

# Mayor and Council Communication

**DATE:** 05/05/20

**M&C FILE NUMBER:** M&C 20-0318

**LOG NAME:** 60VCWRF SETTLEMENT- RENDA ENVIRONMENTAL

## **SUBJECT**

Authorize the Execution of a Settlement Agreement with Renda Environmental, Inc. for Claims Associated with the Village Creek Water Reclamation Facility Solids Dewatering, Processing and Disposal Program and Gas Turbine Operations and Maintenance Contract, City Secretary Contract No. 30908, in the Amount of \$252,789.59 (COUNCIL DISTRICT 5)

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## **RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a Settlement Agreement with Renda Environmental, Inc. for claims associated with the Village Creek Water Reclamation Facility Solids Dewatering, Processing and Disposal Program and Gas Turbine Operation and Maintenance Contract, City Secretary Contract No. 30908, in the amount of \$252,789.59.

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## **DISCUSSION:**

City Secretary Contract No. 30908-E1A1 extended the contract term of the Village Creek Water Reclamation Facility Solids Dewatering, Processing, and Disposal Program and Gas Turbine Operation and Maintenance Contract to March 31, 2020.

This contract extension included a provision that if biosolids are required to be hauled more than 60 miles from the plant, then the parties agree to negotiate an equitable adjustment. Beginning in the fall of 2018 and extending into the spring of 2020, several periods of extended rain resulted in large stockpiles of dewatered biosolids at the dewatering facility. Stockpiled biosolids generally emit more odor when land applied, so the mutual decision was made to haul the stockpiled material further, beyond the 60-mile threshold, in order to mitigate odor complaints from the public.

The contract also required the Contractor to remove temporary structures and equipment not owned by the City by March 31, 2020. When the Contractor submitted the list of items to be removed to the City, the City objected and claimed ownership of many of the identified items. The removal of several of the disputed items would have negatively impacted the operations of the biosolids dewatering facility.

Renda Environmental, Inc. (Renda) also requested a contract adjustment for their efforts to accelerate the removal of all stockpiled biosolids from the dewatering site prior to the transition of the biosolids dewatering operation to a new Contractor, which occurred on April 1, 2020.

The parties have negotiated in good faith a settlement amount of \$252,789.59, as well as the City transferring ownership of a spare lime mixer and silo to Renda Environmental, Inc. as compensation for hauling biosolids beyond the 60-mile threshold, accelerating the removal of stockpiled biosolids prior to the transition of Contract Operations, and for Renda to release any title or ownership rights in the disputed equipment at the dewatering facility.

This project is located in COUNCIL DISTRICT 5.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the recommendation, funds are available in the current operating budget, as appropriated, in the Water & Sewer Fund and that, prior to an expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:** Jay Chapa 5804

**Originating Business Unit Head:** Chris Harder 5020

**Additional Information Contact:** Chris Harder 5020