

WORKSHOP ON TREATMENT PLANT OPERATION AND MAINTENANCE

MARCH 20, 2009

Presentation Summary

- Objectives
- How objectives are achieved
- Procurement Process

Objectives

- Staff Retention
- Cost control
- Protect equipment warranties
- Long term protection of capital equipment
- Accountability to Board and Public
- Maintain District rights and ownership
- Regulatory Compliance

Staff Retention

Contract will require current staff receive:

- ✓ Guaranteed two years of employment at Novato Sanitary District location,
- ✓ Comparable total compensation package,
- ✓ Seniority carryover,
- ✓ Recognize current bargaining representative.

Ensure Qualified Staff

Contract will require:

- ✓ Staff to have specified certification levels,
- ✓ Staff training and development programs,
- ✓ In depth technical back up for onsite staff available on call,
- ✓ Best of class safety program

Cost Control

- Competitively bid proposal,
- Fixed price plus pass through for specific cost elements,
- Insurance and Performance Bonds

Cost Control (cont.)

Included in Fixed Service Fee	Pass-Through Costs
Labor	Electricity (usage cap)
Operating Supplies	Chemicals (usage cap)
System Development	Performance Bond
Training	Insurance
Safety program	
Regional Technical and Management Support	
Maintenance supplies	
Mechanical Repair up to a limit	
Asset Management Program	
Warranty Protection Program	

Equipment Warranty Protection

Contract will require:

- ✓ Schedule for implementation of warranty equipment preventive maintenance program with liquidated damages,
- ✓ Monthly report of work order status,
- ✓ Contract liable for equipment repair cost if warranty maintenance not completed.

Long Term Facility Maintenance

Contract will require:

- ✓ Schedule for implementation of computerized maintenance management system,
- ✓ Monthly report of work order status,
- ✓ Contractor liable for equipment repair cost if can't document preventive maintenance?

Accountability

- Contract term – 5 years or 7 years,
- Provision for early termination by District for convenience by District only,
- Provision of monthly and annual reports to the Board and public for cost, operational, regulatory, and maintenance parameters,
- Performance Bond
- Regulatory Compliance and fine protection
- Maintenance guarantee

Maintain District Rights and Ownership

- District sets rates,
- District provides overall management,
- District is the NPDES permit holder,
- District continues to operate and maintain the collection system, pump stations, solids disposal, and reclamation facilities.
- Protect District's tax exempt financing status,
- District retains ownership of all facilities,
- District retains control of all capital spending,
- District approval required for any maintenance expenses not covered by the contract,

Procurement Process

Legal Issues

- CEQA
- Labor Agreement
- Contract Provisions

Regulatory Compliance

Contract provisions will establish incentives for regulatory compliance:

- Monthly operating report to Board and Management,
- Contractor responsible for paying fines imposed by regulatory agencies,
- Liquidated Damages for failure to perform,
- Schedule for completion of Standard Operating and Maintenance Procedures,
- Long term incentives for improved operational performance.

Procurement Process Draft Schedule

Activity	Date
Board considers authorizing RFP issuance	4/13/09
Service Agreement Contract Issued to Proposers	5/1/09
Proposal due date	5/29/09
Staff proposal evaluations	6/29/09
Personnel Committee review of proposals	7/6/09
Board considers authorizing negotiation with selected firm	7/13/09
Board considers accepting Service Agreement	8/10/09
Contractor onsite	8/17/09

SUMMARY

Procurement Process is designed to achieve District's objectives for start up and operation of the new treatment plant.

- Staff retention
- Equipment warranty protection
- Regulatory compliance
- Cost control
- Maintain District control
- Guarantees and financial assurances