



# AGENDA REPORT

## CITY OF SAN CLEMENTE

### City Council Meeting

910 Calle Negocio  
2nd Floor  
San Clemente, California  
www.san-clemente.org

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**Meeting Date:** 2/7/2023

Agenda Item: 6H

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**Department:** Utilities

**Prepared By** Julie Schmidt, Management Analyst II

**Subject:**

**APPROVAL OF A THIRD AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH WATERLINE TECHNOLOGIES, INC. FOR DELIVERY OF 12.5% SODIUM HYPOCHLORITE.**

**Fiscal Impact:**

There is adequate funding within the Water Operating Fund Account Number 052-463-42150 for the Third Amendment.

**Summary:**

Staff recommends that the City Council authorize the City Manager to sign a third amendment to the Professional Services Agreement with Waterline Technologies, Inc. for delivery of Sodium Hypochlorite for water treatment.

**Background:**

In 2018, there was a need to purchase the chemical Sodium Hypochlorite for on-site water treatment at Reservoirs 5A, 10, and 14 due to the completion of a construction project to improve water quality management. Sodium Hypochlorite (chlorine) is added to potable (drinking) water at the subject water reservoirs as a disinfectant to improve water quality within the reservoirs and water system. Typically, vendors for chemical deliveries utilize 18-wheel trucks, but due to the location and limited access to the City's reservoir sites, smaller delivery trucks are needed to navigate the narrow access roads. Utilities staff issued a Request for Proposals, and entered into an Agreement with the only vendor that provided a valid proposal, Waterline Technologies, Inc., a company with the capability to deliver to the limited access reservoir sites. On September 18, 2018, City Council approved an Agreement with Waterline Technologies for a two-year term through September 30, 2020 for \$1.54/gallon for a maximum of \$50,000, and authorized the City Manager to approve up to three, one-year extensions to the Agreement if Waterline Technologies and the City made a determination to extend the Contract after the initial two-year period.

**Discussion:**

Two Amendments to the Agreement with Waterline Technologies have been approved by the City Manager for this Agreement. A summary of the First and Second Amendment and the proposed Third Amendment are shown below.

**First Amendment**

The first amendment extended the contract for one year, with pricing remaining at \$1.54/gallon, and increased the contract maximum from \$50,000 to \$54,000. This was the first of three one-year extensions that the City Council had given authorization for the City Manager to execute.

**Second Amendment**

This extended the term of the Agreement for one year and increased the contract maximum from \$54,000 to \$72,420 due to an increase in pricing to \$1.89/gallon. This was the second of three one-year extensions that the City Council had given authorization for the City Manager to execute.

**Third Amendment (Proposed)**

The quote received from Waterline Technologies, Inc. for a Third Amendment contains new pricing at \$2.43/gallon. This \$0.54/gallon increase is based on the higher costs for Sodium Hypochlorite from suppliers and increased fuel costs for delivery. This proposed Amendment would extend the Agreement through September 30, 2023, and add \$30,000 to the contract maximum for a total contract amount of \$102,420. The budget amount approved for Fiscal Year 2022-23 for Sodium Hypochlorite for water quality management is \$30,000 in account 052-463-42150. This will be the third and final of the three extensions and a Request for Proposal process will be conducted for a new Agreement. Per the direction of the City Attorney due to the increase in unit cost, staff is recommending the City Council authorize the City Manager to approve the third and final contract extension.

***Recommended Actions:***

**Staff Recommendation**

Staff recommends that the City Council approve, and authorize the City Manager to execute, the Amendment No. 3 to Contract C18-50, by and between the City of San Clemente and Waterline Technologies, Inc. for Sodium Hypochlorite deliveries. This amendment increases the contract amount from \$72,420 to \$102,420 (an increase of \$30,000).

***Attachments:***

1. Agenda Report dated September 18, 2018
2. First Amendment to the Agreement with Waterline Technologies
3. Second Amendment to the Agreement with Waterline Technologies
4. Third Amendment to the Agreement with Waterline Technologies

***Notification:***

None.



## AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING  
Meeting Date: September 18, 2018

Agenda Item 6-D

## Approvals:

City Manager JMDept. Head DRAttorney Finance JL**Department:** Utilities**Prepared By:** Kevin Lussier, Assistant Utilities Manager DR**Subject:** *APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH WATERLINE TECHNOLOGIES, INC. FOR DELIVERY OF 12.5% SODIUM HYPOCHLORITE.***Fiscal Impact:** Yes. There is adequate funding for up to \$25,000 in expenditures in Fiscal Year 2019 within the Water Operating Fund Account Number 052-463-42150. Additional funding for the two-year Agreement and any extensions will be proposed as part of the City's annual budget process for future fiscal years.**Summary:** Staff recommends that City Council authorize the Mayor to sign a Professional Services Agreement with Waterline Technologies, Inc. for delivery of Sodium Hypochlorite for water treatment.**Discussion:** Due to the recent completion of a construction project to improve water quality management at Reservoirs 5A, 10, and 14, there is a need to purchase the chemical Sodium Hypochlorite for on-site water treatment. Utilities staff requested and obtained proposals for delivery of 12.5% Sodium Hypochlorite to the three reservoir sites.

Typically vendors for chemical deliveries utilize 18-wheel trucks, but due to the location and limited access to the reservoir sites, smaller delivery trucks are needed to navigate the narrow access roads. As a result, only one proposal was received from Waterline Technologies, Inc. in the amount of \$1.54 per gallon, which is lower than the estimated cost provided by the design engineer at \$2.00 per gallon. The estimated annual cost for Sodium Hypochlorite deliveries is \$25,000. The initial Agreement is for a two-year term for up to \$50,000, with the option to renew for three additional one-year terms.

**Recommended****Action:**

STAFF RECOMMENDS THAT the City Council:

1. Approve, and authorize the Mayor to execute, Contract \_\_\_\_\_ by and between the City of San Clemente and Waterline Technologies, Inc. for Sodium Hypochlorite deliveries in the amount of \$50,000; and
2. Authorize the City Manager to approve up to three, one-year extensions to the Agreement if Waterline Technologies, Inc. and the City make a determination to extend the Contract after the initial two-year period.

**Attachments:** None. The Professional Services Agreement is on file with the City Clerk's office.

**Notification:** None.

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## Attachment 2

### FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT TO FURNISH & DELIVER 12.5% SODIUM HYPOCHLORITE FOR WATER TREATMENT

This First Amendment to Professional Services Agreement for Supply & Delivery of 12.5% Sodium Hypochlorite for Water Treatment (this "First Amendment") is made and entered into on this 18<sup>th</sup> day of December, 2020, by and between the CITY OF SAN CLEMENTE, a California municipal corporation ("City"), and Waterline Technologies, Inc. ("Contractor").

#### RECITALS:

- A. City and Contractor entered into that certain Professional Services Agreement for Supply & Delivery of 12.5% Sodium Hypochlorite for Water Treatment (the "Agreement") on September 18, 2018.
- B. City and Contractor desire to amend the Agreement in the manner provided herein.

#### COVENANTS:

Section 1: Section 1.1 Term of the Agreement is hereby amended to extend the contract one year by changing the end date of the original agreement from September 30, 2020 to September 30, 2021.

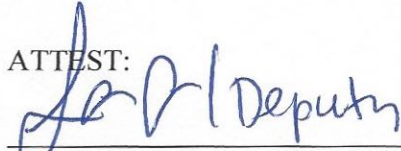
Section 2: 3.1 Payment Schedule of the Agreement is hereby amended by increasing the not to exceed amount from Fifty Thousand Dollars (\$50,000) to Fifty Four Thousand Dollars (\$54,000) for the remainder of the Agreement based on the pricing listed in Exhibit A of this First Amendment, which exhibit is attached hereto and incorporated herein by this reference.

Except as expressly amended by this First Amendment, the remaining portions of the Agreement shall remain in full force and effect.




IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed on the respective dates set forth opposite their signatures.

ATTEST:

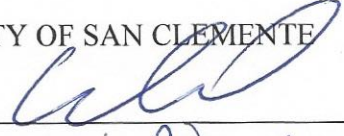
  
\_\_\_\_\_  
CITY CLERK of the City of  
San Clemente, California

Approved as to form:  
BEST-BEST & KRIEGER

  
\_\_\_\_\_  
City Attorney

  
\_\_\_\_\_  
Finance Authorization

CITY OF SAN CLEMENTE

By:   
\_\_\_\_\_  
Its: Interim City Manager  
\_\_\_\_\_  
Dated: 12/9, 20 20

Waterline Technologies Inc  
\_\_\_\_\_  
("CONTRACTOR")

By: Thomas R Berrey  
\_\_\_\_\_  
Its: GM  
\_\_\_\_\_  
Dated: November 20, 20 20

EXHIBIT "A"

Please see attached price quote dated September 24, 2020 from Waterline Technologies, Inc.



**SANTA ANA BRANCH**

620 SANTIAGO STREET  
SANTA ANA, CA 92701  
714.564.9100

<b>ORDER NUMBER</b>	
1599462	
<b>ORDER DATE</b>	<b>PAGE</b>
9/24/2020 10:34:41	1 of 1

**BILL TO:** 8432  
  
CITY OF SAN CLEMENTE UTILITIES DIVISION  
380 AVE PICO BLDG N  
SAN CLEMENTE, CA 92672

**SHIP TO:** 8432  
  
CITY OF SAN CLEMENTE UTILITIES DIVISION  
380 AVE PICO BLDG N  
SAN CLEMENTE, CA 92672

949-366-1553

<b>PO NUMBER</b>	<b>CARRIER</b>	<b>TERMS</b>
GET PO	OUR TRUCK - SANTA ANA	Net 30

LINE	ITEM DESCRIPTION	ORDERED	PRICE	EXTENDED PRICE
1	10-2007 UN1791, HYPOCHLORITE SOLUTIONS, Vendor: 1752 Part # : 470686 8, PG III FILTERED SODIUM HYPOCHLORITE 12.5% BULK - NSF CERTIFIED TO NSF/ANSI 60 - MUL 84 mg/L - PER GALLON	1	1.54	1.54

TOTAL LINES: 1

**SUB-TOTAL:** 1.54

**TAX:** 0.12

Quote Expires On 9/30/2021

**AMOUNT DUE:** 1.66

All items are in accordance with plans and specifications. Waterline Technologies shall not be responsible for misinterpretations of specifications after making a reasonable effort. Material quoted shall be verified by the purchaser as to conforming to specifications and/or quantities. Waterline Technologies shall not be obligated to honor or accept any purchase order based on the quotation, and no contract or obligation on the part of Waterline Technologies shall arise unless and until all of the following conditions have been satisfied: 1. The quote is timely and unconditionally accepted in writing by perspective customer within ten (10) days of the quotation. 2. All terms of the quotation are accepted without modifications or change. 3. Waterline Technologies satisfies itself, in the sole and absolute discretion, regarding the credit worthiness of the prospective customer. 4. It is the responsibility of the purchaser to carefully review the items listed for accuracy and application. 5. Unless revised in writing, the goods listed above are those that will be shipped.

Signature: _____	Date: _____
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## SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT TO FURNISH & DELIVER 12.5% SODIUM HYPOCHLORITE FOR WATER TREATMENT

This Second Amendment to Professional Services Agreement for Supply & Delivery of 12.5% Sodium Hypochlorite for Water Treatment (this "Second Amendment") is made and entered into on this 13<sup>th</sup> day of January, 2022, by and between the CITY OF SAN CLEMENTE, a California municipal corporation ("City"), and Waterline Technologies, Inc. ("Contractor").

