

**City of Fayetteville Staff Review Form**

**2018-0436**

**Legistar File ID**

**9/18/2018**

**City Council Meeting Date - Agenda Item Only**  
N/A for Non-Agenda Item

Tim Nyander

8/13/2018

WATER SEWER (720)

**Submitted By**

**Submitted Date**

**Division / Department**

**Action Recommendation:**

Staff recommends approval of a Lease, Maintenance and Operation Agreement between the City of Fayetteville and BlueInGreen, LLC and between the City of Fayetteville and CH2M Hill Engineers, Inc. to encourage and ensure the cooperation and collaboration in the operation of the ozone disinfection system at the Paul R. Noland Water Resource Recovery Facility.

**Budget Impact:**

N/A	N/A								
Account Number	Fund								
N/A	N/A								
Project Number	Project Title								
<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;"><b>Budgeted Item?</b></td> <td style="border-bottom: 1px solid black; text-align: center;">NA</td> </tr> </table>	<b>Budgeted Item?</b>	NA	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Current Budget</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Funds Obligated</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Current Balance</td> <td style="text-align: right; border: 1px solid black;">\$ -</td> </tr> </table>	Current Budget	\$ -	Funds Obligated	\$ -	Current Balance	\$ -
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<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;"><b>Does item have a cost?</b></td> <td style="border-bottom: 1px solid black; text-align: center;">NA</td> </tr> </table>	<b>Does item have a cost?</b>	NA	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Item Cost</td> <td style="text-align: right;">\$ -</td> </tr> </table>	Item Cost	\$ -				
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<b>Budget Adjustment Attached?</b>	NA								
Budget Adjustment	\$ -								
Remaining Budget	\$ -								

V20180321

**Purchase Order Number:** \_\_\_\_\_

**Previous Ordinance or Resolution #** \_\_\_\_\_

**Change Order Number:** \_\_\_\_\_

**Approval Date:** \_\_\_\_\_

**Original Contract Number:** \_\_\_\_\_

**Comments:**



**MEETING OF SEPTEMBER 18, 2018**

**TO:** Mayor and City Council

**THRU:** Don Marr, Chief of Staff  
Water & Sewer Committee

**FROM:** Tim Nyander, Utilities Director

**DATE:** August 13, 2018

**SUBJECT: Lease, Maintenance & Operation Agreements for Ozone Disinfection System at the Paul R. Noland Water Resource Recovery Facility**

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**RECOMMENDATION:**

Staff recommends approval of a Lease, Maintenance and Operation Agreement between the City of Fayetteville and BlueInGreen, LLC and between the City of Fayetteville and CH2M Hill Engineers, Inc. to encourage and ensure the cooperation and collaboration in the operation of the ozone disinfection system at the Paul R. Noland Water Resource Recovery Facility.

**BACKGROUND:**

BlueInGreen, LLC installed a HyDOZ ozone disinfection system at the Noland facility. This disinfection system involves maintenance and sampling to continue in its operation.

**DISCUSSION:**

This agreement will allow for BlueInGreen, LLC to occupy and use the South Operations Building at the Noland facility for an initial term of one year for its operations, water research lab, and to extend its warranty of its equipment continuously during the term of the Lease, Maintenance and Operation Agreement.

This agreement also specifies that CH2M Hill Engineers, Inc. provide BlueInGreen, LLC the results of its regulatory compliance and process monitoring sampling and data analysis directly related to BlueInGreen's HyDOZ system, among other tasks outlined in the agreement that will assist BlueInGreen in maintaining and operating the ozone disinfection system.

**BUDGET/STAFF IMPACT:**

None.

**Attachments:**

Lease, Maintenance & Operation Agreement

# LEASE, MAINTENANCE & OPERATION AGREEMENTS

These Lease, Maintenance and Operation Agreements are made and agreed to by and between the City of Fayetteville, Arkansas and BlueInGreen, LLC and between the City of Fayetteville and CH2M Hill Engineers, Inc.

## PURPOSE

These Agreements are to encourage and ensure the cooperation and collaboration in this operation of Fayetteville's Paul R. Noland Facility (hereinafter "Noland Facility"), the extension of the BlueInGreen's warranty and service of its equipment used at the Noland Facility, and leasing of the South Operations Building to BlueInGreen for its offices and water research lab.

