File No.	170016	Committee Item No.	6
-		Board Item No.	,
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COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

	ACENDAT ACRET CONTE	itti o Lio i
Committee:	Budget & Finance Committee	Date January 25, 2017
Board of Su	pervisors Meeting	Date
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Resolution approving an emergency declaration of the San Francisco Public Utilities Commission (SFPUC) pursuant to Administrative Code, Section 21.15(c), for the temporary replacement and repair of the dewatering equipment at the Oceanside Wastewater Treatment Plant: with a total estimated cost of approximately \$500.000.

[Emergency Declaration - Temporary Replacement and Repair of Dewatering Equipment -

Oceanside Wastewater Treatment Plant - Total Estimated Cost of Work and Contract

WHEREAS. On December 6, 2016. San Francisco Public Utilities Commission. (SFPUC) staff at the Oceanside Wastewater Treatment Plant received alarm signals at the plant main control indicating a dewatering system failure. Staff determined that the failure was due to a significant volume of grit that hit the dewatering screw press, requiring the immediate temporary replacement of the dewatering equipment and several sludge pumps while the existing, damaged screw press equipment is repaired; and

WHEREAS, The Oceanside Wastewater Treatment Plant dewatering equipment is a critical and essential asset for processing and treating biosolids found in sewage; and

WHEREAS. If the Oceanside Wastewater Treatment Plant dewatering equipment is not immediately repaired or replaced as necessary, the City's ability to effectively treat sewage, protect public health and maintain compliance with applicable regulatory requirements remains at risk; and

WHEREAS, Administrative Code, Chapter 21, Section 21.15(c), authorizes department heads responsible for operations for which commodities or services are needed to declare an emergency to make repairs to maintain public health or welfare as a result of the breakdown of any plant equipment, structure, street or public work; and

WHEREAS, On December 9, 2016, the SFPUC General Manager declared an emergency, approved by the President of the San Francisco Public Utilities Commission, for the temporary replacement and repair of the dewater equipment at Oceanside Wastewater Treatment Plant and thereby protect public health and safety; and

WHEREAS, Administrative Code, Section 21.15(c), requires that the General Manager seek Board of Supervisors' approval of the declaration of emergency for commodities or services with an estimated cost in excess of \$100,000; and

WHEREAS, The SFPUC General Manager estimates that the emergency work for the temporary replacement and repair of the dewatering equipment at the Oceanside Wastewater Treatment Plant will cost approximately \$500,000; and

WHEREAS, The SFPUC has attempted to obtain at least three bids for the temporary replacement and repair of the dewatering equipment at the Oceanside Wastewater Treatment Plant; and

WHEREAS, The SFPUC executed an emergency contract with Synagro for the temporary replacement of the dewatering equipment at the Oceanside Wastewater Treatment Plant. This temporary replacement by Synagro will total approximately \$500,000, with the remaining work to be performed by City forces; and

WHEREAS, The Controller has certified that funds are available for this emergency work and contract; now, therefore, be it

RESOLVED, That the Board of Supervisors approves the emergency declaration to temporarily replace and repair the dewatering equipment at the Oceanside Wastewater Treatment Plant made by the SFPUC General Manager on December 9, 2016; and, be it

FURTHER RESOLVED, That actions taken to date by the San Francisco Public Utilities Commission to secure such emergency contracts and resolve the emergency condition are hereby ratified.

RECOMMENDED:		
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HARLAN L. KELLY, JR.

General Manager of the SFPUC

FUNDS AVAILABLE:

BEN ROSENFIELD

Controller

Item 6	Department:	
File 17-0016	Public Utilities Commission (PUC)	

EXECUTIVE SUMMARY

Legislative Objectives

The proposed resolution would approve the SFPUC's emergency declaration to temporarily replace and repair the dewatering equipment at the Oceanside Wastewater Treatment Plant and approve actions taken by the SFPUC to secure the needed emergency contract in the amount of \$435,450.

