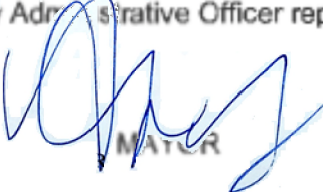


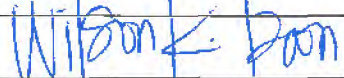
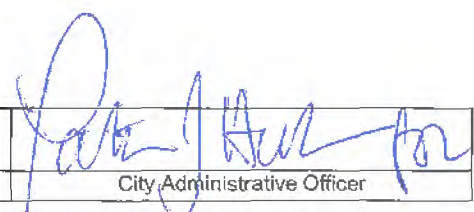
TRANSMITTAL		0610-01876-0348
TO The Council	DATE 05/20/16	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	
 Ninth Amended Joint Powers Agreement with the Southern California Coastal Water Research Project Approved and transmitted for your consideration. See the City Administrative Officer report attached.  MAYOR (Ana Guerrero) MAS:WKP:061601131		

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 05-20-16	C.D. No. ALL	CAO File No.: 0610-01876-0348
Contracting Department/Bureau: Public Works/Sanitation		Contact: Mas Dojiri, (310) 648-5610	
Reference: Transmittal from the Board of Public Works dated February 19, 2016; referred for report on February 23, 2016.			
Purpose of Contract: To enhance the City's scientific foundation for management of Southern California's ocean and associated coastal watershed resources.			
Type of Contract: () New contract (X) Amendment		Contract Term Dates: Four years, from July 1, 2017 through June 30, 2021.	
Contract/Amendment Amount: \$1,850,000			
Proposed amount \$1,850,000 + Prior award(s) \$11,805,156 = Total \$13,655,156			
Source of funds: Sewer Construction and Maintenance Fund No. 760			
Name of Contractor: Southern California Coastal Water Research Project Authority			
Address: 3535 Harbor Blvd., Suite 110, Costa Mesa, CA 92626			
	Yes	No	N/A*
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed			X
4. Proposals have been requested			X
5. Risk Management review completed			X
6. Standard Provisions for City Contracts included			X
7. Workforce that resides in the City: N/A			
8. Contractor has complied with:			
	Yes	No	N/A*
a. Equal Employmt. Oppty./Affirm. Action			X
b. Good Faith Effort Outreach**			X
c. Equal Benefits Ordinance			X
d. Contractor Responsibility Ordinance			X
e. Slavery Disclosure Ordinance			X
f. Bidder Certification CEC Form 50			X
*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

In accordance with Executive Directive No. 3, the Board of Public Works, on behalf of the Bureau of Sanitation (Bureau), requests approval of and authority to execute the Ninth Amended Joint Powers Agreement for the Southern California Coastal Water Research Project (SCCWRP) Authority. The SCCWRP is a joint powers agency focused on marine environmental and water quality research. The purpose of the Joint Powers Agreement (JPA), which includes the City of Los Angeles and various other public agencies, is to increase the scientific knowledge of how treated wastewater and stormwater discharges and other human activities interact to affect Southern California's coastal ecological systems, and thereby to ensure the protection and conservation of these natural resources. The proposed Ninth Amended Agreement continues support of this research for an additional four years, from 2017-18 through 2020-21 and the City's total share of costs over the four year term is \$1.85 million. Although Los Angeles Administrative Code Section 10.5(a) provides that contracts with governmental agencies do not require Council approval, the City Council has asserted jurisdiction over this agreement by approving the original JPA to create the SCCWRP on October 20, 1969. Therefore, all subsequent amendments to the JPA must be approved by the City Council.

