



City Council Staff Report

Date: July 1, 2015

CONSENT CALENDAR

Subject: APPROVAL OF AMENDMENT NO. 14 TO THE AMENDED AND RESTATED AGREEMENT FOR WASTEWATER SERVICES (OPERATIONS AND MAINTENANCE) TO EXTEND THE TERM THROUGH DECEMBER 31, 2015

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

SUMMARY

The requested action will extend the existing services agreement with Veolia West Operating Services, Inc., for operation and maintenance of the City's wastewater treatment plant and sewer collection system through December 31, 2015.

RECOMMENDATION:

- 1) Approve Amendment No. 14, 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) to extend the term through December 31, 2015; 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 of the City's Wastewater 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 conducted by SAIC Energy, Environment & Infrastructure, LLC (SAIC) on July 5, 2013, 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.

A final draft of a new Wastewater Services Agreement (Operations and Maintenance) with Veolia has been prepared by City staff, and meetings have occurred between the City and Veolia on negotiations of revised terms and conditions recommended by staff. Significant progress has been made on developing the final draft Agreement, and staff readily expects to complete negotiations over the next few months. Therefore, staff recommends that the term of the current Amended and Restated Agreement (Agreement No. 4123) be extended through December 31, 2015.

ENVIRONMENTAL IMPACT:

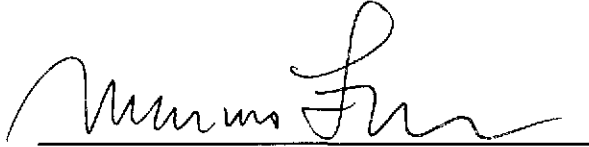
Section 15061 (b)(3) of the California Environmental Quality Act ("CEQA") Guidelines exempts activities that are covered under the general rule that CEQA applies only to projects that have the potential to cause significant effects on the environment. Where it can be seen with certainty that there is no possibility the activity in question may have a significant effect upon the environment, the activity is not subject to CEQA. The requested action requests the City Council to consider approving an amendment to the existing wastewater services agreement, which itself will not result in any new direct physical impacts to the environment. Therefore, the requested action is considered exempt from CEQA.

FISCAL IMPACT:

Wastewater services will be charged at the rate of \$273,961.58 per month, and sufficient funding is budgeted and available from the Wastewater Enterprise Fund (Fund 420) in Account No. 420-6800-43200. Purchase of swimming pool chemicals are incurred on a direct-billed basis, and are budgeted and available in the General Fund (Park Maintenance), Account No. 001-2451-43068.

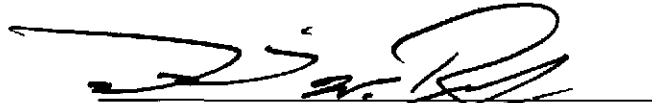
SUBMITTED

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. 14

AMENDMENT NO. 14 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 December 31, 2015.

Purchase Order (PO) Number:	15-0522
Agreement Number:	4123
Original City Council Approval:	June 21, 2006
Original M.O. Number:	7883
Amount of This Increase	\$1,643,769.48; \$273,961.58 per month \$23,750 (Pool Chemicals)
Account Number:	410-6800-43200 (\$1,620,019.48) 001-2451-43068 (\$23,750)

SIGNATURES ON LAST PAGE

Except as specifically amended by this Amendment No. 14, 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