Key Points

- On December 6, 2016, the SFPUC staff at the Oceanside Wastewater Treatment Plant received alarm signals at the plant's main control indicating a dewatering system failure. Staff determined that the failure was due to a significant volume of grit caused by excessive rainfall that hit the dewatering screw press, requiring the immediate temporary replacement of the dewatering equipment and several sludge pumps while the existing, damaged screw press equipment is repaired. On December 9, 2016, the SFPUC General Manager declared an emergency, approved by the President of the SFPUC, for the temporary replacement and repair of the dewatering equipment at the Oceanside Wastewater Treatment Plant.
- Synagro was the only contractor who was available to respond the same day. After
 receiving a verbal quote from Synagro, which was later followed by a written
 confirmation, SFPUC entered into six-month equipment lease agreement with Synagro for
 emergency biosolids processing from December 9, 2016 to June 9, 2017. The total
 estimated emergency contract cost with Synagro was a not-to-exceed amount of
 \$500,000.

Fiscal Impact

The total estimated emergency contract cost for the temporary replacement and repair of
the dewatering equipment at the Oceanside Wastewater Treatment Plant is \$435,450.
 Funds to pay for the emergency work will come from the Wastewater Enterprise's Repair
and Replacement Program, which has a current available balance of \$11,900,000, as
previously appropriated by the Board of Supervisors.

Policy Consideration

 The equipment lease agreement between SFPUC and Synagro is for the temporary processing of biosolids at the Oceanside Wastewater Treatment Plant pending the permanent replacement of the dewatering equipment. SFPUC is currently working on finalizing a job order contract (JOC) with Power Engineering to permanently replace the dewatering screw presses at a cost of approximately \$250,000.

Recommendations

- Amend the proposed resolution to correctly state that the emergency work will cost approximately \$435,450, not \$500,000.
- Approve the proposed resolution as amended.

MANDATE STATEMENT

Administrative Code Section 21.15(c) authorizes department heads responsible for operations for which commodities or services are needed to declare an emergency to make repairs to maintain public health or welfare as a result of the breakdown of any plant equipment, structure, street or public work; and requires that the department head seek Board of Supervisors approval of the declaration of emergency for commodities or services with an estimated cost in excess of \$100,000.

BACKGROUND

The San Francisco Public Utilities Commission (SFPUC) operates the Oceanside Wastewater Treatment Plant near Lake Merced in San Francisco. The Oceanside Wastewater Treatment Plant is one of three plants that collects, treats, and disposes the City's sewage. The Oceanside Wastewater Treatment Plant processes biosolids by dewatering, which removes water content from treated solids in order to enable the solids to be sent to authorized disposal sites.

On December 6, 2016, the SFPUC staff at the Oceanside Wastewater Treatment Plant received alarm signals at the plant's main control indicating a dewatering system failure. Staff determined that the failure was due to a significant volume of grit caused by excessive rainfall that hit the dewatering screw press, requiring the immediate temporary replacement of the dewatering equipment and several sludge pumps while the existing, damaged screw press equipment is repaired. Although there is an extra screw press built into the system in case of failure, both screw presses were damaged by the grit.

On December 9, 2016, the SFPUC General Manager declared an emergency, approved by the President of the SFPUC, for the temporary replacement and repair of the dewatering equipment at the Oceanside Wastewater Treatment Plant. On the same day, SFPUC contacted five companies: Denali, Veolia, Plant and Pipe Solutions, Centrisys and Synagro. According to Mr. Ravi Krishnaiah, Senior Project Manager at SFPUC, these five companies were contacted due to their previous work with SFPUC. Synagro was the only contractor who was available to respond the same day. After receiving a verbal quote from Synagro, which was later followed by a written confirmation, SFPUC entered into six-month equipment lease agreement with Synagro for emergency biosolids processing from December 9, 2016 to June 9, 2017. The total estimated emergency contract cost with Synagro was a not-to-exceed amount of \$500,000.

The equipment lease agreement provided for SFPUC and Synagro to negotiate a new price per shift for daily operations after two weeks. After Synagro began work on December 9, 2016, SFPUC received a second quote from Plant and Pipe Solutions on December 27, 2016 that had a lower price per shift than the price per shift in the equipment lease agreement between SFPUC and Synagro. Therefore, Synagro agreed to reduce the price per shift for daily operations, including reducing from two to one operator per shift, to below that of Plant and Pipe Solutions.

