

**AMENDMENT NO. 1 TO CONSULTING SERVICES AGREEMENT
BETWEEN THE CITY OF MILPITAS AND
HYDROSCIENCE ENGINEERS, INC**

This Amendment is entered into this 7th day of October, 2014, by and between the City of Milpitas, a municipal corporation of the State of California (hereafter referred to as "CITY") and HydroScience Engineer, Inc., a California corporation (hereafter referred to as "CONSULTANT").

RECITALS

WHEREAS, the parties entered into an agreement on January 7, 2014 entitled "Consulting Services Agreement between the City of Milpitas and HydroScience Engineers, Inc." ("Agreement") for professional support services related to technical and regulatory compliance for public (potable) water system and recycled water system with an expiration of December 30, 2014 in the amount of Forty Thousand Five Hundred Dollars (\$40,500); and

WHEREAS, the parties desire to amend the Agreement to increase the compensation, increase the scope of work, and extend the term of the Agreement to allow CONSULTANT to continue providing professional support services;

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties agree to amend the Agreement as follows:

1. Section 2, entitled "Compensation" of the Agreement is amended in its entirety to read as follows:

"Section 2. COMPENSATION. City hereby agrees to pay Consultant an amount not to exceed Seventy Thousand Five Hundred dollars (\$70,500.00) based on time and materials for all services to be performed and reimbursable costs incurred under this Agreement. City shall pay Consultant for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Consultant for services rendered pursuant to this Agreement. Consultant shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, Consultant shall not bill City for duplicate services performed by more than one person.

Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Hourly rates for personnel performing services shall be as shown in Revised Exhibit B. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

2. The first sentence in Subsection 1.1, entitled "Term of services" is amended to read:

 "**Term of Services.** The term of this Agreement shall begin on the date first noted above and shall end on July 31, 2015, and Consultant shall complete all the work described in Exhibit A prior to that date, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8."
3. Exhibit B is amended and replaced in its entirety with Revised Exhibit B, which is attached hereto and incorporated by reference herein.
4. The Consultant agrees to maintain and pay for all insurance policies as stated in Section 4, entitled "Insurance Requirements" of the Agreement dated January 7, 2014 between HydroScience Engineers, Inc. and the City of Milpitas. The Consultant shall provide the City with renewal certificates of the current policies upon the expiration of the current policy.
5. All other provisions of the Agreement not modified by this Amendment No. 1 shall remain in full force and effect.

This Amendment is executed as of the date written on Page 1.

APPROVED BY:

CITY OF MILPITAS

HYDROSCIENCE ENGINEERS, INC.
CONSULTANT

Thomas C. Williams, City Manager

Curtis Lam, Vice-President

APPROVED AS TO CONTENT:

Jeff Moneda, Public Works Director/
City Engineer

APPROVED AS TO FORM:

Michael J. Ogaz, City Attorney

REVISED EXHIBIT B
COMPENSATION SCHEDULE

Project Budget

The proposed not-to-exceed fee for Tasks 1 and 2 of this scope of work is documented in **Table 1**. This budget will be expended based on the actual time and materials required to complete this scope of work. CONSULTANT shall invoice the City in accordance with CONSULTANT's standard rate schedule in effect at the time work is performed. A copy of the Standard Rate Schedule is attached.

Table 1. Fee Budget Schedule

Task	Description	Fee
Task 1, Potable water	On call potable water regulatory support services	\$10,000
Task 2, Recycled water	Preparation of Plans for CDPH Approval, Cross connection testing, and completion of inspection checklist of sites as directed by City of Milpitas based on time and material	\$60,500
TOTAL:		\$70,500

City of Milpitas, California

BUDGET CHANGE FORM

Type of Change	From		To	
	Account	Amount	Account	Amount
Check one: <input checked="" type="checkbox"/> Budget Appropriation <input type="checkbox"/> Budget Transfer	400-3572	\$ 30,000	400-416-4237	\$ 30,000

Explain the reason for the budget change:

Background: On January 7, 2014, Council approved an agreement with HydroScience Engineers, Inc. (HEI) to provide on-call support services related to the City's potable and recycled water systems in the amount of \$40,500 and for a term expiring on December 30, 2014. The recycled water technical support services include cross connection testing between the City's potable water and recycle water systems, plan preparations and completion of compliance checklists. There are approximately 186 businesses currently receiving recycle water for on-site landscaping and cooling tower. When these businesses were originally connected to the recycle water system, there were no cross-connections. However over time, on-site plumbing changes occur where the two water systems could be inadvertently connected. To ensure the safety of the City's water systems, this work is needed to assess these situations and, if necessary, make the corrections to separate the potable and recycle water systems as required by the California Department of Public Health (CDPH) and the South Bay Water Recycling (SBWR).

The original fee of \$40,500 was to perform the cross-connection inspections on the 186 businesses. To minimize the impact to businesses during their operational hours, the inspections were deliberately scheduled to be conducted either late at night or prior to opening. Unfortunately, the coordination between land owners and tenants was not seamless such that some of the scheduled inspections could not be performed. Rescheduling of the inspections and, in some cases, multiple re-inspections were required to fully assess and determine that there were no cross connections between the potable and recycled water systems. In light that HEI spent additional time and effort to complete the required inspections, their budget was exhausted at a faster rate.

Approximately 5 of the 186 business cross connection inspections remain. It is expected to cost an additional \$30,000 to complete the balance of the work. Staff is also recommending an extension of the agreement to July 31, 2015 to complete the work.

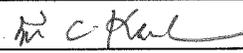
Fiscal Impact: None. A budget appropriation to the Engineering Department's operating budget in the amount of \$30,000 will be reimbursed by SBWR.

Recommendation:

1. Approve Amendment No. 1 with HydroScience Engineers, Inc. in an amount not to exceed 30,000.00 and extending the term from December 30, 2014 to July 31, 2015.
2. Approve a budget appropriation of \$30,000 to the Engineering Operating Budget, to be reimbursed by South Bay Water Recycling.

Check if City Council Approval required.

Meeting Date: September 15, 2014

Requested by:	Department Head: Jeff Moneda, City Engineer/PW Director	Date: October 7, 2014
Reviewed by:	Finance Director: 	Date:
Approved by:	City Manager:	Date:
Date approved by City Council, if required:		Confirmed by: