

Amended MOU and Professional Services Agreement for UV Equipment Selection

C00284 – LTP Disinfection and
Diversion Project

Board of Public Utilities

August 06, 2020

Mark Kasraie, PE

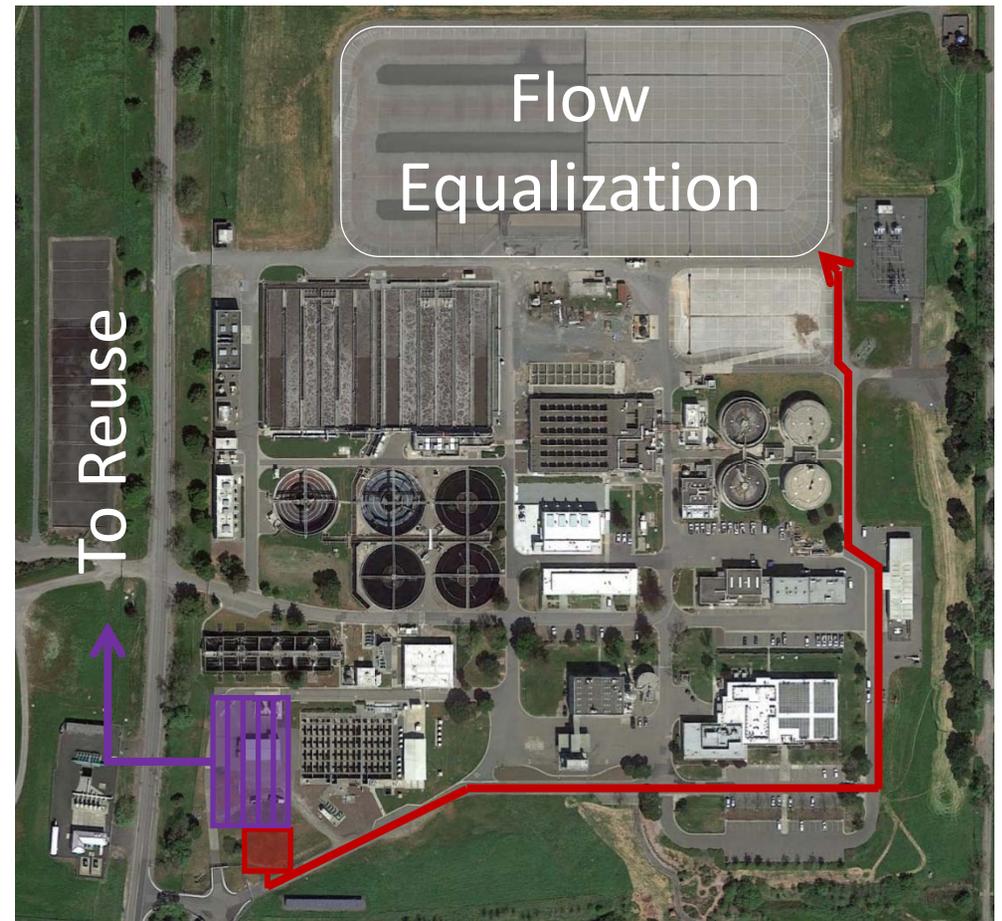
Supervising Engineer, Capital Projects Engineering



OUR FUTURE IN EVERY DRÖP

Presentation Outline

- Recent Project Background
- UV Equipment Selection Process
- Memorandum of Understanding (MOU)
- Project Delay – Value Engineering Study
- MOU and PSA Revisions
- Impacts and Schedule
- Recommendation to approve new MOU and award new PSA



Recent Project Background

Aging UV disinfection system (22 years old) w/ inadequate capacity

- January 2016 – BPU approved design contract with Carollo Engineers
- November 2016 – Pre-selected UV equipment supplier and executed MOU/PSA with Calgon Carbon
- **Mid-Late 2017 – Performed value engineering study and further analyses**
- May 2018 – MOU pricing guarantee expired
- August 2019 – Design contract amendment



UV Equipment Pre-Selection



Calgon Carbon



Xylem/Wedeco



Trojan



Suez/Ozonix

- City identified 4 major UV equipment suppliers
- Conducted site visits
- City determined selection criteria for best value
- Prepared and issued Request for Proposals
- 4 proposals received and **Calgon Carbon selected**