¹ The agreement provided for two operators to work 12-hour shifts up to seven days per week.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the SFPUC's emergency declaration to temporarily replace and repair the dewatering equipment at the Oceanside Wastewater Treatment Plant and approve actions taken by the SFPUC to secure the needed emergency contract in the amount of \$435,450.

In accordance with the City Administrative Code, because the project was declared an emergency, the SFPUC awarded the emergency contract to Synagro without undergoing a formal competitive bidding process. According to Mr. Krishnaiah, the Oceanside Wastewater Treatment Plant continued to accumulate untreated sand and grit in the treatment tanks from December 6 to December 9, 2016. After these three days, untreated solids started backing up in the treatment trains. Mr. Krishnaiah estimated that the untreated solids could only be stored for one to two more days before discharging untreated water into the bay. The competitive bidding process, in contrast, takes on average one to three months.

Although the equipment lease agreement between SFPUC and Synagro extends to June 9, 2017, according to SFPUC estimates, the emergency biosolids processing provided by Synagro is not planned to continue beyond January 21, 2017.

FISCAL IMPACT

The total estimated emergency contract cost for the temporary replacement and repair of the dewatering equipment at the Oceanside Wastewater Treatment Plant is \$435,450, as seen in Table 1 below.

Table 1: Estimated Expenditures for Temporary Replacement and Repair to Screw Presses

Purpose	Estimated Cost
Operational (includes equipment and labor costs)	\$239,770
Polymer costs ^a	34,000
Hauling and disposal costs ^b	35,875
Mobilization and de-mobilization ^c	30,000
Standby costs ^d	38,805
Contingency (15%) (see Policy Section below)	57,000
Total	\$435.450

^a Polymer is added to the wastewater in the final stages of processing to cause precipitation of the solids suspended in the wastewater.

^b The equipment lease agreement provides for Synagro to haul and dispose of the biosolids to authorized disposal sites.

^c The equipment lease agreement provides for Synagro to provide, set up and take down various equipment, including a belt filter press with discharge conveyor and associated polymer make-up system, mix tanks, portable generator, hydraulic and filtrate return pumps, staged trailers, and associated pipes, hose, fittings and other equipment.

^dThe scope of work includes standby shifts during non-operating hours.

Funds to pay for the emergency work will come from the Wastewater Enterprise's Repair and Replacement Program, which has a current available balance of \$11,900,000, as previously appropriated by the Board of Supervisors.

The estimated cost of \$435,450 is a revised estimate of the original amount of \$500,000 in the proposed resolution. According to Mr. Scarpulla, the \$500,000 was based on engineer estimates using the original, non-negotiated Synagro rates. Due to negotiation, these rates have come down. As the proposed resolution states that the emergency contract work will cost approximately \$500,000, the resolution should be amended to correctly state that the emergency work will cost approximately \$435,450.

POLICY CONSIDERATION

The equipment lease agreement between SFPUC and Synagro is for the temporary processing of biosolids at the Oceanside Wastewater Treatment Plant pending the permanent replacement of the dewatering equipment. According to Mr. Krishnaiah, SFPUC is currently working on finalizing a job order contract (JOC) with Power Engineering to permanently replace the dewatering screw presses at a cost of approximately \$250,000.² According to Mr. Krishnaiah, the contingency of \$57,000 (Table 1 above) in the equipment lease agreement with Synagro is needed in case SFPUC needs to extend Synagro's services due to delays in the job order contract with Power Engineering.

SFPUC is also planning on a project to make upstream process improvements to prevent sand and grit from overwhelming the dewatering system. According to Mr. Krishnaiah, the project will cost approximately \$2,000,000-\$3,000,000. Funds to pay for the project will come from the Water Enterprise's Repair and Replacement Program. However, there is currently no system to prevent a large amount of grit or sand from causing further damage.

RECOMMENDATIONS

- 1. Amend the proposed resolution to correctly state that the emergency work will cost approximately \$435,450, not \$500,000.
- 2. Approve the proposed resolution as amended.

² A Job Order Contract is a competitively bid, fixed-price, multiple Task Order contract, awarded before any projects are identified. Each issued Task Order is a lump sum, firm-fixed-price and includes a specific, Detailed Scope of Work and Price Proposal, utilizing the Construction Task Catalog (CTC) line items, (aka unit prices). Three to five pre-approved businesses then bid for the project, and the agency must choose whichever business has the lowest bid. According to Mr. Scarpulla, JOCs are more expedited than open bidding, but forces the agency to accept bids based on cost alone.



