



# STAFF REPORT

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**Meeting Type:** City Council  
**Meeting Date:** June 17, 2024  
**From:** Jenny Coker, Public Works Director  
**Subject:** Contract Amendment: Veolia Water North America – West, LLC

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## **DECISION TO BE MADE:**

Whether to authorize the City Manager to execute Amendment No. 2 to the agreement with Veolia Water North America – West, LLC (Veolia) for Operations, Maintenance and Management Services at the City's Drinking Water and Wastewater Treatment Plants

## **BACKGROUND / CONTEXT:**

The City of Sandy entered into a five-year agreement with Veolia for operations, maintenance, and management services for the drinking water and wastewater treatment plants. The contract includes a provision for the City to extend the agreement for an additional five years. The original five-year agreement expired on March 1, 2024, and was extended by Amendment 1 at the February 20, 2024 Council meeting through June 30, 2024 as both parties entered into negotiations with the intention to renew for an additional five-year period.

The City has been working to negotiate the amended and restated operations and maintenance agreement. However, both parties have proposed an additional three-month extension of the current agreement through September 30, 2024 to continue negotiations. In summary, new rules regarding prevailing wage require additional legal analysis by both Veolia and the City to complete before the Agreement can be amended and restated.

## **KEY CONSIDERATIONS / ANALYSIS:**

As was discussed at the June 6<sup>th</sup> meeting of the Water & Wastewater System Improvements Oversight Committee, this amendment is necessary to continue to maintain a contract for operations services for the Drinking Water and Wastewater Treatment plant past June 30, 2024.

Veolia has been an excellent partner to the City in stabilizing and improving treatment and operations the last five years, as well as conducting stress testing of the system. This amendment will allow the City and Veolia to finalize the updated agreement for a new five year term, which staff will bring back to the Council by September 2024 for council consideration.

At the end of the next five years, the City will have completed upgrades to both the Wastewater and Water Treatment Plants, making it an appropriate time to conduct a new RFP process for contract operations services. Until that time, remaining with Veolia is in the City's interest given the firm's substantial involvement with the improvement projects currently underway.

**BUDGET IMPACT:**

The fees for the current agreement are included within the BN 2023-25 budget.

**RECOMMENDATION:**

Authorize the City Manager to execute Amendment 2 with Veolia for a three-month extension.

**SUGGESTED MOTION LANGUAGE:**

"I move to approve Amendment 2 to the City's agreement with Veolia Water North America-West, LLC, as included in the agenda packet."

**LIST OF ATTACHMENTS / EXHIBITS:**

- Veolia Amendment 2
- Original Veolia Agreement