			
WKP Analyst	06160113	Assistant CAO	City Administrative Officer

Background

Founded in 1969, the SCCWRP is an environmental research institute that focuses on the source, effects, and fate of pollutants introduced into the coastal waters of the Southern California Bight (the curved coastline area from Point Conception to the Mexican border). Research by SCCWRP's staff of 45 researchers (about half hold Ph.D.'s) focuses on understanding the magnitudes and sources of contaminants, particularly those associated with municipal wastewater, and their effects on receiving waters and associated organisms. This research measures the "background" or "normal" conditions of a habitat, organism, or community of organisms. Next, assessments are made on the impacts of effluents discharged from municipal outfalls, storm drains, urban runoff, or contaminants presently existing in the marine environment as a result of past discharges. Additional research is conducted to develop and refine methods to measure chemical, physical, and biological parameters. This information has enabled jurisdictions to better understand the effects of their treated wastewater and stormwater on the receiving environment and to work with regulatory agencies to develop better policies regarding effluent disposal into the ocean, refine standards, and develop appropriate monitoring programs. The SCCWRP is governed by a 14-member Commission, which includes the following agencies:

1. City of Los Angeles, Bureau of Sanitation;
2. City of San Diego, Public Utilities Department;
3. Orange County Sanitation District;
4. Los Angeles County Sanitation Districts;
5. United States Environmental Protection Agency, Region IX;
6. California State Water Resources Control Board;
7. California Regional Water Quality Control Board, Los Angeles Region;
8. California Regional Water Quality Control Board, Santa Ana Region;
9. California Regional Water Quality Control Board, San Diego Region;
10. Ocean Protection Council;
11. Ventura County Watershed Protection District (VCWPD);
12. Los Angeles County Flood Control District (LACFCD);
13. Orange County Public Works; and
14. County of San Diego.

The first four agencies are known as signatory members that contribute \$425,000 in 2017-18 and have full voting privileges. Agencies five through ten on the above list are regulatory agencies that are prohibited by their Charter from making annual contributions. However, these regulatory agencies fund specific research projects, which have total costs of \$7 to \$8 million annually. The last four agencies are non-signatory members that contribute one-fourth of the signatory member amount and these agencies receive one-fourth of a vote.

The SCCWRP Commission meets four times a year to conduct the business of the organization and oversee the research program. Continued participation in the SCCWRP allows the Bureau to make more effective and efficient management decisions to protect the environment and receiving waters, which impacts the quality of life for residents.

Proposed Ninth Amended Agreement

The proposed Ninth Amended Agreement is generally consistent with previous Amended Agreements with the following terms:

1. The term of the Agreement is four years, from July 1, 2017 through June 30, 2021;
2. The purpose of the SCCWRP was broadened to include scientific research on the effects of stormwater, urban runoff, and other discharges into receiving waters recognizing that discharges from wastewater treatment plants are no longer responsible for the bulk of the pollution introduced into the receiving waters.
3. The four signatory members (cities of Los Angeles and San Diego and Sanitation Districts of Los Angeles and Orange County) will all contribute a total of \$1.85 million each through the term of the Agreement as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2017-18	\$425,000
2018-19	\$450,000
2019-20	\$475,000
2020-21	\$500,000
Total	\$1,850,000

These costs are typically structured as escalating contributions to reflect annual inflation during the term of the Agreement (in the Sixth Amended Agreement, for instance, City of Los Angeles costs were tiered from \$336,528 in 2005-06 to \$363,466 in 2008-09). The member agencies determined that escalating contributions each year are problematic from a budgeting and administration standpoint, so for the Seventh and Eighth Amended Agreement, annual costs were streamlined to reflect the average of the four-year cost with inflation (annual costs of \$400,000 per year). For the Ninth Amended Agreement, annual costs are reflected as escalating costs as the Commissioners of the signatory agencies felt that they could justify and receive approval of the annual contributions if they were represented by escalating costs (reflecting cost of living increases) rather than an average four-year cost with inflation.

4. The amounts are consistent with the City's annual contribution over prior years which have ranged from approximately \$202,200 to \$427,140. Member contributions are determined in part by revenue from other grants and contracts that support the SCCWRP. In 2015-16, member contributions totaled \$2.0 million and other sources of revenue supporting the SCCWRP totaled \$7.6 million. Therefore, for the City's 2015-16 annual contribution of \$400,000, the City benefited from \$9.6 million worth of research.
5. The non-signatory members (LACFCD, VCWPD, and counties of Orange and San Diego) will annually contribute one-fourth of the signatory contribution amount. The long-term goal is to transition the non-signatory members to signatory members contributing full annual amounts.
6. Signatory agencies can withdraw from the Agreement for a given fiscal year with proper written notice to parties to the Agreement by February 1st of the preceding year. All provisions of the Agreement would be sustained for the remaining member agencies, although costs cannot be redistributed unless agreed to by all parties to the Agreement.