525 Golden Gate Avenue, 13th Floor San Francisco, CA 94102 T 415.554.3155 F 415.554.3161 TTY 415.554.3488 www.sfwater.org

INTER-OFFICE MEMORANDUM

DATE:

December 9, 2016

TO:

The Honorable Anson Moran

President, San Francisco Public Utilities Commission

THROUGH: Harlan L. Kelly, Jr. 44

General Manager

FROM:

Tommy T. Moala 3 run fe

Assistant General Manager, Wastewater Enterprise

SUBJECT:

Declaration of Emergency: Temporary Replacement and Repair of

Dewatering Equipment at the Oceanside Wastewater Treatment Plant

In accordance with Chapter 21, Section 21.15 (c) of the Administrative Code of the City and County of San Francisco, I am declaring an emergency on behalf of the San Francisco Public Utilities Commission.

On December 6, 2016, the dewatering system at the Oceanside Wastewater Treatment Plant (OSP) was severely damaged by a significant volume of grit that hit the dewatering screw press. A temporary replacement unit needs to be installed immediately so that dewatering of biosolids can continue while the existing damaged screw press equipment is repaired. As a result of the damage, the OSP is unable to process Biosolids which will affect final effluent quality resulting in risk to public health and other related regulatory sanctions.

Dewatering is an essential step in wastewater treatment processes, without which, solids build up in the system and reduce liquid treatment capacity. If the dewatering treatment processes are not immediately restored, this will result in violation of the Environmental Protection Agency's, National Pollutant Discharge Elimination System (NPDES) permit for the Oceanside Plant. Effluent discharges in violation of NPDES standards could also trigger significant threats to public health and the environment. As such, immediate action is necessary to address these concerns.

Consequently, the SFPUC Wastewater Enterprise is requesting an emergency be declared to provide for resources to obtain a temporary replacement unit and perform the repair work as soon as possible. The cost is anticipated not-to-exceed \$500,000 and will be funded out of the Enterprise's Repair and Replacement Program.

It is in the best interest of the City to declare an emergency for this work to provide for public health and safety.

I am therefore declaring the existence of an emergency. I trust that this meets with your concurrence and approval.

CONCUR AND APPROVE:

Anson Moran, President San Francisco Public Utilities Commission Edwin M. Lee Mayor

Anson Moran President

lke Kwon Vice President

Ann Moller Caen Commissioner

Francesca Vietor Commissioner

Vince Courtney Commissioner

Harlan L. Kelly, Jr. General Manager



F. Vietor A. Caen V. Courtney I. Kwon

City and County of San Francisco Office of Contract Administration **Purchasing Division** City Hall, Room 430 1 Dr. Carlton B. Goodlett Place San Francisco, California 94102-4685

Equipment Lease Agreement between the City and County of San Francisco and Synagro-WWT, Inc.

This Equipment Lease Agreement ("Lease" or "Agreement"), dated, for convenience, December 9, 2016 (the "Effective Date"), is entered into by and between: Synagro-WWT, Inc., 435 Williams Court Suite 100, Baltimore, MD 21220 ("Contractor" or "Lessor"), and the City and County of San Francisco ("City"), a municipal corporation, acting by and through the San Francisco Public Utilities Commission ("SFPUC").

Recitals

WHEREAS, on December 6, 2016, the screw presses in the dewatering system at the City's Oceanside Wastewater Treatment Plant (OSP) were severely damaged by a significant volume of grit that hit the dewatering screw press;

WHEREAS, on December 9, 2016, in accordance with Chapter 21, Section 21.15 (c) of the City's Administrative Code, the SFPUC's General Manager declared an emergency, and the SFPUC's President sunsequently approved the emergency declaration (attached in Appendix A of this Agreement);

WHEREAS, consistent with Chapter 21, Section 21.15 (c) of the Administrative Code, the SFPUC retained the services of Contractor to provide temporary biosolids dewatering equipment and services set forth in Appendix C hereto so that continuous wastewater treatment could occur while the existing damaged screw presses are repaired;

WHEREAS, Contractor represents and warrants that it is qualified to perform the Emergency Services required by City as set forth under this Agreement;

NOW, THEREFORE, City and Lessor agree as follows:

Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non Appropriation. This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the City's Controller, and any amount of the City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year in the event funds are not appropriated for the next succeeding fiscal year. If

funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated, and Lessor's sole remedy shall be repossession of the equipment. This Section shall control against any and all other provisions of this Agreement.

