



AGENDA REPORT

Meeting Date: May 20, 2014

Item Number: D-12

To: Honorable Mayor & City Council

From: Trish Rhay, Utilities Manager

Subject: APPROVAL OF AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND PSOMAS FOR PROFESSIONAL SERVICES RELATED TO THE CITY'S WATER ENTERPRISE PLAN DEVELOPMENT PROJECT AND;

APPROVAL OF A PURCHASE ORDER IN THE NOT TO EXCEED AMOUNT OF \$515,000 FOR THE SERVICES

Attachment: 1. Agreement

RECOMMENDATION

Staff recommends that the City Council move to approve the agreement between the City of Beverly Hills and PSOMAS for the development of the Water Enterprise Plan and approve a purchase order in an amount not to exceed \$515,000.

INTRODUCTION

The City of Beverly Hills City Council has requested that Public Works Services Department (PWS) develop a Water Enterprise long term strategic plan. This agreement secures the consultant support necessary to complete this plan over the next year.

DISCUSSION

It is the intent of the Water Enterprise Plan to accomplish the following:

1. Analyze, recommend and establish the major business directions listed below as well as any others identified through this planning process.
 - a. Short and Long Term Water Supply Development (Imported & Groundwater) Policy
 - b. System Demand Management Policy

- c. Growth Management Policy
 - d. Water Rights Assessment
 - e. Water System Improvement Program (WSIP) Development
 - f. Cost of Service Recovery Policy
2. Formally document the City of Beverly Hills Water Enterprise Plan including goals, policies and direction and a ten (10) year Action Plan.
 3. Identify and detail the Capital and Operational projects/programs recommended to achieve overall Water Enterprise Plan.
 4. Develop 10 Year Financial plan.

Over the last two months, PWS has completed a competitive selection process for the consultant support to develop this plan. PSOMAS was selected based on the quality of their written proposal, in-person presentation and contract cost.

FISCAL IMPACT

The total cost for this agreement is \$515,000 including a contingency. This project is currently funded through the Water Master Plan Capital project #0397.



George Chavez

Approved By

Council will be advised if agreement is
not signed by Tuesday.

Attachment 1

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND PSOMAS
FOR PROFESSIONAL SERVICES RELATED TO THE CITY'S WATER
ENTERPRISE PLAN DEVELOPMENT PROJECT

NAME OF CONSULTANT:	PSOMAS
RESPONSIBLE PRINCIPAL OF CONSULTANT:	John R. Thornton, Vice President
CONSULTANT'S ADDRESS:	3 Hutton Centre Drive, Suite 200 Santa Ana CA 92707 Attention: John R. Thornton
CITY'S ADDRESS:	City of Beverly Hills 345 N. Foothill Road Beverly Hills, CA 90210 Attention: Trish Rhay, Utilities Manager
COMMENCEMENT DATE:	June 1, 2014
TERMINATION DATE:	May 31, 2015
CONSIDERATION:	Not-to-Exceed \$515,000

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND PSOMAS
FOR PROFESSIONAL SERVICES RELATED TO THE CITY'S WATER
ENTERPRISE PLAN DEVELOPMENT PROJECT

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and Psomas (hereinafter called "CONSULTANT").

RECITALS

- A. CITY desires to have certain services and/or goods provided as set forth in Exhibit A (the "Scope of Work"), attached hereto and incorporated herein.
- B. CONSULTANT represents that it is qualified and able to perform the Scope of Works.

NOW, THEREFORE, the parties agree as follows:

Section1. ScopeofWork. CONSULTANT shall perform the Scope of Work described in Exhibit A in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. CITY shall have the right to order, in writing, changes in the Scope of Work. Any changes in the Scope of Work by CONSULTANT must be made in writing and approved by both parties. The cost of any change in the Scope of Work must be agreed to by both parties in writing.

Section2. TimeofPerformance. CONSULTANT shall commence its services under this Agreement upon receipt of a written notice to proceed from CITY. CONSULTANT shall complete the performance of services by the Termination Date set forth above and/or in conformance with the project timeline established by the City Manager or his designee.

Section3. Compensation.

(a) Compensation. CITY agrees to compensate CONSULTANT for the services and/or goods provided under this Agreement, and CONSULTANT agrees to accept in full satisfaction for such services, a sum not to exceed the Consideration set forth above and more particularly described in Exhibit B, attached hereto and incorporated herein, based on the hourly rates set forth in Exhibit B.

