



## AGENDA REPORT

**Meeting Date:** February 17, 2015

**Item Number:** D-12

**To:** Honorable Mayor & City Council

**From:** Trish Rhay, Assistant Director of Public Works Services – Utilities  
Michelle Tse, Senior Management Analyst

**Subject:** AMENDMENT NO. 1 TO AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND HAZEN AND SAWYER TO PROVIDE THE CITY OF BEVERLY HILLS WITH WATER TREATMENT OPERATIONS SYSTEMS AND PROCESSES CONSULTING SERVICES; AND APPROVAL OF A CHANGE PURCHASE ORDER IN THE AMOUNT OF \$229,000 FOR A TOTAL NOT TO EXCEED AMOUNT OF \$270,000

**Attachments:**

1. Technical Memo
2. Hazen & Sawyer Action Plan and Implementation Schedule
3. Agreement

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### **RECOMMENDATION**

Staff recommends that the City Council move to approve Amendment No. 1 to the agreement between the City of Beverly Hills and Hazen & Sawyer (“H&S”) to provide water treatment operation system and processes consulting services for the Public Works Services Department, and approve a Change Purchase Order in the amount of \$229,000 for a total not to exceed amount of \$270,000.

### **INTRODUCTION**

During the years 2011-2013, the City received a California Department of Public Health (“CADPH”) audit and Notice of Violations for non-compliance with State water regulations. The CADPH audit occurred in May 2013; issues with proper recording and reporting of water quality monitoring and regular sampling were cited. As part of a corrective action plan developed by the Public Works Services department, Hazen & Sawyer was retained to conduct an initial baseline review of the City’s water treatment plant operations and processes. The review covered existing systems and processes, risks and bottlenecks to performance, opportunities for improvement and identified gaps that need to be addressed. The audit findings were presented in a technical memo, which is included as Attachment 1. It should be noted that the quality of the water supplied to the public was never

compromised during the process.

Corrective actions for the noted violations resulted in the following:

- Disciplinary actions with staff
- Process improvements including the creation of improved “Chain of Custody” management staff sign offs
- Additional staff training
- Instituted a quarterly status review meeting with CADPH to build a stronger working relationship to identify and correct issues in partnership with the regulators

The original agreement for \$41,000 with H&S was for the initial assessment; this Amendment for an additional \$229,000 is for implementation and represents the final step towards completing the corrective action plan. Attachment 2 summarizes the action plan and implementation schedule. Please note the various action plan items outlined in Attachment 2 are ranked on a scale of 1 to 10, with 10 meaning “high risk” and are high priorities. The implementation of these action plan items has been prioritized based on risk level.

### **DISCUSSION**

H&S has confirmed that the current state of the plant has not compromised the safety of water supplied to the community. However, there are shortcomings that put the utility at risk of non-compliance to plant permits, risk of asset damage and degradation, and risk to safety of water plant staff. H&S identified issues with the plant both in terms of operational systems and processes, as well as plant performance. Given these findings, H&S worked with staff to develop a prioritized action plan to address the issues identified.

Items to be implemented under the Agreement include water operator process training, developing standard operating procedures and performance targets. These actions will further optimize the water treatment plant’s performance. To complete all of the tasks outlined in the action plan would take approximately 9-12 months. Significant and expedient action is necessary to ensure improved efficient and effective water treatment and to change the standard of operations.

### **FISCAL IMPACT**

Funds have been earmarked in the FY14-15 Water Enterprise Plan budget to cover this expense.



George Chavez  
Approved By

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