



Agenda Report

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File #: 19-0580

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**AGENDA REPORT  
REQUEST FOR CITY COUNCIL AND  
CORONA UTILITY AUTHORITY ACTION**

DATE: 06/19/2019

TO: Honorable Mayor and City Council Members  
Honorable President and Board Members

FROM: Department of Water and Power

**SUBJECT:**

City Council and Corona Utility Authority consideration of a Third Amendment to the Professional Services Agreement with G&G Environmental Compliance, Inc.

**RECOMMENDED ACTION:**

That the:

1. City Council approve a Third Amendment to the Professional Services Agreement with G&G Environmental, Inc. of Riverside, CA, for Regulatory Compliance Services extending the agreement for a three-month term to September 30, 2019, and authorize an increase in total compensation by \$300,525, based on the findings noted in this report.
2. City Council authorize the General Manager to execute the Third Amendment with G&G Environmental Compliance, Inc. and execute non-substantive extensions, change orders and amendments up to the amount provided by Corona Municipal Code Section 3.08.060(J) pursuant to Ordinance No. 2790 which states, "**Dollar limits and change orders or amendments.** The dollar limits indicated herein shall apply to the original contract and to any amendments or change orders. To this end, therefore, unless an exception provided in § 3.08.140 below applies, any contract amendment or change order which would increase the contract amount above any threshold stated herein shall comply with the requirements applicable to the increased contract amount. For maintenance and other general service projects awarded by the City Council, unless a lower or higher amount is stated in the City Council staff report for the project or directed by the City Council, the City Manager or his or her designees shall have authority to approve contract amendments or change orders up to the lesser of either \$100,000 or 10% of the original contract amount."

3. City Council authorize the Purchasing Agent to issue a Purchase Order to G&G Environmental Compliance, Inc. in the amount of \$300,525 for Fiscal Year 2019-20.
4. Corona Utility Authority (CUA) review, ratify and to the extent necessary direct that the City Council take the above actions.

**ANALYSIS:**

The Department of Water and Power (DWP) and the Fire Department are requesting approval of a Third Amendment to the Professional Services Agreement with G&G Environmental Compliance to extend the term of the agreement from June 30, 2019 to September 30, 2019 and a total compensation of \$300,525 for that time period. The current agreement and purchase order will expire on June 30, 2019. The Purchasing Division is aware of the need to bid four of the five services and DWP staff is working closely with Purchasing staff to complete the bid and present to the City Council and Corona Utility Authority for approval before September 30, 2019. The attached Third Amendment reflects the new expiration date of September 30, 2019, and the increased compensation amount. It should be noted that while the Third Amendment shows a total compensation of \$1,482,400, the City is only requesting the increased compensation amount of \$300,525 for the next three months to allow the City time for bidding but because we are extending the contract it reflects as the full value of the Fiscal Year 2018-19 contract plus the additional three months.

**Solicitation History and G&G Environmental Contract Award**

The original contract was established by City Council approval of the Professional Services Agreement for Regulatory Compliance Services based on Request for Proposals (RFP) DWP 14-122KM on June 4, 2014. The RFP was posted on the City's website and formally advertised in the Press Enterprise. The RFP included five proposal categories and received responses for each service category as follows:

| <b>Proposal Category</b>               | <b>Number of Firms Providing Proposals</b> |
|--|--|
| Hazardous Materials Inspection Program | 1  |
| Backflow Prevention Program            | 1  |
| Cross Connection Control               | 1  |
| Reclaimed Water Conversions            | 2  |
| Source Control/Pre-treatment           | 2  |

DWP staff evaluated each proposal according to the following RFP evaluation criteria:

| <b>Criteria</b>                      | <b>Weighted Percentage</b> |
|--------------------------------------|----------------------------|
| Qualifications of firm               | 30%                        |
| Qualifications of assigned personnel | 20%                        |
| Related Experience                   | 30%                        |
| Completeness of response             | 10%                        |
| Reasonableness of cost and price     | 10%                        |
| <b>Total</b>                         | <b>100%</b>                |

DWP staff received two responsible and responsive proposals for Reclaimed Water Conversions from G&G Environmental Compliance, Inc. and John Robinson Consulting who scored 87% and 70%, respectively.

DWP staff received two responsible and responsive proposals for the Source Control and Industrial Pretreatment program from G&G Environmental Compliance, Inc. and Environmental Engineering & Contracting, Inc. scoring 92% and 79%, respectively.

