

**DEPARTMENT OF PUBLIC WORKS
INTEROFFICE MEMORANDUM**



TO: Board of Commissioners
THROUGH: Dick Anderson, County Manager
Pamela Roshell, Deputy Chief Operating Officer Health & Human Services
FROM: David Clark, P.E., Public Works Director
DATE: March 9, 2022
SUBJECT: Renewal of Operations and Maintenance Services for Camp Creek Managed Assets – RFP #16RFP071816K-DJ

At the March 16, 2022 Recess Meeting of the Fulton County Board of Commissioners, the Public Works Department will be recommending that the existing operation and maintenance contract for the Camp Creek Managed Assets be renewed for another five years with the current vendor, Veolia Water North America, consistent with the contract. The existing contract allows for a number of price adjustments and Public Works is recommending that they be exercised as part of the renewal.

HISTORY

The Camp Creek Managed Assets includes the operation and maintenance of 2 wastewater treatment facilities (Camp Creek and Little Bear) and 18 pump stations located throughout South Fulton County. Veolia Water North America was awarded this maintenance contract after a competitive process on December 21, 2016 by the Fulton County Board of Commissioners for the time period April 4, 2017 through April 3, 2022. The contract allows for one additional five-year renewal period.

Since April 2017, Veolia Water North America has operated the assets extremely well, including achieving 5 consecutive platinum awards from the Georgia Association of Water Professionals for excellence in plant operations. The total contract value for the first five years was \$32,969,015, including Fulton County controlled contingencies.

PROPOSED RENEWAL

Fulton County Public Works and Veolia Water North America have met several times in the past six months to discuss renewing the contract as allowed. Given the volatility of the current economy and job market, Public Works believes that it is in Fulton County's best interest to renew Veolia's contract, with these contemplated price adjustments, instead of opening it back up to a competitive bid at this time.

There are several contract provisions that allows the contract price to be adjusted as part of the renewal process. After reviewing the contract and several negotiating meetings between Public Works and Veolia Water North America, Public Works is supportive of adjusting the contract price for the next five years for the following four items:

1. Chemical cost- Section 47.1 - Uncontrollable circumstances definition includes epidemic under the list of inclusions. The current Global Pandemic has interrupted not

only the availability but also the supply chain in all areas. Veolia has indications from our Global suppliers that these costs will continue to increase due to these issues. Veolia has asked for current price relief in the purchases of chemicals used in the treatment process and were not anticipated in 2017 contract when the scope was bid.

2. Sludge Relief- Section 47.1 – Uncontrollable circumstances definition includes change of law under the list of inclusions. The Biosolids market in Georgia originally started to deteriorate with the failure of the prime landfill used for sludge disposal because of excessive water content in the sludge. Veolia was able to secure alternative disposal sites that have seen the governing laws on acceptance of High Moisture Content (HMC) changed to reduce the likelihood of another failure. These changes have driven disposal cost well above any pricing Veolia could have foreseen during the initial bid for the scope in 2017. Veolia has proposed a new baseline rate that will be used during the renewal period in pricing the cost of biosolid disposal.
3. Staffing modification - Section 50.7 (B) Changes in Staffing Plan. The contract allows for the modification of the staffing plan with Fulton County approval. Veolia proposes adding an additional (2) two positions to the contract approved staff plan. The positions will further enhance the partnership with additional staff for operations and maintenance as well support for ongoing and upcoming facility and station modifications. These positions will also provide further development of staff for the next five year term. Public Works agrees that additional staff is necessary to successfully operate and maintain these assets.
4. Escalation – Section 62.3 (F) Adjustment Factor (CPI Adjustment). The contract allows for the adjustment of the fixed fee to be increased (or decreased) in conjunction with the Consumer Price Index. During the first five years of the contract, Veolia Water North America voluntarily agreed to hold the annual adjustment to 2% per year regardless of the actual CPI value. For the renewal, Veolia Water North America has requested to increase this value to 3% per year which is consistent with the annual escalation that is in the North Fulton contract.

In accepting these adjustments as permitted under the current contract, the five year renewal total value will be annual fee would be \$44,507,059, including Fulton County controlled contingencies. Since the first 3 months are covered under the initial five-year contract, the actual 2022 fee for operating the Camp Creek Managed Assets would be \$6,277,692 for the time period April 4, 2022 – December 31, 2022.

Both Public Works and Purchasing Departments trust that these explanations help provide the necessary background informing concerning this upcoming BOC agenda item. If any Commissioner would like additional information or discuss this proposed renewal in more detail, please do not hesitate to reach out to David Clark and Felicia Strong-Whitaker.

cc: Felicia Strong-Whitaker, Purchasing Director