- 2. Term of the Agreement. Subject to Section 1, the term of this Agreement shall be from December 9, 2016 to June 9, 2017.
- 3. No Automatic Renewal. Notwithstanding anything to the contrary contained in this Lease (including, without limitation, any terms and conditions of Lessor attached hereto): (a) in no event shall the term of this Lease be longer than the initial term expressly stated in this Lease; (b) any automatic renewal or extension (whether or not conditioned upon any notice or absence thereof from either party) or any similar "evergreen" provision shall be deemed null and void ab initio; and (c) the term of this Lease shall not be extended or renewed except by written agreement duly authorized, executed and delivered by City.
- City's Payment Obligation. In no event will the City make an advance payment. In the event any payment of any amount of monies is required by any Vendor or Manufacturer prior to acceptance of the Equipment by the City, Lessor is to advance such amounts. The City will make a good faith effort to pay all invoices within thirty days of billing. In no event will the City pay any late fees or charges for payments made after the 30-day period. Lessor and the City understand and intend that the obligations of the City to pay Rental Payments hereunder shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of the City. The City shall pay Rental Payments, exclusively from legally available funds to Lessor, or to Lessor's assignee in the event of an authorized assignment by Lessor, according to the terms of this Agreement, upon presentation of invoices furnished by Lessor (or authorized assignee) in a form acceptable to the Controller. Each invoice must have a unique identifying number. Payments will be made in United States Dollars by warrant drawn on the Treasurer of City and County of San Francisco. Rental Payments shall be in consideration for the City's use of the Equipment during the applicable fiscal year in which such payments are due. In no event shall the amount of this Agreement exceed \$500,000 (Five Hundred Thousand Dollars). The breakdown of costs associated with this Agreement are set forth in Appendix C to this Agreement).
- 5. Guaranteed Maximum Costs. The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

- Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.
- 7. Scope of Work and Maintenance. Contractor shall provide the equipment and services and comply with all requirements set forth in the Scope of Work attached hereto as Exhibit B. The Contractor shall be responsible for all service, repair and maintenance of the Equipment unless otherwise specified by this Agreement. The Contractor, at its sole cost and expense, shall keep the Equipment in good operating order, repair, condition and appearance and shall furnish any and all parts, mechanisms or devices required to keep the Equipment in good mechanical and working order.
- 8. Use, Licenses. The City will not use or operate the Leased Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Lease.
- 9. Delivery of Equipment; Transportation. It is the responsibility of the Lessor to arrange with the manufacturer and/or vendor for the delivery and any installation of the equipment. Charges for delivery [and installation] are the responsibility of the Lessor. However, the City will reimburse Lessor for reasonable delivery [and installation] charges after the Leased Equipment is accepted and upon proper presentation of invoices unless such charges are included in the cost of the equipment. The equipment to be provided under this Lease is to be delivered to a location as designated by the City and installed and made ready for operation.
- 10. Installation. The Lessor will arrange with the manufacturer and/or vendor to prepare site, obtain all permits and licenses, if any, necessary for the installation and operation of the equipment, furnish, assemble and install the Equipment as necessary at the location as designated by the City. Manufacturer and/or vendor must comply with all State laws and local Ordinances in installing the Equipment.
- 11. Relocation of Equipment. Lessor agrees that the City may upon reasonable notice to Lessor, relocate the Equipment or any item or items thereof to any location or locations within the geographical boundaries of the City where the City has offices at the City's sole discretion and cost. Prior to any such relocation the City agrees to execute or obtain and to deliver to

Lessor such documents which Lessor reasonably requests to protect Lessor's right, title and interest in the Equipment.