Although the scoring criteria were more heavily weighted toward qualifications and experience, G&G Environmental Compliance, Inc. scored high in the evaluation criteria category of reasonableness of cost and price.

DWP staff received one proposal each for the Backflow Prevention program, Cross-Connection Control program, and Hazardous Materials Inspections program from G&G Environmental Compliance, Inc. G&G Environmental Compliance, Inc. was the only responsible and responsive proposer for these three RFP categories. Based on DWP's evaluation of the proposals, staff recommended award to G&G Environmental Compliance as the most qualified firm. Further, the City Council provided approval for the Purchasing Manager to issue a purchase order for five fiscal years beginning with Fiscal Year 2014-15.

#### *Contract Amendment History and Current Request*

A First Amendment was entered into on April 20, 2015, to increase the original compensation amount of \$945,500 by \$236,375 for a total agreement amount of \$1,181,875 for Fiscal Years 2014-15 and 2015-16; compensation was to return to \$945,500 for the remaining term of the agreement. The increased compensation was within the allowed 25% change order authority. A Second Amendment was entered into on April 11, 2017 to increase compensation by \$236,375 for a total agreement amount of \$1,181,875 for the remaining term of the agreement which is June 30, 2019. These increases were due to an increased need for reclaimed water conversions and cross-connection services due to the Governor's declared drought state and the State Water Resources Control Board regulations requiring a drastic reduction in potable water consumption. At that time, DWP implemented a more aggressive approach to reclaimed water conversions which required the City to increase the use of G&G's services. Once those conversions occur, then sites become part of the City's ongoing cross-connection program to ensure the reclaimed water connections don't represent a cross-connection with the potable water distribution system.

DWP utilizes the services of a regulatory compliance firm to assist with implementation and administration of several of the City's regulatory compliance programs including the five service categories that include backflow prevention, cross-connection control, reclaimed water conversions, source control and industrial pre-treatment, and hazardous materials inspections. A compensation breakdown is shown by service category in the fiscal impact section below. This is considered an anticipated budget because there may be unforeseen circumstances that require more usage in one category versus another.

#### *Regulatory Compliance Service Categories*

Backflow prevention includes the coordination, testing, retesting, and administrative functions required to support the Backflow Prevention program. The program is necessary to prevent contamination of the City water supply. The Backflow Prevention Program is mandated by state and

federal law. DWP has approximately 5,100 backflows that require annual coordination and testing. The backflow prevention program is required by Title 17 of the California Code of Regulations. Title 17 requires public water systems to use backflow prevention devices and establishes where backflow prevention devices should be placed. Title 17 requires backflow prevention devices be tested at least once per year. DWP has two methods for implementing this program:

1. Test the backflows directly using a third-party contractor (i.e. G&G Environmental Compliance)  
or
2. Require the backflow owner to conduct the testing and report the test results to the City.

DWP has utilized Option 1 for the past five years. Option 2 is acceptable but required significant staff effort and coordination and was ultimately less effective than conducting the testing. It is also important to note that DWP has seen an increase in backflow prevention devices in the water system because all new homes require fire sprinklers and fire sprinkler systems require backflow prevention devices. DWP charges a nominal monthly fee on the water bill for all backflow prevention devices to support the implementation of the program.

Cross-Connection Control includes the coordination, inspections, testing, permitting, and administrative functions required to support the ongoing Cross-Connection Control Program. As part of the City's reclaimed water program, DWP is required by Title 17 of the California Code of Regulations to conduct annual inspections of all existing reclaimed water sites. In addition, DWP is required to perform cross-connection testing at all reclaimed water sites once every four years to ensure continued protection of the City's drinking water system. DWP currently has over 320 reclaimed water connections requiring annual inspections and cross-connection control tests every four years in addition to any new sites that are added to the reclaimed water system each year.

Reclaimed Water Conversions includes the site work, inspection, testing, permitting, and administrative functions required to support new site conversions to use reclaimed water. To save drinking water for human consumption and higher end uses, the City of Corona has constructed an extensive reclaimed water distribution system for irrigation purposes. Reclaimed water is high quality water that has been purified and disinfected in the City's own water reclamation facilities and is used mostly for landscape irrigation. The use of reclaimed water allows the City to save drinking water for homes and businesses. The City has been serving reclaimed water to customers since the summer of 2006 and has made substantial progress with its reclaimed water projects this year. We currently serve 383 connections that use 3.51 million gallons per day on average, with many more sites preparing to be converted. The conversion process requires an extensive testing procedure to ensure no cross-connections between the City's potable drinking water system and the reclaimed water system.

