



## City Council Staff Report

Date: January 21, 2015

CONSENT CALENDAR

Subject: EXTENSION OF VEOLIA WEST OPERATING SERVICES, INC.,  
WASTEWATER SERVICES (OPERATIONS AND MAINTENANCE)  
CONTRACT TO JUNE 30, 2015

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

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### SUMMARY

The existing contract with Veolia West Operating Services, Inc., (Veolia), for operation of the City's wastewater treatment plant and maintenance of the City's sewer collection system has been extended through February 1, 2015, to allow staff an opportunity to complete negotiations with Veolia. An extension through July 1, 2015, is recommended to allow for completion of the negotiations.

### RECOMMENDATION:

- 1) Approve Amendment No. 13, to the Amended and Restated Agreement No. 4123 with Veolia West Operating Services, Inc., (formerly Veolia Water North America-West, LLC) for Wastewater Services (Operations and Maintenance); and
- 2) Authorize the City Manager to execute all necessary documents.

### STAFF ANALYSIS:

On September 1, 1999, the City of Palm Springs entered into an agreement with U.S. Filter Operating Services, Inc. for the operation and maintenance services for the City's Waste Water Treatment Plant. On February 2, 2004, U.S. Filter Operating Services officially became known as Veolia Water North America Operating Services, Inc. and subsequently Veolia West Operating Services, Inc. (Veolia).

An Amended and Restated Wastewater Services Agreement between Veolia and the City of Palm Springs was executed on June 28, 2006, with a term extension to June 30, 2013. An additional term extension was approved by the City Council on June 19, 2013, extending the agreement with Veolia through September 1, 2014, in order to

provide uninterrupted wastewater services while the City completed a performance review of Veolia's operations from which negotiations on a new contract would proceed.

The performance review found Veolia's operations and maintenance services to be in general conformance with all of the requirements of the amended and restated agreement and was consistent with good industry practices. Results of the performance review were presented to the City Council on November 6, 2013. Subsequently, negotiations with Veolia on the terms and conditions of a new wastewater services agreement have continued. Previously, the City Council has approved two interim term extensions with Veolia for continued wastewater services:

- 1) A 60 Day extension to September 1, 2014, approved by Council on July 16, 2014;  
and
- 2) A 90 Day extension to February 1, 2015, approved by Council on October 15, 2014.

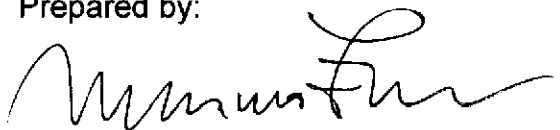
Staff is completing its negotiations with Veolia on the terms and conditions of a new wastewater services agreement, and recommends that the term of the current agreement be extended through July 1, 2015. Amendment No. 13 to the amended and restated agreement has been prepared that captures these two prior term extensions approved by the City Council.

FISCAL IMPACT:

Wastewater services are currently budgeted at the rate of \$309,551.69 per month. Funding is available from the Waste Water Treatment Plant account number 410-6800-43200.

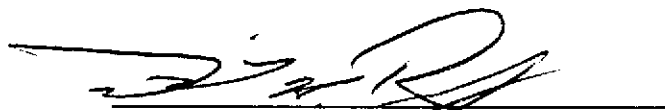
SUBMITTED

Prepared by:



Marcus L. Fuller, MPA, P.E., P.L.S.  
Assistant City Manager/City Engineer

Approved by:



David H. Ready, Esq., Ph.D.  
City Manager

ATTACHMENTS: Amendment No. 13

AMENDMENT NO. 13 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 article of Agreement No. 4123 is hereby amended as follows:

1. Section 4.1 **Term**. The first sentence shall be deleted and replaced with the following:

Section 4.1 **Term** – Subject to the other provisions of this Agreement, the initial term of this Agreement (the “**Term**”) commenced on September 1, 1999 and, as amended and restated, ends on June 30, 2015.

Purchase Order (PO) Number:	13-0566
Agreement Number:	4123
Original City Council Approval:	June 21, 2006
Original M.O. Number:	7883
Current Annual PO Amount:	\$ 3,624,698.72
Amount of This Increase	Current Annual PO + 1.7% contractual CPI Term Extended 10 months at current rate/month + CPI \$306,510.38 per month (maximum)
Account Number:	410-6800-43200

**SIGNATURES ON LAST PAGE**

Except as specifically amended by this Amendment No. 13, 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