(b) Expenses. The amount set forth in paragraph A shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement (including, but not limited to, all labor, materials, delivery, tax, assembly, and installation, as applicable). There shall be no claims for additional compensation for reimbursable expenses.

(c) Additional Services. CITY may from time to time require CONSULTANT to perform additional services not included in the Scope of Services. Such requests for additional services shall be made by CITY in writing and agreed upon by both parties in writing.

Section4. MethodofPayment. Unless otherwise provided for herein, CONSULTANT shall submit to CITY a detailed invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within thirty (30) days of receipt of each invoice, CITY

shall pay all undisputed amounts included on the invoice. CITY shall pay CONSULTANT said Consideration in accordance with the schedule of payment set forth in Exhibit B.

Section 5. Independent Contractor. CONSULTANT is and shall at all times remain, as to CITY, a wholly independent contractor. Neither CITY nor any of its agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's employees, except as herein set forth. CONSULTANT shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

Section 6. Assignment. This Agreement shall not be assigned in whole or in part, by CONSULTANT without the prior written approval of CITY. Any attempt by CONSULTANT to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

Section 7. Responsible Principal(s)

(a) CONSULTANT's Responsible Principal set forth above shall be principally responsible for CONSULTANT's obligations under this Agreement and shall serve as principal liaison between CITY and CONSULTANT. Designation of another Responsible Principal by CONSULTANT shall not be made without prior written consent of CITY.

(b) CITY's Responsible Principal shall be the City Manager or his designee set forth above who shall administer the terms of the Agreement on behalf of CITY.

Section 8. Personnel. CONSULTANT represents that it has, or shall secure at its own expense, all personnel required to perform CONSULTANT's Scope of Work under this Agreement. All personnel engaged in the work shall be qualified to perform such Scope of Work.

Section 9. Permits and Licenses. CONSULTANT shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

Section 10. Interests of CONSULTANT. CONSULTANT affirms that it presently has no interest and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of the Scope of Work contemplated by this Agreement. No person having any such interest shall be employed by or be associated with CONSULTANT.

Section 11. Insurance.

(a) CONSULTANT shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

(1) A policy or policies of Comprehensive General Liability Insurance, with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CONSULTANT.

(2) A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by CONSULTANT in performing the Scope of Work required by this Agreement.

(3) Workers' compensation insurance as required by the State of California.

(4) Professional Liability Insurance. A policy or policies of Professional Liability Insurance (errors and omissions) with minimum limits of One Million Dollars (\$1,000,000) per claim and in the aggregate. Any deductibles or self-insured retentions attached to such policy or policies must be declared to and be approved by CITY. Further, CONSULTANT agrees to maintain in full force and effect such insurance for one year after performance of work under this Agreement is completed.

(b) CONSULTANT shall require each of its sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement.

(c) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

(d) CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CONSULTANT's expense, the premium thereon.

(e) At all times during the term of this Agreement, CONSULTANT shall maintain on file with the City Clerk a certificate or certificates of insurance on the form set forth in Exhibit C, attached hereto and incorporated herein, showing that the aforesaid policies are in effect in the required amounts. CONSULTANT shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The general and auto liability insurance shall contain an endorsement naming the CITY as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to CITY, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(f) The insurance provided by CONSULTANT shall be primary to any coverage available to CITY. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(g) Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

Section 12. Indemnification, Hold Harmless, and Duty to Defend.

(a) Indemnity for Design Professional Services. In connection with its design professional services, CONSULTANT shall hold harmless and indemnify CITY, and its elected officials, officers, employees, servants, designated volunteers, and those CITY agents serving as independent contractors in the role of CITY officials (collectively, "Indemnitees"), with respect to any and all claims, demands, damages, liabilities, losses, costs or expenses, including reimbursement of attorneys' fees and costs of defense (collectively, "Claims" hereinafter), including but not limited to Claims relating to death or injury to any person and injury to any property, which arise out of, pertain to, or relate to in whole or in part to the negligence, recklessness, or willful misconduct of

CONSULTANT or any of its officers, employees, subcontractors, or agents in the performance of its design professional services under this Agreement.