Source Control and Industrial Pretreatment includes the inspections, monitoring, permitting, coordinating and administrative functions required to support the Source Control Program. This program is designed to prevent unauthorized discharge of industrial strength waste into the sanitary sewer that could potentially disrupt the wastewater treatment system. This program is mandated by Title 40 of the Code of Federal Regulations Chapter 403 (40 CFR 403) administered by the United States Environmental Agency (US EPA). DWP has approximately 32 permitted industries that require annual inspections, monitoring and possible enforcement actions. The permitted industries pay annual permit fees based on the permit type as well as surcharges monthly if the industrial user exceeds their permitted constituent levels. DWP has approximately 473 restaurants that are

inspected bi-annually for the Fats, Oils & Grease (FOG) Program along with 17 Dry Cleaners that are inspected annually.

Hazardous Materials Inspections includes the inspections, coordinating, and reporting functions required to comply with the California Environmental Protection Agency Unified Program. The program enhances the City's ability to handle hazardous material emergencies when they occur at Corona businesses. This results in greater safety for our public safety personnel who respond to these emergencies, greater safety for persons at the business involved in the emergency, as well as overall greater safety for the community at large. This activity is currently performed by the City of Corona's Fire Department. The City has nearly 800 businesses requiring inspections every 3 years. The Fire Department requested funding for Fiscal Year 2019-20 to conduct the inspection program with in-house staff which will require the Fire Department to bring staff on board, conduct training and implement program startup inhouse. Assuming this request is approved by City Council, this program will take a few months to get started; and, as such, the Fire Department requests the services of G&G Environmental Consulting through September 30, 2019 to allow the Department time to bring staff on board and take responsibility for the inspection services to be performed. After September 30, 2019, there will not be a need for the City to conduct the bidding process for this particular service category.

**COMMITTEE ACTION:**

Not applicable.

**STRATEGIC PLAN:**

Not applicable.

**FISCAL IMPACT:**

Funding for the recommended action is included in the proposed Fiscal Year 2019-20 Department of Water and Power operations budget and the Fire Department's General Fund budget. The backflow prevention, cross connection control, reclaimed conversions, and source control/pre-treatment programs will be funded by the Water, Reclaimed Water, and Water Reclamation Utility Funds. The backflow and source control/pre-treatment program costs are recovered from program fees. The hazardous materials inspection program will be funded by the Fire Department's operating budget within the General Fund. The hazardous materials inspection program costs are recovered from program fees.

| <b>Program</b>              | <b>Anticipated 3-Month Budget</b> |
|-----------------------------|-----------------------------------|
| Backflow Prevention         | \$93,000                          |
| Cross Connection Control    | \$114,000                         |
| Reclaimed Conversions       | \$7,500                           |
| Source Control/Pretreatment | \$70,175                          |
| Hazardous Materials         | \$15,850                          |
| <b>Total</b>                | <b>\$300,525</b>                  |

**ENVIRONMENTAL ANALYSIS:**

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

**PREPARED BY:** KATIE HOCKETT, ASSISTANT GENERAL MANAGER

**REVIEWED BY:** TOM MOODY, GENERAL MANAGER

**REVIEWED BY:** CHRIS COX, DEPUTY FIRE CHIEF

**REVIEWED BY:** CITA LONGSWORTH, PURCHASING MANAGER

**REVIEWED BY:** KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

**REVIEWED BY:** MICHELE NISSEN, ASSISTANT CITY MANAGER

**SUBMITTED BY:** MITCHELL LANSDELL, ACTING CITY MANAGER & EXECUTIVE DIRECTOR

**Attachments:**

1. Third Amendment Change Order Matrix
2. Third Amendment to the Professional Services Agreement with G&G Environmental Compliance, Inc.
3. Second Amendment to the Professional Services Agreement with G&G Environmental Compliance, Inc.
4. First Amendment to the Professional Services Agreement with G&G Environmental Compliance, Inc.
5. Agenda Report from June 4, 2014 awarding RFP DWP 14-122KM and approving a Professional Services Agreement with G&G Environmental Compliance, Inc.