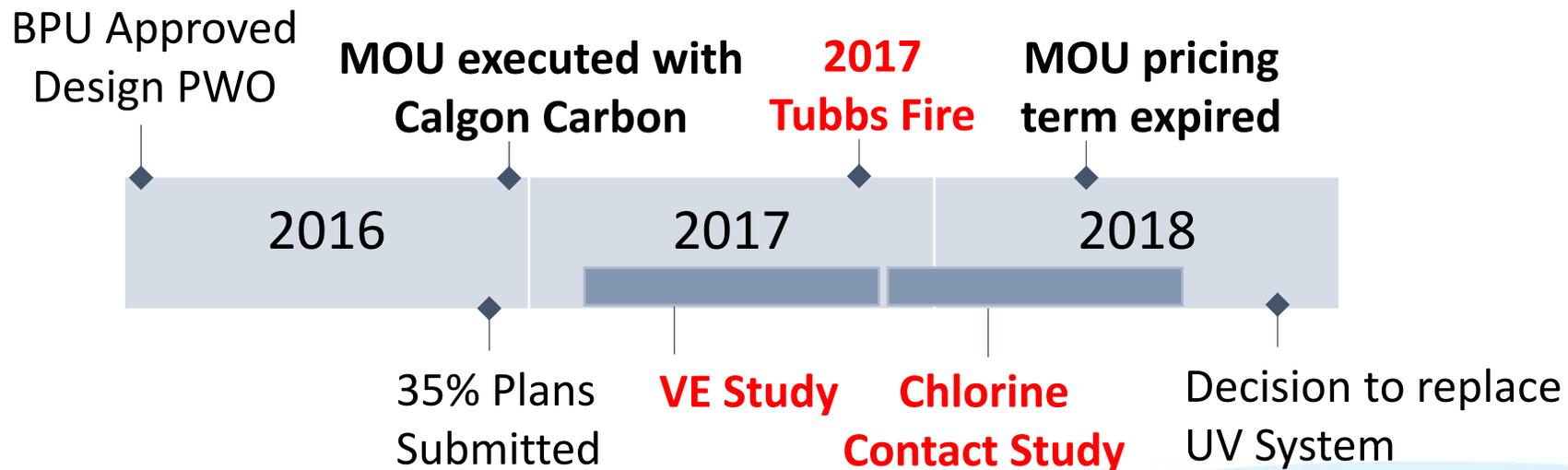
Original MOU with Calgon Carbon

- Guaranteed equipment price of \$4,656,500 for 18 months
- Equipment price to be included in all contractor bids
- Included provision for \$70,000 PSA for design support services and shop drawings



Project Delay – Value Engineering Study

- Revisited project alternatives
- Optimized design
- Initially recommended to supplement our aging UV system with sodium hypochlorite contingent on further analysis



Amended and Restated MOU

<u>Original MOU</u>	<u>New MOU Provisions</u>
<ul style="list-style-type: none"> • Binding commitment between City and Supplier 	
<ul style="list-style-type: none"> • Guaranteed equipment price: \$4,656,500 	<ul style="list-style-type: none"> • Equipment price: \$5,634,700
<ul style="list-style-type: none"> • Price held for 18 months from BPU approval date 	<ul style="list-style-type: none"> • Price held for 22 months
<ul style="list-style-type: none"> • No payment at this time 	
<ul style="list-style-type: none"> • Equipment price to be included in each of the contractor's bids 	
<ul style="list-style-type: none"> • Included \$70,000 PSA with Supplier for support services 	<ul style="list-style-type: none"> • \$86,000 PSA

Price Escalation Breakdown

Price Increase:

↑ \$416,100

-

Justification:

Increased control center quantity and added other equipment and spare parts

↑ \$562,100

-

Increased component and labor pricing from 2016 to 2020 (11.9%) due to direct labor and Sub-supplier cost increases

- Producer Price Index increased approx. 2.5% per year during this time
- City staff reported anticipated \$1M increase to the Board in August 2019

Professional Services Agreement No. 2

CITY OF SANTA ROSA
PROFESSIONAL SERVICES AGREEMENT
WITH CALGON CARBON
AGREEMENT NUMBER _____

This "Agreement" is made as of this ____ day of _____, 2020, by and between the City of Santa Rosa, a municipal corporation ("City"), and Calgon Carbon UV Technologies, LLC, a Delaware Limited Liability Company ("Supplier").