(b) Other Indemnities. In connection with any and all claims, demands, damages, liabilities, losses, costs or expenses, including attorneys' fees and costs of defense (collectively, "Damages" hereinafter) not covered by Section 12(a), CONSULTANT shall defend, hold harmless and indemnify the Indemnitees with respect to any and all Damages, including but not limited to, Damages relating to death or injury to any person and injury to any property, which arise out of, pertain to, or relate to the acts or omissions of CONSULTANT or any of its officers, employees, subcontractors, or agents in the performance of this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the CITY, as determined by final arbitration or court decision or by the agreement of the parties. CONSULTANT shall defend Indemnitees in any action or actions filed in connection with any such Damages with counsel of CITY's choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONSULTANT's duty to defend pursuant to this Section 12 shall apply independent of any prior, concurrent or subsequent misconduct, negligent acts, errors or omissions of Indemnitees."

Section 13. Termination.

(a) CITY shall have the right to terminate this Agreement for any reason or for no reason upon five calendar days' written notice to CONSULTANT. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of such notice.

(b) In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by CONSULTANT, CONSULTANT shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall CONSULTANT be entitled to receive more than the amount that would be paid to CONSULTANT for the full performance of the services required by this Agreement. CONSULTANT shall have no other claim against CITY by reason of such termination, including any claim for compensation.

Section 14. CITY's Responsibility. CITY shall provide CONSULTANT with all pertinent data, documents, and other requested information as is available for the proper performance of CONSULTANT's Scope of Work.

Section 15. Information and Documents. All data, information, documents and drawings prepared for CITY and required to be furnished to CITY in connection with this Agreement shall become the property of CITY, and CITY may use all or any portion of the work submitted by CONSULTANT and compensated by CITY pursuant to this Agreement as CITY deems appropriate.

Section 16. Changes in the Scope of Work. The CITY shall have the right to order, in writing, changes in the scope of work or the services to be performed. Any changes in the scope of work requested by CONSULTANT must be made in writing and approved by both parties.

Section 17. Notice. Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid to the addresses set forth above, or to such other addresses as the parties may, from time to time, designate in writing pursuant to this section.

Section 18. Attorney's Fees. In the event that either party commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in

such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

Section 19. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and CONSULTANT, and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both CITY and CONSULTANT.

Section 20. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

Section 21. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 22. CITY Not Obligated to Third Parties. CITY shall not be obligated or liable under this Agreement to any party other than CONSULTANT.

Section 23. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

EXECUTED the ____ day of _____ 20____, at Beverly Hills, California.

CITY OF BEVERLY HILLS
A Municipal Corporation

LILI BOSSE
Mayor of the City of Beverly Hills, California

ATTEST:

BYRON POPE
City Clerk

CONSULTANT:
PSOMAS

HARVEY R. GOBAS
Vice President

JOHN R. THORNTON
Vice President

APPROVED AS TO FORM:

LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

JEFFREY KOLIN
City Manager

GEORGE CHAVEZ
Director of Public Works Services

KARL KIRKMAN
Risk Manager

EXHIBIT A

SCOPE OF WORK

1.1 Scope of Services. CONSULTANT shall perform the professional services necessary to prepare a Water Enterprise Plan for the CITY's Water System as more particularly described in Attachment 1 to Exhibit A, (Proposal for Professional Planning and Engineering Services #14-28, Water Enterprise Plan Development, April 24, 2014, Psomas) attached hereto and incorporated herein by this reference.

1.2 Time of Performance. CONSULTANT shall commence the services contemplated under this Agreement immediately upon receipt of a request for such services from the CITY Representative and shall perform and complete each task listed during and by the times indicated in Exhibit A.

ATTACHMENT 1 TO EXHIBIT A

Proposal for Professional Planning and Engineering Services #14-28, Water Enterprise Plan Development, April 24, 2014, CONSULTANT

CONSULTANT shall perform the following services in connection with CITY's Water Enterprise Plan development:

Task 1. Facilitate and Provide Support to Business Policy Assessment and Direction Setting Process

This task includes the initial discussions and workshops which shall be held with CITY Public Works staff ("PWS") to discuss past and current water issues. Specific issues will include production wells, the desalter plant, existing and proposed water infrastructure, current Water Enterprise's business goals, and CITY directions and policies.