Benefits of SCCWRP Participation

The City is a founding member of the SCCWRP and has been a signatory member for the past 47 years and the benefits of SCCWRP membership are as follows:

- Access to scientifically based research – SCCWRP's research provides empirical data for the Bureau to effectively manage and protect the environment. The research is scientifically based and legally defensible.
- Cost effectiveness – The annual budget for SCCWRP is \$11.0 million and the Joint Power Agreement allows the City to leverage its \$425,000 annual contribution for \$11.0 million in research services. It would be more costly if the City used independent consultants for this same level of research and scientific expertise. In addition, the research and studies conducted by SCCWRP have improved the effectiveness of the Bureau's monitoring programs while reducing operating costs by \$500,000 annually.
- Improved collaboration with regulatory agencies and other public agencies – The SCCWRP provides an opportunity for dischargers to the environment and regulators of dischargers to work together and share scientific knowledge and information to protect ecological systems. These relationships improve coordination and communication between regulatory agencies and public utilities.
- Assistance in regulatory compliance – The SCCWRP developed many of the monitoring protocols used by the Bureau and they continue to frequently assist the Bureau in developing and implementing monitoring programs required under the City's National Pollutant Discharge Elimination System (NPDES) permit and Total Maximum Daily Load (TMDL) requirements. Since many of the State regulations are developed using SCCWRP research and data, the SCCWRP has expertise in regulatory compliance requirements.
- Scientific and technical expertise – Half of SCCWRP's staff hold Ph.D.'s in their respective fields and many are considered nationally recognized experts in their field. The Bureau frequently contacts SCCWRP staff and utilizes their technical expertise and knowledge. The SCCWRP also trains City staff on new monitoring and calibration technologies and methods. In addition, SCCWRP conducts research on emerging issues, such as climate change and contaminants of emerging concern, for which the City lacks in-house expertise to investigate.

Source of Funds and Contract Compliance

Funding for the City's share of costs is provided by the Sewer Construction and Maintenance Fund and a special purpose fund appropriation is annually provided in the City Budget for this purpose. As stated earlier in this report, the purpose of the SCCWRP has broadened to include studying the effects of stormwater discharge on the receiving environment. These studies will be funded by the four non-signatory member stormwater agencies, which include VCWPD, LACFCD, and Orange and San Diego counties. The City is not required to contribute any Stormwater Pollution Abatement (SPA) funds for this purpose, but will receive the benefits of the stormwater research. As an intergovernmental agreement for purposes of complying with regulatory requirements, Charter Section 1022 and the usual City Ordinances required in the contracting process do not apply. The Agreement provides that SCCWRP will contract with an independent certified public accountant for an annual audit of expenditures and communicate the results to the Commission in a public forum. The proposed Agreement has been reviewed and approved by the City Attorney as to form.

RECOMMENDATIONS

That the Mayor and Council:

1. Approve the proposed Ninth Amended Joint Powers Agreement for the Southern California Coastal Water Research Project Authority to extend the term of the Agreement for four years, from July 1, 2017 through June 30, 2021, with the City's share of funding as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2017-18	\$425,000
2018-19	\$450,000
2019-20	\$475,000
2020-21	<u>\$500,000</u>
Total	\$1,850,000

2. Authorize the Mayor to execute the Agreement on behalf of the City and return executed documents to the Bureau of Sanitation for further processing.

FISCAL IMPACT STATEMENT

There is no General Fund impact as funding will be provided from the Sewer Construction and Maintenance Fund. Funding for this agreement is provided annually in the Wastewater Special Purpose Fund Appropriation of the City Budget although the Bureau has historically used both direct appropriations and operational savings toward these costs. In compliance with the City's Financial Policies, the Agreement contains a Financial Liability Clause which limits the City's annual financial obligation to the corresponding amount that is approved in the City's annual budget. The Agreement also includes a provision which allows the City to opt out of the Agreement for a given fiscal year provided that written notification is made by February 1st of the preceding year. As such, the recommendations in this report comply with the City's Financial Policies as ongoing revenues will support ongoing expenditures.

MAS:WKP:06160113