**Pursuant to the mutual promises, commitments and duties shown below, the Parties covenant and agree as follows:**

- (A) The City of Fayetteville promises to lease to BlueInGreen the South Operations Building of the Noland Facility and appropriate nearby areas including reasonable access and parking as needed, for BlueInGreen's use as its operations and office facility for an initial term of one year beginning at the execution date of this Agreement by all parties.
- (B) BlueInGreen promises to occupy and use the South Operations Building of the Noland Facility for its operations and as an office facility and to extend its warranty of its equipment continuously during the term of this Lease, Maintenance and Operation Agreement including providing service for any of its equipment as needed pursuant to its warranty.
- (C) CH2M Hill Engineers, Inc. promises to provide to BlueInGreen the results of its regulatory compliance and process monitoring sampling and data analysis directly related to BlueInGreen's HyDOZ system. CH2M Hill Engineers, Inc. also agrees to provide some additional process control data routinely collected to assist BlueInGreen's research and HyDOZ optimization efforts.
- (D) CH2M Hill Engineers, Inc. agrees to consider the following tasks and within its sole discretion provide some additional assistance to BlueInGreen in the below areas:
  - (1) Work with BlueInGreen to provide additional sampling and data analysis to assist in system optimization.
  - (2) Work with the City of Fayetteville and BlueInGreen to develop technical papers beneficial to all parties.
  - (3) Assist BlueInGreen in providing remote access to vendor supplied equipment.
  - (4) Review BlueInGreen recommendations for changes to the ozone system and other process operations to optimize the ozone system and overall plant performance and efficiency and, with the approval of the City of Fayetteville, implement any such recommendations that CH2M Hill Engineers, Inc. believes is advisable.
  - (5) Work with the City and BlueInGreen to enable use of the Liquid Oxygen tank for added redundancy and future testing and optimization. This work was BlueInGreen's design, but engineer inspection and certification for the piping and connections are needed. The City of Fayetteville will place the installation costs within the City of Fayetteville and CH2M Hill Engineers, Inc.'s operating contract.
  - (6) Assist BlueInGreen in its utilization and occupation of the South Operations Building including security and access processes.

## **TERM OF LEASE, MAINTENANCE AND OPERATIONS AGREEMENT**

- (A) The first year term of this Lease, Maintenance and Operations Agreement begins upon the proper execution of this agreement by all parties and continues for the following twelve months.
- (B) This Agreement shall automatically be extended for an additional one year term unless a party provides written notice of its intention to terminate its participation in this Agreement at least thirty (30) days prior to the expiration of the initial term. The second, third, fourth and fifth additional one year terms will be automatically extended unless similar one month written notice of termination is given thirty (30) days prior to the end of any term.
- (C) These agreements are not between CH2M Hill Engineers, Inc. and BlueInGreen LLC. CH2M Hill Engineers, Inc. is contracting solely with the City of Fayetteville.

## **TERMINATION FOR CAUSE**

If any party fails to properly and timely fulfill all of its duties and promises of its Agreement and fails to cure any such contractual breach within sixty (60) days after proper written notification of such breach is given to the breaching party, the other party may immediately terminate that Agreement.

## **NOTIFICATION**

Proper written notification shall be delivered to the parties at these addresses by hand delivery or first class mail:

- (1) City of Fayetteville

Office of the Mayor  
Fayetteville City Hall  
113 West Mountain  
Fayetteville, AR 72701

- (2) CH2M Hill Engineers, Inc.  
Project Manager for Fayetteville Wastewater Plants  
1400 North Fox Hunter Road  
Fayetteville, AR 72701

- (3) BlueInGreen, L.L.C.  
President and CEO  
700 W. Research Center Blvd.  
Fayetteville, AR 72701

In agreement with all the terms, conditions, promises, commitments and duties above, we authorized representatives of the parties sign below.

**BlueInGreen, LLC**  
**Chris Milligan**  
**President, CEO**  
**700 W. Research Center Blvd.**  
**Fayetteville, AR 72701**

By:   
**Chris Milligan**  
**President/CEO**

Date: 8/10/18

**CH2M Hill Engineers, Inc.**  
**Steve Carpenter**  
**Regional Manager**  
**1400 North Fox Hunter Road**  
**Fayetteville, AR 72701**

By:   
**Steve Carpenter**  
**Regional Manager**

Date: 8/3/18

**City of Fayetteville**  
**Mayor Lioneld Jordan**  
**113 W. Mountain St.**  
**Fayetteville, AR 72701**

By: \_\_\_\_\_  
**LIONELD JORDAN**  
**Mayor**

Date: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
**SONDRA SMITH**  
**City Clerk**