- 1.1 Meet with PWS to develop and manage a process for evaluation.
 - 1.1.1 Conduct SWOT (strengths, weaknesses, opportunities, threats) analysis with PWS
 - 1.1.2 Review recent commission meetings to ascertain board concerns
 - 1.1.3 Discuss results of SWOT with PWS
 - 1.1.4 Discuss known information about current water resource assets Metropolitan Water District ("MWD") rights, groundwater potential, others
 - 1.1.5 Prepare outline and approach to facilitate commission meeting
- 1.2 Conduct options and business case analysis
 - 1.2.1 Develop options and business plan for each potential supply. Options may include various combinations of dependence on MWD, groundwater development, water conservation and water efficiency, water recycling, water transfers, water hauling, ocean desalination, storm water capture, or other sources.
 - 1.2.2 Identify policies necessary to guide the decision-making process. These shall include policies with respect to short and long-term water supply development, water demand management policy, water rights policy, water conservation policy, water quality policy, cost recovery policy, and water system management implementation policy. CITY may also wish to discuss a growth management policy in conjunction with CITY's Planning Department
 - 1.2.3 Discuss factors to be included in the evaluation of alternatives, including quality, reliability (both system and supply), ease of implementation, environmental impact, capital cost, operating cost, degree of local control, and legal and institutional issues
 - 1.2.4 Workshop #1 - hold facilitated meeting on above with: City Manager, Assistant City Manager and PWS; CITY's Public Works Commission ("PWC"); provide input on prior meetings as CONSULTANT proceeds
- 1.3 Develop overall business plan for water enterprise

- 1.3.1 Work closely with PWS to prepare a water enterprise business plan building on current water system management and practices and the policies developed with the PWC and City Council
- 1.3.2 Working closely with PWS, develop a 10-year business direction proposal for CITY's Public Works Services Department including policies, goals, programs, projects and cost approach

Following these meetings and workshops, CONSULTANT shall prepare an informational needs/data request of specific information that will be used in subsequent tasks. In addition, CONSULTANT shall prepare meeting notes and a summary of conclusions for each meeting. Lastly, CONSULTANT shall prepare a Technical Memorandum with its understanding of the goals and objectives of the overall Water Enterprise Plan and revise based on comments received

Task 2. Conduct Research & Assessment of Existing Water System Planning & Policy Documents

Task 2 includes the identification of all feasible sources of water supply. CONSULTANT shall prepare a water resources inventory that will be used by CITY in evaluating approaches and strategies for development of the future water enterprise system. Numerous studies have been conducted by CITY over the years related to various aspects of the water supply sources and CONSULTANT shall evaluate the following areas:

- 2.1 Work with staff and develop a comprehensive list of available water supply sources:

2.1.1 Groundwater

- Hollywood Basin – deep and/or shallow aquifers
- Unadjudicated northern part of Central Basin
- Water rights issues, if any

CONSULTANT understands that numerous groundwater investigations have been conducted for CITY as part of the development of the existing groundwater treatment plant as well as the potential development of shallow groundwater within the area. CONSULTANT shall review these existing documents as well as others (e.g. Metro Westside Extension) that contain information related to geology and hydrogeology of the Hollywood Groundwater Basin. CONSULTANT shall develop a conceptual model of the Hollywood Basin. The conceptual model would be a physical description of the Basin and the factors that affect the occurrence, movement and quality of the groundwater in the Hollywood Basin.

Previous studies have developed some of the aspects of a conceptual model but have neglected to integrate the concept of groundwater resources development and all of the factors that may influence the successful development of groundwater resources from a small basin such as the Hollywood Basin. For instance, the presence of the Santa Monica Fault (also referred to as the south branch of the Hollywood Fault) may have a profound influence on the successful development of deep groundwater and could pose both an impediment as well as an advantage

in developing the shallow groundwater system depending on where wells or collection systems can be placed.

In addition, the Hollywood Groundwater Basin can be thought of as both a resource for available groundwater as well as a storage area for excess water when surface water supplies are plentiful (during periods of high precipitation). However, any proposed plans need to account for the potential for high groundwater conditions to occur and to prevent actions that may exacerbate or produce high groundwater conditions in a given area.

2.1.2 Stormwater

- Infrastructure
- Available capture and recharge sites

A major portion of the inflow to the underlying groundwater basin beneath CITY originates as stormwater. However, only a small portion (5% - 10%) actually enters the groundwater system. Some cities/agencies have taken steps to try and increase groundwater recharge through infiltration basins, Low Impact Development (LID) policies, and other means. However, the suitability of a particular area to groundwater recharge and the potential to exacerbate existing high groundwater conditions may be key issues. CONSULTANT shall use existing information on stormwater infrastructure, land use and geologic conditions to evaluate the suitability of various areas within CITY to use stormwater as a water source.