- 12. Lessor's Removal and the City's Surrender of the Equipment. At the end of the lease term or unless sooner terminated, the City agrees to surrender the equipment in as good a condition as when furnished, reasonable wear and tear excepted. Lessor agrees, at Lessor's cost to accept and remove the Equipment as provided in this Lease. Lessor's failure to accept and remove the Equipment shall entitle the City to remove the Equipment and place it in any storage facility in San Francisco at Lessor's sole expense and Lessor shall hold the City free and harmless from any expense or damages of any kind occasioned thereby and arising therefrom.
- 13. Default. In the event of a default by Lessor under this Lease, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Lease. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Lessor any default by Lessor. Lessor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Lessor under this Lease all damages, losses, costs or expenses incurred by City as a result of such default by Lessor.
- 14. Force Majeure. Lessor shall not be liable for failure to furnish Equipment ready for use on the date specified or to remove in accordance with the terms of this Lease nor shall City be liable for delay in installation or removal when such failures are due to causes beyond the reasonable control of either such as acts of God, acts of civil or military authority, fires, strikes, floods, epidemics, quarantine, war, riot, delays in transportation, care shortages, and inability due to causes beyond its reasonable control to obtain necessary labor, materials or manufacturing facilities, and in such event the party under obligations to perform shall perform as soon as such cause is removed.
- 15. The City's Right to Use Other Equipment Simultaneously with the Equipment. The City does not grant Lessor an exclusive right during the term of this Lease to supply the City with any other equipment. The City reserves the right to lease or purchase similar or different equipment from any other supplier or lessors which may be used contemporaneously with any item of Equipment leased hereunder.
- 16. Disclaimer of Warranties. Lessor hereby assigns to the City for and during the Lease Term, to the extent permitted by law, all Manufacturer's or Vendor's warranties or guaranties, express or implied, issued on or applicable to the Leased Equipment, and Lessor authorizes the City to obtain the customary services furnished in connection with such warranties or guaranties at the City's expense. Lessor authorizes the City, to the extent permitted by law, to enforce in its own name any warranty, representation or other claim enforceable against the manufacturer or vendor. The City acknowledges that the Equipment has been purchased by Lessor on behalf of the City in accordance with the City's specifications. The City shall look directly to the Manufacturer or Vendor for any warranties or any service for the equipment.
- 17. Indemnification. Lessor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage,

injury, liability, and claims thereof for injury to or death of a person, including employees of Lessor or loss of or damage to property, arising directly or indirectly from Lessor's performance of this Agreement, including, but not limited to, Lessor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement and except where such loss, damage, injury, liability or claim is the result of active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Lessor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

In addition to Lessor's obligation to indemnify City, Lessor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Lessor by City and continues at all times thereafter. Lessor shall indemnify and hold City harmless from all loss and liability, including attorney's fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement

- **Enjoyment of the Equipment.** Provided that and so long as the City is not in default under this Lease, Lessor hereby covenants to provide the City during the Lease Term with quiet use and enjoyment of the Equipment, and the City shall during the Lease Term peaceably and quietly have and hold and enjoy the equipment, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Lease. Any assignee of Lessor shall not interfere with the City's quiet use and enjoyment during the Lease Term so long as the City is not in default pursuant to this Lease.
- **Title to the Equipment.** Title to the Equipment and any and all additions, repairs, replacements or modifications thereto shall be held in the name of Lessor, and the City shall have no right, title or interest in the Equipment or any additions, repairs, replacements or modifications thereto except as expressly set forth in the Lease.
- 20. Liability for Damage to Equipment. It is understood and agreed that the City is responsible for loss of or damage to any Lessor owned equipment involved, only as caused by the negligent or wrongful actions of City's officers, agents and employees; notwithstanding, the City shall not be responsible for any such loss or damage caused in whole or in part by Lessor including its officers, employees, and agents.
- 21. Incidental and Consequential Damages. Lessor shall be responsible for incidental and consequential damages resulting in whole or in part from Lessor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights which City may have under applicable law.

22. Insurance

- a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:
- (1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and
- (2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and
- (3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.
- b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:
- (1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.
- (2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.
- c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.
- d. All policies shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the City address in the "Notices to the Parties" section.
- e. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

- f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.
- g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.
- h. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.
- i. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.
 - j (Reserved.)
- 23. Provisions Controlling. Lessor further agrees that in the event of conflicting language between this "Equipment Lease Attachment" and Lessor's printed form, this "Equipment Lease Attachment" shall take precedence.
- 24. Lessor's Default. Failure or refusal of Lessor to perform or do any act herein required shall constitute a default. In the event of any default, in addition to any other remedy available to the City, this Contract may be terminated by the City upon ten days' written notice. Such termination does not waive any other legal remedies available to the City.
- 25. Taxes. The City will only pay California sales and use taxes. The Lessor is to add California sales and use taxes to the monthly payment and the tax must be properly identified on each monthly invoice. Any other taxes presently in effect which may be levied upon this Agreement, the transaction, or the Equipment or services delivered pursuant hereto shall be borne by the Lessor. The Lessor will be responsible for all property taxes. In the event any taxes or charges are enacted after the date of execution of this Lease Agreement, those taxes or charges shall be borne as mutually agreed. The Lessor will indemnify and hold City harmless from any fines, penalties or interest thereon imposed during the Lease term or in connection with termination of the lease by any federal, State or local government or taxing authority. The taxes covered by this Section shall only include those attributable to the equipment. Under no circumstances will the City pay any taxes imposed on, based on, or measured by the net income of the Lessor.
- 26. Assignment. Notwithstanding any other provision in this lease, in no event shall all or any portion of this lease be assigned without the prior written approval of Purchasing and the City

Attorney. Furthermore, in no event shall Lessor effect a public offering of certificates of participation, municipal securities or other debt instruments presenting fractionalized interests in this lease. For purposes of this Section, a public offering shall occur when the certificates of participation, municipal securities or other debt instruments are either: (a) offered or sold to more than twenty investors; or, (b) offered or sold in denominations of less than \$10,000.

27. Reserved

28. Notices to Parties. Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To City: Ravi Krishnaiah, Senior Engineer

San Francisco Public Utilities Commission, Wastewater Enterprise

3500 Great Highway San Francisco, CA 94132 rkrishnaiah@sfwater.org

To Contractor: John Pugliaresi, Regional Sales Director

Synagro Technologies, Inc. 3110 Gold Canal Drive Suite E Rancho Cordova, CA 94010 jpugliaresi@synagro.com

Fax: 916-862-9306

Any notice of default must be sent by registered mail.

- 29. Section Headings. All section headings contained herein are for convenience and reference only and are not intended to define or limit the scope of any provision of this Lease.
- **30.** Waiver. The waiver by either party of any breach by either party of any term, covenant or conditions hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.
- 31. Governing Law. This Lease shall be governed exclusively by the provisions hereof and by the laws of the State of California.
- 32. Entire Agreement; Modifications. The Lease, together with the Appendices hereto, constitutes the entire Agreement between the parties and this Lease shall not be modified, amended, altered or changed except in writing as herein provided. All agreements between the parties are included herein and no promises or statements have been made by either party unless endorsed hereon in writing. No change or waiver of any provisions hereof shall be valid unless made in writing with the consent of both parties and executed in the same manner as this Lease. Any provision of this Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Lease. Subject to the specific

provisions of this Lease, this Lease shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

33. Nondiscrimination; Penalties

- a. Lessor Shall Not Discriminate. In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.
- b. Subcontracts. Lessor shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Lessor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.
- c. Nondiscrimination in Benefits. Lessor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.
- d. Condition to Contract. As a condition to this Agreement, Lessor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.
- e. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Lessor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Lessor understands that pursuant to §\$12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Lessor and/or deducted from any payments due Lessor.

34. EIC Forms. Reserved.

- 35. MacBride Principles—Northern Ireland. Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.
- 36. Tropical Hardwoods and Virgin Redwood Ban. Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.
- 37. Limitations on Contributions. Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental. Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.
- 38. Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this contract. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i)

terminate this contract, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

- Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, responses to RFPs and all other records of communications between City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.
- 40. Conflict of Interest. Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 et seg. and Section 1090 et seg. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.
- 41. Compliance with Laws. Lessor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws.
- 42. Protection of Private Information. Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.
- 43. Sugar-Sweetened Beverage Prohibition. Reserved.
- 44. Food Service Waste Reduction Requirements. Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of \$100 liquidated damages for the first breach, \$200 liquidated damages for the second breach in the same year, and \$500

liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

45. Cooperative Drafting. This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

CITY	CONTRACTOR
Recommended by:	Synagro-WWT, Inc.
Harlan L. Kelly, Jr. General Manager San Francisco Public Utilities Commission Approved as to Form:	I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.
Dennis J. Herrera City Attorney	
Ву:	Matt DeWitt Director of Contract Management
Randy Parent Deputy City Attorney	City vendor number: 52794
Approved:	
Jaci Fong Director of the Office of Contract Administration, and Purchaser	