### R E C I T A L S:

- A. City and Contractor entered into that certain Professional Services Agreement for Supply & Delivery of 12.5% Sodium Hypochlorite for Water Treatment (the "Agreement") on September 18, 2018.
- B. City and Contractor entered into that certain First Amendment to Professional Services Agreement for Supply & Delivery of 12.5% Sodium Hypochlorite for Water Treatment, ("First Amendment") on December 18, 2020. The Original Agreement, as modified by the First Amendment, is hereinafter referred to as the "Agreement."
- C. City and Contractor desire to amend the Agreement in the manner provided hereinbelow.

### C O V E N A N T S:


Section 1: Section 1.1 Term of the Agreement is hereby amended to extend the contract one year by changing the end date of the original agreement from September 30, 2021 to September 30, 2022.

Section 2: Section 3.1 Payment Schedule of the Agreement is hereby amended by increasing the not to exceed amount from Fifty Four Thousand Dollars (\$54,000) to Seventy Two Thousand Four Hundred Twenty Dollars (\$72,420) for the remainder of the Agreement based on the pricing listed in Exhibit A of this Second Amendment, which exhibit is attached hereto and incorporated herein by this reference.

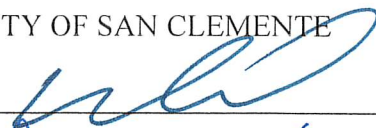
Except as expressly amended by this Second Amendment, the remaining portions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be duly executed on the respective dates set forth opposite their signatures.

ATTEST  
 Legislative Administrator  
CITY CLERK of the City of San Clemente, California

Approved as to form:  
BEST BEST & KRIEGER  
  
City Attorney

  
Finance Authorization

CITY OF SAN CLEMENTE  
By:   
Its: City Manager  
Dated: 1/11/22, 2022

WATERLINE TECHNOLOGIES, INC.  
("CONTRACTOR")  
By: Thomas R. Boney  
Its: G.M.  
Dated: 9-8, 2021



**SANTA ANA BRANCH**  
 620 SANTIAGO STREET  
 SANTA ANA, CA 92701  
 714.564.9100

<b>ORDER NUMBER</b>	
1650259	
<b>ORDER DATE</b>	<b>PAGE</b>
9/8/2021 08:07:39	1 of 1

**BILL TO:** 8432  
 CITY OF SAN CLEMENTE UTILITIES DIVISION  
 380 AVE PICO BLDG N  
 SAN CLEMENTE, CA 92672

**SHIP TO:** 8432  
 CITY OF SAN CLEMENTE UTILITIES DIVISION  
 380 AVE PICO BLDG N  
 SAN CLEMENTE, CA 92672

949-366-1553

<b>PO NUMBER</b>	<b>CARRIER</b>	<b>TERMS</b>
PRICING QUOTE	OUR TRUCK - SANTA ANA	Net 30

LINE	ITEM DESCRIPTION	ORDERED	PRICE	EXTENDED PRICE
1	10-2007 UNI1791, HYPOCHLORITE SOLUTIONS, Vendor: 1752 Part # : 470686 8, PG III FILTERED SODIUM HYPOCHLORITE 12.5% BULK - NSF CERTIFIED TO NSF/ANSI 60 - MUL 84 mg/L - PER GALLON	1	1.89	1.89

TOTAL LINES: 1

**SUB-TOTAL:** 1.89

**TAX:** 0.15

Quote Expires On 11/7/2021

**AMOUNT DUE:** 2.04

All items are in accordance with plans and specifications. Waterline Technologies shall not be responsible for misinterpretations of specifications after making a reasonable effort. Material quoted shall be verified by the purchaser as to conforming to specifications and/or quantities. Waterline Technologies shall not be obligated to honor or accept any purchase order based on the quotation, and no contract or obligation on the part of Waterline Technologies shall arise unless and until all of the following conditions have been satisfied: 1. The quote is timely and unconditionally accepted in writing by perspective customer within ten (10) days of the quotation. 2. All terms of the quotation are accepted without modifications or change. 3. Waterline Technologies satisfies itself, in the sole and absolute discretion, regarding the credit worthiness of the prospective customer. 4. It is the responsibility of the purchaser to carefully review the items listed for accuracy and application. 5. Unless revised in writing, the goods listed above are those that will be shipped.