2.1.3 Ocean Desalination Plants

- Identification of existing and/or proposed plants in Los Angeles/Orange County area

A number of desalination plants have been proposed in the Los Angeles/Orange County area. There is a possibility CITY could indirectly participate in one of these plants and while not directly receiving water from the plant, may permit water that would otherwise be used by a directly participating party, to be available to CITY to acquire. CONSULTANT shall evaluate the proposed desalination plants in southern California and assess whether indirect participation is a viable alternative.

2.1.4 Wastewater

- CITY infrastructure
- Identification of existing Los Angeles Conveyance Lines

At the present time, CITY discharges wastewater to the City of Los Angeles' trunk sewers. Some cities in southern California are installing treatment plants to treat the water so that it can be used for irrigation and industrial uses. CONSULTANT shall evaluate constructing one of these "scalping" plants and/or extending a recycled water pipeline to the closest treatment plants where recycled water is generated, if surplus recycled water is available.

2.1.5 Imported Water

- MWD
- Other

CITY has two imported water connections to MWD. These connections supply the majority of the water that CITY utilizes on an annual basis. The MWD rights constitute a water resource to CITY and CONSULTANT shall evaluate the rights associated with this resource using available information.

2.2 Review existing CITY Water Infrastructure

The second part of the water resources inventory process shall be to review the existing major water infrastructure in the CITY including:

- Major water transmission lines
- Interconnections with other adjacent water agencies/cities
- Water quality treatment including treatment issues

The existing water infrastructure is important as it will be used to assist in assessing the feasibility and cost associated with conveying water generated at one location to a location of final use in Task 3, as well as determining issues associated with water quality and historical treatment issues.

2.3 Current and Projected Water Use

This subtask shall be used in developing an understanding of current and projected water uses. The importance of this aspect of defining overall water consumption relates to what could be expected in the future, and if projected goals, strategies and policies would be upheld in future years. For example, if a policy was developed to generate 20% of the overall CITY consumption as groundwater within the Hollywood Basin, would future growth cause an unsustainable condition where the 20% could not be achieved? In addition, if development of a groundwater resource necessitated that it could only be used as non-potable irrigation water; however, available locations (parks, golf courses, public open areas) are not available to utilize the resource, then the proposed development of groundwater as a non-potable water source would be irrelevant and not worthy of additional consideration.

CONSULTANT shall review the most current documents related to present and future water usage. Those documents shall include:

- Urban Water Management Plan
- Historical Groundwater Production
- Imported Water Use

This analysis and inventory shall be condensed into a Technical Memorandum that shall include a detailed explanation of the various potential sources of water and availability. This information shall be used under subsequent tasks to develop the feasibility and costs for implementing various water sources and strategies.

- 2.4 Prepare Technical Memorandum summarizing water inventory sources, review with CITY staff and revise based on comments received.

Task 3. Develop Water Enterprise Plan

Task 3 includes the development of all feasible sources of water supply available to CITY and analysis of each of those sources. Based on the presentation of this analysis to PWS and the PWC and feedback obtained, each of these supply sources/programs will be ranked by (1) Developmental Water, (2) Water Quality/Public Perception, (3) Degree of Reliability, (4) Capital and Operational Cost, and (5) Cost-Benefit. In consultation with the CITY, CONSULTANT shall develop a rating system that would be used as part of the ranking. This ranking will then be presented to PWS and the PWC and refined to generate a recommended 10-year Capital Improvement Project ("CIP") and the recommended policies, programs and actions required to make it happen. The Water Enterprise Plan Report shall then be prepared by CONSULTANT incorporating the results from completion of Tasks 1, 2 and 3.

