TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER                     DEPARTMENT: UTILITIES
DATE: MARCH 20, 2006                   CMR: 122:06
SUBJECT: APPROVAL OF AMENDMENT NO. TWO FOR AN ADDITIONAL $40,000 FOR A TOTAL CONTRACT AMOUNT OF $125,000 CONSULTING SERVICES TO ASSIST UTILITIES WATER TRANSMISSION AND DISTRIBUTION STAFF WITH THE OPERATIONAL AND REGULATORY REQUIREMENTS.

RECOMMENDATION
Staff recommends that the Council approve and authorize the City Manager to execute the attached contract with Water Solutions, Inc. (WSI) in the amount of $40,000 for a total contract amount of $125,000 for assisting Utilities Water Transmission and Distribution Operation (WTD) staff.

DISCUSSION
In accordance with the Department of Health Services (DHS) regulations, the Palo Alto Water Transmission and Distribution Operation (WTD) is classified as a Distribution 5 (D5) system, requiring a D5 certification for its chief operator and a D3 certification for shift operators. Until recently, Palo Alto had two D5 certified operators on its staff. These operators are no longer working for the City. The current WTD’s personnel consist of one D4, two D3 and four D2 operators. There is a serious shortage of D5 certified operators in California and Palo Alto has been unable to hire one as an employee. Instead, the City has contracted with Water Solutions to provide this expertise while the current operators are working toward obtaining the required certification. Extension of this contract requires Council action.

Project Description
In compliance with the DHS requirements, this contract will provide a qualified D5 operator to assist the City staff during emergencies. In addition, on a weekly basis, the consultant will assist the WTD operation’s supervisor in conducting the following specific tasks: train
new and existing operators; audit and inspect the key facilities; assist in implementation of unidirectional flushing plan; revise the operational manual and assist with the monthly sampling and reporting program.

**SUMMARY OF BID PROCESS**
This is a renewal of a sole source contract. Since May 2005, Water Solutions Inc (WSI) has been retained to provide required D5 coverage for the City, and to assist the WTD operation during the vacancies. WSI is the only consulting firm who can provide a D5 operator locally at a very competitive rate. Due to the familiarity of WSI with the Palo Alto WTD system, staff recommends awarding a sole source contract to WSI. The proposed contract scope and price was negotiated with WSI.

**RESOURCE IMPACT**
Funding for this project is available in Water Transmission and Distribution fund for FY 05-06.

**POLICY IMPLICATIONS**
This recommendation is consistent with the Council approved Utilities Strategic Plan Key Strategy #2, “invest in utility infrastructure to deliver reliable service.”

**ENVIRONMENTAL REVIEW**
This project is categorically exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guideline Sections 15301 (b) repair, maintenance of existing facilities.

**ATTACHMENTS**
A: Contract  
B: Certificate of Non-Discrimination

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