Signature: _____	Date: _____
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## THIRD AMENDMENT TO PROFESSIONAL CONSULTANT SERVICES AGREEMENT TO FURNISH & DELIVER 12.5% SODIUM HYPOCHLORITE FOR WATER TREATMENT

This Third Amendment to Professional Consultant Services Agreement for Supply & Delivery of 12.5% Sodium Hypochlorite for Water Treatment (this "Third Amendment") is made and entered into on this \_\_\_\_ day of \_\_\_\_\_, 2023, by and between the CITY OF SAN CLEMENTE, a California municipal corporation ("City"), and Waterline Technologies, Inc. ("Consultant").

### RECITALS:

- A. City and Consultant entered into that certain Professional Consultant Services Agreement for Supply & Delivery of 12.5% Sodium Hypochlorite for Water Treatment (the "Original Agreement") on September 18, 2018.
- B. City and Consultant entered into that certain First Amendment to the Professional Consultant Services Agreement for Supply & Delivery of 12.5% Sodium Hypochlorite for Water Treatment ("First Amendment") on December 18, 2020.
- C. City and Consultant entered into that certain Second Amendment to Professional Consultant Services Agreement for Supply & Delivery of 12.5% Sodium Hypochlorite for Water Treatment ("Second Amendment") on January 13, 2022. The Original Agreement, as modified by the First Amendment and the Second Amendment, is hereinafter referred to as the "Agreement".
- D. City and Consultant desire to amend the Agreement in the manner provided herein.

### COVENANTS:

**Section 1.1** Term of the Agreement is hereby amended to extend the contract one year by changing the end date of the original agreement from September 30, 2022 to September 30, 2023.

**Section 3.1** Payment Schedule of the Agreement is hereby amended by increasing the not to exceed amount from Seventy Two Thousand Four Hundred Twenty Dollars (\$72,420) to One Hundred Two Thousand, Four Hundred and Twenty Dollars (\$102,420) for the remainder of the Agreement based on the pricing listed in Exhibit A of this Third Amendment, which exhibit is attached hereto and incorporated herein by this reference.

Except as expressly amended by this Third Amendment, the remaining portions of the Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have caused this Third Amendment to be duly executed on the respective dates set forth opposite of their signatures.

**CITY OF SAN CLEMENTE**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
CITY CLERK of the City of  
San Clemente, California

**APPROVED AS TO FORM:  
BEST BEST & KRIEGER**

\_\_\_\_\_  
City Attorney

**APPROVED AS TO AVAILABILITY  
OF FUNDING:**

\_\_\_\_\_  
Finance Authorization

\_\_\_\_\_  
("CONSULTANT")

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_\_\_



**EXHIBIT "A"**

Please see attached Renewal Letter from Waterline Technologies, Inc.

DRAFT

# WATERLINE TECHNOLOGIES, INC.



**SANTA ANA  
BRANCH**  
620 SANTIAGO STREET  
SANTA ANA, CA 92701  
714.564.9100

**PALM DESERT  
BRANCH**  
52-570 MELANIE PLACE  
PALM DESERT, CA 92211  
760.674.0995

August 29, 2022

## City of San Clemente Utilities

Julie Schmidt, Management Analyst II

Phone: (949) 361-6198 Fax: (949) 361-8234

[schmidtj1@san-clemente.org](mailto:schmidtj1@san-clemente.org)

### **Subject: Amendment to Contract for Sodium Hypochlorite**

Waterline Technologies Inc. would like to extend the current contract to supply Sodium Hypochlorite 12.5%. Effective 10/1/2022 through the end of the contract 9/30/23. Pricing shall be \$2.43 per gallon delivered to the City Reservoir sites.

Due to market conditions pricing can not be held firm beyond 90 days.

Thank you

Tom Berrey, GM

Waterline Technologies Inc.