- 3.1. Work with PWS to develop recommendations for Water Enterprise Plan revisions or additions to current water system management practices and policies:
 - 3.1.1. Development of Groundwater
 - Hollywood Basin – deep and/or shallow aquifers
 - Unadjudicated northern part of Central Basin
 - 3.1.2. Storm water capture and reuse
 - Water quality and treatment
 - Infrastructure requirements to convey to end users
 - 3.1.3. Desalination (e.g. participation in West Basin or Huntington Beach planned project and water exchange)
 - 3.1.4. Recycled Water
 - West Basin MWD
 - Scalping plant off trunk sewer
 - Shallow groundwater
 - Identify infrastructure system requirements to convey recycled water to potential major users
 - 3.1.5. Water Conservation
 - Evaluate water savings and costs for two levels – aggressive and modest
 - 3.1.6. Water storage and transfer
 - Participation in storage project similar to Irvine Ranch Water District's ("IRWD") and transfer when needed
 - Purchase surplus State Water Project ("SWP") water, store and transfer when needed
 - Purchase other surplus water and store and transfer when needed

- 3.1.7. MWD – continue as is versus reduction based on increased use of above sources taking into account CITY's preferential rights and the potential impact of each of the sources above on those rights
- 3.2. Prepare Technical Memorandum summarizing analysis and findings, review with PWS and revise based on comments received
- 3.3. Conduct Workshop #2 with PWC to review Technical Memorandum developed above
- 3.4. Based on input from PWC from Workshop #2, refine evaluation of potential water sources and develop conceptual feasibility by ranking each of the sources above in a three dimensional matrix based on their (1) developmental water, (2) water quality/public perception, (3) capital and operational cost, (4) degree of reliability, and (5) cost-benefit
- 3.5. Prepare a Cost-Benefit Analysis on each of the proposed options
- 3.6. Conduct Workshop #3 with PWC to review ranking and conceptual CIP
- 3.7. Refine CIP based on input obtained and prepare draft Water Enterprise Plan Report documenting analyses, assumptions, and recommendations including prioritized capital program and projects as well as operational requirements for 10-year horizon
- 3.8. Submit draft Water Enterprise Plan to CITY and revise based on comments received
- 3.9. Refine and finalize proposed water policies related to the proposed Water Enterprise Plan

Task 4. Develop Ten Year Financial Plan

The purpose of Task 4 is to develop a financial plan that incorporates the recommended policies, programs and projects from the Water Enterprise Plan into the current CIP and develops the impacts on the rate structure for implementation. A rate forecast model will be utilized to analyze detailed budgetary requirements of the Water Enterprise Plan and develop and analyze alternative adjustments in the current rate projections to meet the projected revenue requirements. Following completion of this task, CITY will have a revised financial model to use going forward to use in tracking progress as the Plan is implemented over the next ten years and beyond.

- 4.1. Work with CONSULTANT's financial subconsultant, Raftelis Financial Consultants ("RFC"), and PWS to review prioritized set of planning-level administrative, operational, and capital projects and programs to meet the recommended business direction set forth in the Water Enterprise Plan above, as well as water quality compliance goals, and current asset conditions
- 4.2. Review current CIP and merge with proposed Water Enterprise Plan
- 4.3. Meet with working group to review Water Enterprise Plan and CIP prior to input into 10-year financial plan and rate forecast model, as detailed in following tasks
- 4.4. Develop budget items and other revenue requirements for proposed Water Enterprise Plan including annual costs related to sources of water supply, labor, power, materials, capital expenditures, plant investment, operating and maintenance expenses, reserve fund contributions, depreciation, and debt

service using assumptions based on different economic factors and growth trends

- 4.5. Utilize RFC's Multi-year Cash Flow Rate Model developed for CITY over the last 10 years to analyze the proposed Water Enterprise Plan. Develop adjustments needed to meet projected revenue requirements for the 10-year planning period, while minimizing sharp rate fluctuations. The cash flow worksheet incorporates revenues generated from different sources, expenses needed to maintain the water system, any transfers in and out of the water enterprise fund, as well as financial policies such as reserve policies to improve fiscal stability and financial sufficiency.
- 4.6. Meet with working group to present and review Financial Plan and Rates and obtain comments
- 4.7. Finalize Financial Plan and Rates Model and submit to CITY
- 4.8. Present final Water Enterprise Plan, Financial Plan and Policies to the PWC.

EXHIBIT B-1

SCHEDULE OF PAYMENT AND RATES

CONSULTANT shall complete the services detailed in this Agreement for a not to exceed fee of \$489,325.00 including all related expenses based on the cost schedule set forth in Attachment 1 to Exhibit B. A contingency amount for additional services outside the scope of Exhibit A shall not exceed \$25,675.00 as negotiated in writing between the City Manager or his designee on behalf of CITY and CONSULTANT. The total Not-to-Exceed amount for completion of all services under this Agreement and the contingency shall be \$515,000.00. CONSULTANT shall submit an itemized statement to CITY for its services performed for the prior month, which shall include documentation setting forth in detail a description of the services rendered. CITY shall pay CONSULTANT the undisputed amount of such billing within (30) thirty days of receipt of same.