Appendices

Appendix A – Declaration of Emergency (December 9, 2016)

Appendix B – Scope of Services

Appendix C – Cost Proposal from Synagro (December 9, 2016)

Appendix A Declaration of Emergency (December 9, 2016)

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Appendix B Scope of Services

Appendix C Cost Proposal from Synagro (December 9, 2016)



525 Golden Gate Avenue, 13th Floor San Francisco, CA 94102 T 415.554.3155 F 415.554.3161

тту 415.554.3488

TO:

Angela Calvillo, Clerk of the Board

FROM:

John Scarpulla, Policy and Government Affairs

DATE:

December 27, 2016

SUBJECT:

Emergency Declaration – Temporary Replacement and

Repair of Dewatering Equipment at the Oceanside

Wastewater Treatment Plant

Attached please find an original and one copy of a proposed resolution approving an emergency declaration of the San Francisco Public Utilities Commission (SFPUC) pursuant to San Francisco Administrative Code Section 21.15(c) for the temporary replacement and repair of the dewatering equipment at the Oceanside Wastewater Treatment Plant.

The following is a list of accompanying documents (2 sets):

- 1. Board of Supervisors Resolution
- 2. Letter from the PUC Commission President Ratifying Declaration
- 3. Form SFEC-126 for Synagro

Please contact John Scarpulla at (415) 934-5782 if you need additional information on these items.

Edwin M. Lee

Francesca Vietor President

> Anson Moran Vice President

Ann Moller Caen Commissioner

Vince Courtney Commissioner

> Ike Kwon Commissioner

Harlan L. Kelly, Jr. General Manager



FORM SFEC-126: NOTIFICATION OF CONTRACT APPROVAL

(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s):	City elective office(s) held:
Members, Board of Supervisors	Members, Board of Supervisors
Contractor Information (Please print clearly.)	
Name of contractor: Synagro West, LLC	
Please list the names of (1) members of the contractor's board of financial officer and chief operating officer; (3) any person who have subcontractor listed in the bid or contract; and (5) any politic additional pages as necessary. 1) N/A 2) Steve Cole- Chief Executive Officer; Chris Dunkerley- Chief F. 3) Synagro West, LLC is 100% owned by Synagro-WWT, Inc. N. 4) Subcontractor: Jess Ranch Trucking 5) N/A	has an ownership of 20 percent or more in the contractor; (4) cal committee sponsored or controlled by the contractor. Use
Contractor address: 435 Williams Court Suite 100, Baltimore, MI	. 21220
Contractor address. 435 williams Court State 100, Datemore, wil	J 21220
Date that contract was approved:	Amount of contract: \$500,000 (estimated cost)
Describe the nature of the contract that was approved: Emergency	biosolids processing to remedy failed dewatering equipment.
Comments:	
This contract was approved by (check applicable): I the City elective officer(s) identified on this form	
a board on which the City elective officer(s) serves San F	Francisco Board of Supervisors Print Name of Board
the board of a state agency (Health Authority, Housing Authority, Parking Authority, Relocation Appeals Board, and Le of the City elective officer(s) identified on this form sits	thority Commission, Industrial Development Authority
Print Name of Board	
Filer Information (Please print clearly.)	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco	E-mail: Board.of.Supervisors@sfgov.org
Tun, 100m 277, 1 Dr. Canton D. Goodon I I., San Halloison	, ort > 1102 Pour diot. Dupor visors (msigov.org
Signature of City Elective Officer (if submitted by City elective of	ficer) Date Signed
Signature of Board Secretary or Clerk (if submitted by Board Secre	etary or Clerk) Date Signed