



STAFF REPORT

DATE: May 1, 2012
TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ROD FOSTER, CITY MANAGER/GENERAL MANAGER
PREPARED BY: AMER JAKHER, PUBLIC WORKS DIRECTOR
SUBJECT: G&G ENVIRONMENTAL COMPLIANCE, INC.

RECOMMENDED ACTION

1. Staff recommends that the City Council approve the addition of funds to the existing annual contract to cover additional regulatory compliance related activities in the wastewater and stormwater programs in an amount of \$81,800, which would increase the annual contract to an amount not-to-exceed \$183,000.
2. It is recommended that the Colton Utility Authority Board review, ratify and to the extent necessary, direct the City Council to take the above action(s).

GOAL STATEMENT

This item supports the City's goal to provide technical and professional expertise during the transition period and selection of a new wastewater treatment plant manager and to provide additional regulatory support services regarding emerging wastewater compliance related programs and Stormwater Program inspections for utility customers.

BACKGROUND

The City of Colton awarded a contract for regulatory compliance services to G&G Environmental Compliance, Inc. on November 17, 2010. The terms of the award included an annual budget of \$101,200 with the option to renew said contract for up to 3 additional years. G&G is currently in the second year of the contract. The primary scope of work is related to the implementation of a federally mandated Pretreatment Program, which is a required wastewater regulatory program under the City's state-issued NPDES Permit. Several new and emerging program requirements have increased the workload, and despite increased efforts to improve overall effectiveness and efficiency of the regulatory program mandates, the existing contract does not include the additional man-hours to accomplish these new tasks.

Specifically, unforeseen tasks outside the original scope of work including the duties related to wastewater utilities operational management support. These duties are necessary to ensure continued operational effectiveness during the interim assignment of management duties and recruiting process to fill the Wastewater Utilities Manager position. The contract between the

City and contracted Wastewater Manager will terminate on May 10, 2012 due to recent changes in CalPERS retirees status/law. The contract with G&G Environmental will commence upon Council authorization to proceed.

Further funding is necessary to support: the addition of stormwater program inspections of high priority industrial facilities for the remainder of the FY 2011-2012 year and additional commercial/industrial facilities in the future years of the contract; an audit of the existing Sanitary Sewer Management Plan (SSMP); additional inspections related to the Fats, Oils, and Grease (FOG) Program; increased plan review and site inspections of new commercial and industrial facilities (plan check) to account for recent losses in City personnel providing those services; and, the monitoring and wastewater compliance activities related to ongoing interagency agreements with neighboring cities.

ISSUES/ANALYSIS

G&G Environmental is in the second year of an existing contract for Pretreatment Program Services. The existing contract with G&G Environmental, dated November 17, 2010 did not anticipate the need to provide expertise related to wastewater utilities management on an interim basis. This need arose in response to impacts created by Assembly Bill 1028 which placed increased restrictions on the use of CalPERS retirees by the City for services beyond what is considered "temporary". The most reasonable and expeditious resolution to this problem is to contract with an established firm that has capabilities of providing such services until a suitable replacement for the Wastewater Utilities Manager can be found.

The City adopted a Sanitary Sewer Management Plan (SSMP) in June 2009 which contains practices and procedures for eliminating preventable sanitary sewer overflows through implementation of the SSMP provisions. The SSMP is a requirement of the Statewide General Waste Discharge Order. One of the provisions of the plan is to conduct periodic audits of the plan and validate compliance with the plan and to prepare a list of recommended actions in those areas that represent opportunities for improvement. G&G prepared the original SSMP and represents the most qualified firm to determine compliance with all requirements.

The table on the next page represents a breakdown of the additional work and the necessary budget to accomplish said work:

Tasks	Budget
Wastewater Utilities Management Support Services (<i>Thru December 2012</i>)	\$56,800.00
Stormwater Program Industrial User Inspections (<i>on-going services</i>)	\$10,000.00
SSMP Audit and Report of Findings (<i>on-going services</i>)	\$3,800.00
Increased Facility Inspections (approximately 80-100) <i>on-going services</i>	\$7,000.00
Increased Plan Check and Interagency Wastewater Related Issues (<i>on-going services</i>)	\$4,200.00
TOTAL	\$81,800.00

FISCAL IMPACTS

There are sufficient funds in Account Nos. 722-6150-8215-2350 and 522-8200-8200-2350, for the increased scope of work and requested budget. Additionally, there is salary savings from the full retirement of the existing contract employee that will also offset the overall budgetary impact.

ALTERNATIVES

1. Provide alternative direction to staff.

ATTACHMENTS

1. First Amendment to Professional Services Agreement

**FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT**

**BETWEEN THE CITY OF COLTON
AND
G&G ENVIRONMENTAL COMPLIANCE, INC.**

1. PARTIES AND DATE.

This First Amendment to the Professional Services Agreement ("First Amendment") is made and entered into this 2nd day of May, 2012 by and between the City of Colton ("City") and G&G Environmental Compliance, Inc. ("Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this First Amendment.

2. RECITALS.

2.1 Agreement. City and Consultant entered into that certain Professional Services Agreement dated November 17, 2010 ("Agreement"), whereby Consultant agreed to provide Wastewater Pretreatment Program Services.

2.2 Amendment. City and Consultant desire to amend the Agreement for the first time to increase the total amount of compensation for additional regulatory compliance inspections for Stormwater and Wastewater pretreatment programs in an amount not to exceed \$81,800.

3. TERMS.

3.1 Compensation. Section 3.3.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

"3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed **One-Hundred Eight-Three Thousand Dollars and Zero Cents (\$183,000)** without written approval of the City Council. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement."

3.2 Continuing Effect of Agreement. Except as amended by this First Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this First Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this First Amendment.

3.3 Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this First Amendment.

3.4 Counterparts. This First Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

CITY OF COLTON

**G&G ENVIRONMENTAL
COMPLIANCE, INC**

By: _____
Rod Foster
City Manager

By: _____
Gary Ethridge
President

Attest:

Eileen C. Gomez
City Clerk

Attest:

Gary DeFrese
Vice-President

Approved as to Form:

Best Best & Krieger LLP
City Attorney

Approved as to Form:

Name:
Legal Counsel

EXHIBIT "C"
COMPENSATION

Wastewater Program Services

The total amount for the wastewater utilities management support services, pretreatment program services, and stormwater inspection services shall not exceed One Hundred Eighty Three Thousand Dollars and No Cents (\$183,000) per year without approval of the City Council.

Additional Pretreatment Program Services and Stormwater Inspections

Tasks	Budget
Wastewater Utilities Management Support Services (<i>Thru December 2012</i>)	\$56,800.00
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TOTAL	\$81,800.00