

Agenda Report

May 21, 2001

To: City Council
From: City Manager
Subject: Authorization to Amend Contract Number 14,059 with the Calgon Carbon Corporation for the Operation and Maintenance of the Devil's Gate Groundwater Treatment Plant

RECOMMENDATION

It is recommended that the City Council:

- (i) Authorize the General Manager of Pasadena Water and Power to amend Contract Number 14,059 with Calgon Carbon Corporation (Calgon) for the operation and maintenance of the Devil's Gate Groundwater Treatment Plant for a period of four years or until \$890,000 is expended, whichever occurs first;
- (ii) Authorize the General Manager to extend the contract for two optional four-year extensions each not to exceed \$1.20 million for each four-year term without further City Council approval; and
- (iii) Grant the proposed amendment an exemption from the competitive selection process of the Affirmative Action in Contracting Ordinance, pursuant to Section 4.09.060(C)(1), contracts for which the City's best interests are served.

BACKGROUND

The City has four water wells in the proximity of the Jet Propulsion Laboratory (JPL). The water from these wells is contaminated with several volatile organic chemicals (VOC) at concentrations which exceed the maximum permissible levels under state drinking water law. JPL is managed by the California Institute of Technology (Caltech), which performs research and development at this facility.

In 1990, the City and Caltech entered into Contract Number 14,061, whereby it was agreed that Caltech would investigate the contamination problem and in the meantime, pay for the construction, operation, and maintenance of a treatment plant so the City could restore pumping operations on an interim basis. Through numerous extensions authorized by City Council, Contract Number 14,061 continues to reimburse the City for cost associated with the contamination of volatile organic chemicals.

On December 28, 1990, the City issued a request for proposal for a temporary VOC treatment facility and on February 28, 1990, Calgon, under Contract Number 14,059,

was awarded the contract. The initial term of this contract was one year with two one-year optional extension periods. In September 1991 and 1992, the City and Calgon entered into the first and second optional extension periods, respectively.

In October 1993, the City Council authorized an extension to Contract Number 14,059 for a period of one year with three one-year optional extension periods. In October 1994 and 1995, and in February 1997, the City and Calgon entered into the first, second, and third one-year extensions of the contract, respectively.

In April 1998, the City Council extended Contract Number 14,059 for an additional three years. On May 12, 2001, this contract will expire. In order to maintain operation of the affected wells, the City desires to amend this contract for a term of four years with two optional four-year extension periods.

The base contract amount includes a monthly facility lease fee of \$15,571, for an annual total lease fee of \$186,852. An additional amount of \$20,000 annually is added to cover the cost of the annual SCAQMD permit, required bonding, and any needed operational adjustments. The total contract amount shall not exceed \$890,000 for the initial four-year term.

The contract may be extended for a period of up to two additional four-year terms, with the approval of the General Manager and without further City Council approval, and for a total amount not to exceed \$1.20 million for each optional four-year contract period. Approximately sixty days before the end of each year, Calgon may request changes in the base fee. However, any proposed price increase shall not exceed the percentage change of the then applicable Producers Price Index of Industrial Commodities.

Caltech will reimburse the City for all the costs associated with the operation and maintenance of the Devil's Gate Groundwater Treatment Plant under Contract Number 14,061.

When PWP first put the VOC treatment facility into operation, it was envisioned that it would be in place as a temporary measure until JPL proposes a permanent solution to treat the Superfund site. Since then, the plant has proven to be a reliable and efficient method of treating the VOCs. As a Superfund site, JPL must follow a long and arduous process in cleaning up the groundwater contamination on its site. The treatment plant operations agreement has been extended many times due to the Superfund process. Staff foresees that the VOC facility will be an integral component of the overall permanent process in treating the Superfund site. Currently, the VOC plant is the most effective method for removing VOC from the groundwater. Continual extraction and treatment of the contaminated groundwater is the only method of eliminating the VOC contamination.

Groundwater treated by this plant costs less than water purchased from the Metropolitan Water District of Southern California (MWD). When the treatment plant is at full capacity, the City reduces its purchased water cost from MWD by as much as \$225,500 per month.

The proposed amendment is in compliance with the Affirmative Action in Contracting Ordinance Pasadena Municipal Code 4.09 and the rules and regulations promulgated thereunder.

FISCAL IMPACT

Funds for this project will be provided for in the Water Division's Fiscal Year Operating Budget, Account 8114-402-03-881000-0816-00341. Caltech, under Contract Number 14,061, will reimburse the City in full each year.

Respectfully submitted,



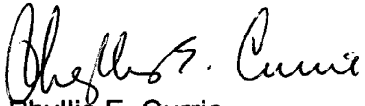
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