RECITALS

A. City desires to obtain professional services for equipment submittals and design assistance of Ultraviolet Light Disinfection Equipment System project for the CITY of Santa Rosa's Laguna Treatment Plant.

B. City desires to retain a qualified firm to conduct the services described above in accordance with the Scope of Services as more particularly set forth in Exhibit A to the Agreement.

C. Supplier represents to City that it is a firm composed of highly trained professionals and is fully qualified to conduct the services described above and render advice to City in connection with said services.

D. The parties have negotiated upon the terms pursuant to which Supplier will provide such services and have reduced such terms to writing.

AGREEMENT

NOW, THEREFORE, City and Supplier agree as follows:

1. SCOPE OF SERVICES

Supplier shall provide to City design support services described in Exhibit A ("Scope of Services"). Supplier shall provide these services at the time, place, and in the manner specified in Exhibit A. Exhibit A is attached hereto for the purpose of defining the manner and scope of services to be provided by Supplier and is not intended to, and shall not be construed so as to, modify or expand the terms, conditions or provisions contained in this Agreement. In the event of any conflict between this Agreement and any terms or conditions of any document prepared or provided by Supplier and made a part of this Agreement, including without limitation any document relating to the scope of services or payment therefor, the terms of this Agreement shall control and prevail.

2. COMPENSATION

a. City shall pay Supplier for services rendered pursuant to this Agreement at not to exceed sum of eighty six-thousand dollars and no cents (\$86,000.00). Supplier shall submit monthly statements to City which shall itemize the services performed as of the date of the statement and set forth a progress report, including work accomplished during the period, percent of each task completed.

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Professional Services Agreement
Form approved by the City Attorney 5-11-20

- Establishes Supplier design support services needed to complete construction documents
- Establishes scope of services, including:
 - Technical submittals and shop drawings
 - Design reviews and workshops
 - Ongoing assistance during final design period
 - Time of performance
- Contract Cost: \$86,000

Impacts and Schedule

- **Fiscal Impact**

- Funds for purchase of equipment not required at this time.
- Overall construction cost approximately \$47M as previously reported (includes equipment cost)

- **Environmental Impact**

- Requires no action under CEQA Guideline Section 15378, in that this is not a project resulting in direct or indirect physical change in the environment

- **Schedule**

- Should BPU approve this MOU and PSA, we estimate complete design Spring 2021.
- Construction estimated Summer 2021 through 2022 (possibly into 2023).

Subcommittee Review

- The Subcommittee requested that City staff explore options that would allow for an extension of the pricing terms in the Amended and Restated MOU beyond the 22-month price guarantee.
- Staff recommend that the Board authorize the Water Director to negotiate and execute an amendment to the MOU that will allow an extension to the price guarantee beyond the established 22 months, if feasible.

Critical Milestones

<u>Task</u>	<u>Estimated Date</u>
75% design review workshop	August 2020
Calgon Carbon submittal	September 2020
90% design submittal	November 2020
Complete design and environmental	Spring 2021
Construction notice to proceed	June 2021
Calgon MOU Price Expiration	June 2022

Recommendation

It is recommended by the Transportation and Public Works Department, the Water Department, and the Contract Review Subcommittee that the Board of Public Utilities, by resolution:

1. approve an Amended and Restated Memorandum of Understanding with Calgon Carbon, of Coraopolis PA, guaranteeing an equipment purchase price of \$5,634,700.00 for a period of 22 months;
2. approve a Professional Services Agreement with Calgon Carbon, of Coraopolis PA, for design support services in the amount not to exceed \$86,000.00; and
3. authorize the Santa Rosa Water Director to negotiate and execute an amendment to the MOU that will allow an extension to the price guarantee beyond the established 22 months, as feasible.

Thank You