EXHIBIT B-2
CITY OF BEVERLY HILLS WATER ENTERPRISE PLAN
COST SCHEDULE

Task Description		Totals
Labor		
TASK 1	Facilitate and Provide Support to Business Policy Assessment and Direction Setting Process	
	➤ Meet with Public Works Staff	\$27,004
	➤ Conduct options and business case analysis (Workshop No. 1)	\$39,158
	➤ Develop business plan for water enterprise	\$40,628
		\$106,790
TASK 2	Conduct a Research & Assessment of Existing Water System Planning & Policy Documents	
	➤ Water Supply Sources	\$33,916
	➤ Water Infrastructure	\$7,134
	➤ Current and Projected Water Use	\$15,724
	➤ Prepare Technical memorandum summarizing water inventory sources	\$30,516
		\$87,290
TASK 3	Develop Water Enterprise Plan	
	➤ Water Enterprise Plan Recommendations	\$42,914
	➤ Prepare Technical Memorandum	\$33,208
	➤ Conduct Workshop No. 2	\$12,922
	➤ Refine Evaluation of Potential Water Sources	\$31,812
	➤ Prepare a Cost-Benefit Analysis on each of the proposed options	\$30,348
	➤ Conduct Workshop No. 3	\$12,822
	➤ Refine CIP and Prepare Water Enterprise Plan Report	\$18,546
	➤ Prepare & Submit Draft Water Enterprise Plan	\$30,638
	➤ Finalize Water Enterprise Plan	\$11,464
		\$224,674
TASK 4	Develop 10-Year Financial Plan	
	➤ Prioritize Capital Projects and Programs	\$6,952
	➤ Review Current CIP and Merge with Current Plan	\$7,192
	➤ Meet and Review Water Enterprise Plan	\$7,772
	➤ Develop Budget Items and Revenue Requirements	\$3,964
	➤ Revise Multi-Year Cash Flow Rate Model	\$11,794
	➤ Review Financial Plan and Rates with Working Group	\$10,854
	➤ Finalize Financial Plan and Rates Model	\$12,610
	➤ Present Final Water Enterprise Plan to Public Works Commission	\$9,433
		\$70,571
		\$489,325
	CONTINGENCY	\$25,675
	TOTAL NOT-TO-EXCEED	\$515,000

ATTACHMENT 1 TO EXHIBIT B

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EXHIBIT C

CERTIFICATE OF INSURANCE

This is to certify that the following endorsement is part of the policy(ies) described below :

NAMED INSURED

COMPANIES AFFORDING COVERAGE

ADDRESS

- A.
- B.
- C.

COMPANY (A.B.C.)	COVERAGE	POLICY NUMBER	EXPIRATION DATE	B.I.	LIMITS P.D.	AGGREGATE
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS <input type="checkbox"/> BLANKET CONTRACTUAL <input type="checkbox"/> CONSULTANT'S PROTECTIVE <input type="checkbox"/> PERSONAL INJURY <input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> WORKER'S COMPENSATION					

It is hereby understood and agreed that the City of Beverly Hills, its City Council and each member thereof and every officer and employee of the City shall be named as joint and several assureds with respect to claims arising out of the following project or agreement:

It is further agreed that the following indemnity agreement between the City of Beverly Hills and the named insured is covered under the policy: Contractor agrees to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all liability or financial loss resulting from any suits, claims, losses or actions brought against and from all costs and expenses of litigation brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the wrongful or negligent actions of contractor's officers, employees, agents or others employed by Contractor while engaged by Contractor in the (performance of this agreement) construction of this project.

It is further agreed that the inclusion of more than one assured shall not operate to increase the limit of the company's liability and that insurer waives any right of contribution with insurance which may be available to the City of Beverly Hills.

In the event of cancellation or material change in the above coverage, the company will give 30 days' written notice of cancellation or material change to the certificate holder.

Except to certify that the policy(ies) described above have the above endorsement attached, this certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

DATE : _____ BY : _____

 Authorized Insurance Representative

TITLE : _____

AGENCY : _____ Address : _____

