



Agenda Report

File #: 19-0815

AGENDA REPORT REQUEST FOR CITY COUNCIL AND CORONA UTILITY AUTHORITY ACTION

DATE: 09/18/19

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

FROM: Department of Water and Power
Fire Department

SUBJECT:
City Council and Corona Utility Authority consideration to award Request for Proposals (RFP) 20-003CA Regulatory Compliance Services.

RECOMMENDED ACTION:

That the:

1. City Council award RFP 20-003CA Regulatory Compliance Services to G&G Environmental Compliance, Inc. of Riverside, CA in the amount of \$1,300,000 for each of the next two fiscal years beginning October 1, 2019.
2. City Council authorizes the Department of Water and Power (DWP) General Manager to execute the Professional Services Agreement with G&G Environmental Compliance, Inc. in the amount of \$1,300,000 per year for the initial two-year term and have the option to exercise two 2-year renewals on a fiscal year basis as provided by CMC 3.08.070(I) and to approve necessary change orders or amendments provided by Corona Municipal Code Section 3.08.070(I).
3. City Council authorizes the Purchasing Manager to issue a purchase order in the amount of \$1,300,000 per year to G&G Environmental Compliance, Inc. beginning in Fiscal Year 2019-20 for the initial two-year term and have the option to exercise two 2-year renewals on a fiscal year basis in accordance with duly authorized and executed agreements.
4. City Council authorizes the City Attorney and DWP General Manager to negotiate and execute any extensions and/or amendments to the contract.

5. Corona Utility Authority (CUA) review, ratify and to the extent necessary direct that the City Council take the above actions.

ANALYSIS:

On July 25, 2019, Request for Proposals (RFP) 20-003CA Regulatory Compliance Services was posted on the City's PlanetBids bidding website, and 118 registered vendors within seven relevant National Institute of Governmental Purchasing (NIGP) industry codes were notified of the bidding opportunity. The RFP was also formally advertised in the Sentinel Weekly on July 26, 2019. A total of 20 firms accessed the RFP document through PlanetBids but only one submitted a proposal by the due date of August 14, 2019.

The RFP included five proposal categories (Backflow Prevention, Cross-Connection Control, Reclaimed Water Conversion, Source Control and Industrial Pretreatment, and Hazardous Materials Inspection Program) and received responses for all five categories from the aforementioned firm.

In an effort to better tailor the City's solicitation documents to increase potential competition while obtaining the best services and materials, the Purchasing Department reached out to the 20 firms that downloaded the RFP and requested their feedback as to why they chose not to submit a proposal. One company responded and advised they lacked the capability to provide the hazardous materials/environmental engineering component required by the scope of work.

Based on DWP's evaluation of the proposal, staff recommends award to G&G Environmental Compliance, Inc. as the most qualified firm. DWP has experience with G&G Environmental Compliance, Inc. and they are highly regarded by staff and in the overall industry when it comes to quality and value.

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 backflow prevention, cross-connection control, reclaimed water conversions, source control and industrial pre-treatment, and hazardous materials inspections.

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's 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, with 6,000 projected for calendar year 2020. G&G Environmental Compliance, Inc. estimates \$409,500 annually for maintaining and implementing this 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 the California State Water Resources Control Board 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 300 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. G&G Environmental Compliance, Inc. estimates \$366,638 annually for maintaining and implementing this

program.

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. The City currently serves 384 connections that use 4.3 million gallons per day on average. G&G Environmental Compliance, Inc. estimates \$168,780 annually for maintaining and implementing this program.

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 Protection Agency (US EPA). DWP has approximately 2,000 businesses that require annual inspections and monitoring. G&G Environmental Compliance, Inc. estimates \$283,200 annually for maintaining and implementing this program.

Hazardous Materials Inspections include 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 an 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 750 businesses requiring triennial inspections. The Corona City Council approved a request for Fiscal Year 2019-20 to bring this program in-house to be completed by Fire Department personnel. Staff included this category in the bid as an as-needed service. It will take the Fire Department time to hire and train staff to complete this task and, as such, it may be necessary to continue utilizing an outside firm during the transition process to maintain compliance with regulations.

The agreement amount recommended for award is \$1,300,000 annually to G&G Environmental Compliance, Inc. beginning in Fiscal Year 2019-20. The RFP documents (attached) reference an initial two-year term with two optional two-year extensions.

| Program | Estimated Annual Budget |
|--|--------------------------------|
| Backflow Prevention | \$409,500 |
| Cross Connection | \$366,638 |
| Reclaimed Water Conversions | \$168,780 |
| Pretreatment/Source Control | \$283,200 |
| <i>Hazardous Materials Inspections</i> | <i>\$166.36 per inspection</i> |
| Total (excluding HazMat) | \$1,228,118 |

Since the first year of this contract covers October 1, 2019 through June 30, 2020, the first year of the contract shall be prorated at \$975,000 for nine months. Each subsequent year the contract amount shall be set at \$1,300,000 as shown below:

| Contract Year | Effective Dates | Contract Amount |
|---|------------------------|------------------------|
| Year 1 | 10/1/2019 - 6/30/2020 | \$975,000 |
| Year 2 | 7/1/2020 - 6/30/2021 | \$1,300,000 |
| First Optional Two-Year Renewal* | | |
| Year 3 | 7/1/2021 - 6/30/2022 | \$1,300,000 |
| Year 4 | 7/1/2022 - 6/30/2023 | \$1,300,000 |
| Final Optional Two-Year Renewal* | | |
| Year 5 | 7/1/2023 - 6/30/2024 | \$1,300,000 |
| Year 6 | 7/1/2024 - 6/30/2025 | \$1,300,000 |

*The RFP documents and agreement allow for two optional two-year extensions. If exercised, the City and G&G Environmental Compliance, Inc. will negotiate future pricing and price adjustments shall be made in accordance with and shall not exceed the percentage of change in the United States Bureau of Labor Statistics Consumer Price Index "All Urban Consumers for Riverside-San Bernardino-Ontario, California, (CPI-U)", not seasonally adjusted, for the most recent twelve (12) months for which statistics are available. This method of price adjustment shall apply to each extension period exercised. Therefore, the contract amount referenced in the table above is an estimated amount based on current pricing.

DWP staff recommends an initial two-year contract and the two optional two-year extensions as regulatory compliance services are relationship-based and require significant mobilization at the start of a contract to establish relationships with the permitted industries and sites as well as backflow device owners. As previously stated, the City is required by various agencies and authorities to have regulatory compliance programs in place and longer-term contracts allow for stability and continuity of those programs and good-faith with the City's regulatory agencies and partners.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

Funding for the award of the contract is included in the Fiscal Year 2019-2020 Department of Water and Power operations budget and the Fire Department's General Fund operating budget.

| Program | Estimated Annual Budget | Fund |
|--|-----------------------------|----------------------------------|
| Backflow Prevention | \$409,500 | Water Utility Fund 570 |
| Cross Connection | \$366,638 | Reclaimed Water Utility Fund 567 |
| Reclaimed Water Conversions | \$168,780 | Water Utility Fund 570 |
| Pretreatment/Source Control | \$283,200 | Wastewater Utility Fund 572 |
| <i>Hazardous Materials Inspections</i> | <i>\$166.36 /inspection</i> | <i>General Fund 110</i> |
| Total (excluding HazMat) | \$1,228,118 | |

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: CINDI SCHMITZ, FIRE MARSHALL

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. Professional Services Agreement with G&G Environmental Compliance, Inc.
2. Request for Proposals (RFP) No. 20-003CA
3. G&G Environmental Compliance, Inc. - Proposal