proposed recycle water system, procedures for use of the SMT wash-down system, and the facilities other uses of recycled water. Only trained staff and volunteers will be allowed to operate the SMT kennel wash-down system. The public shall be restricted from access to the SMT water supply and shall not be present when the system is in operation.

In addition to the well trained staff to operate the Animal Care Facility recycle water systems, the City must also appoint a Recycled Water Site Supervisor, described by DPH as follows:

The City will appoint a Recycled Water Supervisor at the facility who will obtain training and certification on the operational practices of recycled water. The site supervisor's contact information will be provided to the DPH and the Desert Water Agency (DWA) for emergency purposes.

The City desires to out-source this function to Veolia, whereby Veolia shall provide all services associated with assigning a Recycled Water Site Supervisor for the Animal Shelter, as outlined herein this Schedule GG.

Services

Veolia shall provide a qualified person, who has obtained training and certification in the operational uses of recycled water, to perform the duties of the Recycled Water Site Supervisor for operation and maintenance of recycled water facilities at the Animal Shelter.

The Recycled Water Site Supervisor shall be responsible for the following:

- Using recycled water in accordance with the DWA, DPH and RWQCB requirements and preventing potential violations of those guidelines; including required start-up, cross-connection and backflow prevention testing.
- Maintain copies of applicable permits on-site.
- Using Best Management Practices to eliminate irrigation runoff, overspray and ponding.
- Operating, repairing, maintaining and monitoring the recycled water system to minimize failure of equipment and materials.
- Knowing the basic concepts of backflow and cross-connection prevention, system testing and related emergency procedures.
- Ensuring that there are not cross-connections made between the drinking and recycled water systems.
- Being present at all cross-connection testing.
- Taking action to contain any unauthorized discharges of recycled water.

SCHEDULE GG
ANIMAL SHELTER RECYCLED WATER SUPERVISOR SERVICES

- Educating all maintenance personnel and volunteers on the proper use of recycled water and reminding them that it is not approved for drinking, washing or cooking.
- Notifying DWA immediately in the event of any recycled water line break, spill, unauthorized discharge, cross-connection, fluctuation in piping system pressure, major change in water quality or any other failures, violations and emergencies that occur involving the recycled or drinking water systems.
- Notifying DWA of any signs designating landscape areas being irrigated with recycled water that need to be replaced.
- Notifying the DWA of any change in ownership of the property.
- Obtaining prior approval from the DWA for all proposed changes and modifications to any on-site reclaimed water facilities.
- Knowing the provisions contained in California Code of Regulations Title 17 and Title 22, relating to the safe use of recycled water and the maintenance of accurate records.
- Maintaining as-built drawings as well as user manuals for mechanical equipment, record of repairs, system upgrades, types and quantities of materials utilized in the irrigation system, employee training records, and all related permit documents.

Schedule of Compensation

Animal Shelter Recycled Water Supervisor Services – Compensation shall be established at \$46,800 per year or \$3,900 per month, prorated for eleven (11) months for services initiated in the 2011/2012 fiscal year on August 1, 2011, at \$42,900 annually.

The annual maximum fee shall be compensated on a "Time and Materials" basis, based on the following criteria:

- Veolia shall provide one employee to perform the duties of the "Reclaimed Water Site Supervisor" (described above) on a "part-time, as needed basis", up to a limit of 60 hours per month, at a rate of \$65.00 per hour for normal working hours of from 8:00 am to 5:00 pm Monday through Friday. If the Reclaimed Water Site Supervisor is required to respond during hours of the day or days of the week outside of normal working hours, the rate will be \$80.00 per hour portal to portal for a minimum of 3 hours. These charges shall appear on Veolia's monthly invoice to the City, with a summary of hours worked and the duties performed.
- The hourly rate of compensation shall include providing a Reclaimed Water Site Supervisor with all necessary personal protective equipment, uniforms and a cell phone.

Annual Fee Adjustments – The compensation initially established at \$46,800 per year identified herein above shall be subject to an annual adjustment in the same manner and subject to the same limitations for Veolia's "O&M Fixed Component" pursuant to Section 7.2 of the Agreement.

Parts, Materials and Supplies Operating Budget – In addition to the annual compensation, an annual operating budget shall be established each fiscal year in the amount of \$6,000 subject to the following limitation:

- All parts, materials, supplies, outside services and any additional required training purchased and used by Veolia in performing the duties of the Recycled Water Site Supervisor shall be included on a monthly invoice to the City on a "cost plus 15%" basis. Copies of all invoices for parts, materials, supplies, and outside services shall be included with the monthly invoice. Prior City authorization shall be obtained for any purchases in

SCHEDULE GG
ANIMAL SHELTER RECYCLED WATER SUPERVISOR SERVICES

excess of \$500 (excluding public health and safety emergencies). A summary of the maintenance and repair completed at the Animal Shelter each month shall be provided in the Monthly Operating Report.

Pricing assumptions include:

- City will provide orientation tour and site plans of the Animal Shelter for the designated Recycled Water Site Supervisor and management staff to allow them to become familiar with the Animal Shelter facilities, including the SMT kennel wash-down system and other uses of reclaimed water, prior to the initiation of the proposed work.

RESOLUTION NO. _____

OF THE CITY COUNCIL OF THE CITY OF PALM
SPRINGS, CALIFORNIA, AMENDING THE BUDGET
FOR THE 2011/2012 FISCAL YEAR.

WHEREAS Resolution 22926 approving the budget for the fiscal year 2011/2012 was adopted on June 1, 2011; and

WHEREAS the City Manager has recommended, and the City Council desires to approve, certain amendments to said budget;

NOW THEREFORE BE IT RESOLVED that the Director of Finance is authorized to record inter-fund cash transfers as required in accordance with this Resolution, and that Resolution 22926, adopting the budget for the 2011/2012 fiscal year is hereby amended as follows:

SECTION 1. ADDITION

Fund	Activity	Account	Amount
001	3304	43200	\$52,800

Purpose Animal Shelter Recycled Water Supervisor

SECTION 2. SOURCE General Fund Balance

Fund	Activity	Account	Amount
001		29301	\$52,800

ADOPTED THIS 20th day of July, 2011.

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on July 20, 2011, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California