

CATEGORY	CONTINUING WITH EXISTING CONTRACTOR		TRANSITION TO A DIFFERENT CONTRACTOR <sup>(1)</sup>		TRANSITION TO SELF PERFORM WW O&M	
	PRO	CON	PRO	CON	PRO	CON
<b>REGULATORY</b> City is required to report to DEQ: <ul style="list-style-type: none"> <li>Monthly on permitted effluent constituents</li> <li>All Sanitary Sewer Overflows (SSOs)</li> <li>All permit exceedances</li> <li>Annual Biosolids</li> </ul>	<ul style="list-style-type: none"> <li>OMI is contractually responsible for all DEQ reporting (with the exception of the I/I reduction report which is prepared by City Staff).</li> <li>OMI is responsible for permit exceedances not related to deficiencies due to aged or failing equipment.</li> </ul>	<ul style="list-style-type: none"> <li>OMI's reporting is often inaccurate or does not represent City's best interests.</li> <li>City Staff is not always clear on cause of violation (contractor is keeper of all information).</li> <li>City is permit holder not OMI.</li> <li>DEQ is issuing warning letters, PEN<sup>(2)</sup>, &amp; stating "operator error" to the City, not OMI.</li> <li>Excessive violations have unknow consequences (FDA, local oyster farmers, local Tribes, public perception, etc.)</li> <li>City Staff has significant oversight to correct reporting deficiencies.</li> </ul>	<ul style="list-style-type: none"> <li>Contractor is contractually responsible for all reporting.</li> <li>Contractor is responsible for permit exceedances not related to deficiencies due to aged or failing equipment.</li> </ul>	<ul style="list-style-type: none"> <li>No guarantee that reporting will change.</li> <li>A contractor always has to answer to "corporate".</li> <li>City is not always clear on cause of violation (contractor is keeper of all information).</li> <li>DEQ will issue warning letters, PEN<sup>(2)</sup>, permits, and MAOs to the City (the permit holder), not the contractor.</li> </ul>	<ul style="list-style-type: none"> <li>City Staff is in direct contact with regulator.</li> <li>Violations and investigations should go smoother since performed in-house and result in a resolution or action plan.</li> <li>Implement a FOG program.</li> <li>Staff will readily have access to data.</li> <li>Have more reporting control/information.</li> <li>PSAs can be distributed in a more timely manner (i.e. City Staff is not reliant on the contractor to provide info)</li> </ul>	<ul style="list-style-type: none"> <li>We own all permit violations regardless of operator error, old plant, or failing equipment.</li> </ul>
<b>NEW CIP PROJECTS</b> City performs regular pump station upgrades and I/I reduction projects	<ul style="list-style-type: none"> <li>City Staff engages OMI at the early stages of design on CIP projects and they have the ability to provide expert advice and operational expertise.</li> </ul>	<ul style="list-style-type: none"> <li>OMI does not engage in new projects or provide input during planning and design. Comments are often provided during/after construction which leads to change orders and extra costs.</li> </ul>	<ul style="list-style-type: none"> <li>Make a requirement of the contract to provide feedback and technical review on CIP wastewater projects during design phase.</li> </ul>	<ul style="list-style-type: none"> <li>No guarantee that contractor would provide this service.</li> </ul>	<ul style="list-style-type: none"> <li>O&amp;M in-house would allow for better oversight and involvement of new projects/upgrades. This will make for a better project and reduce change orders during construction.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>MAINTAINING WW ASSET</b> MAINTAINING Asset extends life and saves money	<ul style="list-style-type: none"> <li>OMI has a significant amount of historic information and institutional knowledge.</li> <li>OMI has a work order system for preventative maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>Per recent audit, OMI is not maintaining WW asset.</li> <li>Past performance shows that they are not making repairs (corrective maintenance).</li> <li>Poor history of effectively managing solids inventory.</li> </ul>	<ul style="list-style-type: none"> <li>Make a requirement of contract with punitive damages if not met.</li> </ul>	<ul style="list-style-type: none"> <li>No guarantee that contractor would provide this service.</li> <li>May be difficult to qualify contract language and assess punitive damages.</li> <li>Historic information may be lost.</li> </ul>	<ul style="list-style-type: none"> <li>O&amp;M in house would allow for better control to prevent deferred maintenance.</li> <li>Plan to be more proactive than reactive.</li> <li>Perform more repairs on the collections system in house.</li> <li>More control over the solids handling side of the WW asset.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a system to create preventative maintenance work orders.</li> <li>Historic information may be lost.</li> </ul>
<b>RISK</b> Managing risk is an improvement factor for this decision	<ul style="list-style-type: none"> <li>Contract operators assume fiscal responsibility (civil penalties) if permit violations occur.</li> <li>OMI has developed safety program.</li> <li>OMI is highly insured.</li> <li>Depth of company (engineering, operations) should benefit City.</li> </ul>	<ul style="list-style-type: none"> <li>City is permit holder, not OMI, and thus is always responsible.</li> <li>OMI is not utilizing the depth/expertise based on the failure to meet contract and permit violations.</li> </ul>	<ul style="list-style-type: none"> <li>Contract operators assume fiscal responsibility (civil penalties) if permit violations occur.</li> <li>Contractor has developed safety program.</li> <li>Contractor is highly insured.</li> <li>Depth of company should benefit City.</li> </ul>	<ul style="list-style-type: none"> <li>City is permit holder, not contractor, and thus is always responsible.</li> </ul>	<ul style="list-style-type: none"> <li>City is permit holder and always responsible.</li> <li>City can develop IGAs with local cities so that they can assist in case of emergency by sharing resources.</li> <li>City can direct how it wants the WW division to be ran (don't have to worry about means and methods).</li> </ul>	<ul style="list-style-type: none"> <li>City is permit holder and always responsible, but more risk is assumed if violation occurs as a result of operator error (e.g. civil penalty, insurance).</li> <li>Developing a WW safety program will take time &amp; \$.</li> <li>May need to review insurance coverage and expand.</li> <li>Would not have depth of a contractor's resources.</li> </ul>

CATEGORY	CONTINUING WITH EXISTING CONTRACTOR		TRANSITION TO A DIFFERENT CONTRACTOR <sup>(1)</sup>		TRANSITION TO SELF PERFORM WW O&M	
	PRO	CON	PRO	CON	PRO	CON
<b>VESTED INTEREST</b> If this is missing the asset may not maintained as well as it could be	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>A contract operator will always have to report back to their corporate office. This causes conflict of interest in protecting the city's best interest.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>A contract operator will always have to report back to their corporate office. This causes conflict of interest in protecting the city's best interest.</li> </ul>	<ul style="list-style-type: none"> <li>O&amp;M in-house would allow for staff to protect the City's WW asset.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>BUDGET</b> The OMI contract is the City's largest reoccurring contract	<ul style="list-style-type: none"> <li>A nationwide company is subject to discounts for chemical and equipment that the City is not privy to.</li> <li>OMI is heavily insured.</li> <li>Recommend adding one City FTE to manage contract.</li> </ul>	<ul style="list-style-type: none"> <li>There are other factors that may increase City's costs, Deferred maintenance, Permit violations, Additional Staff</li> <li>Significant time being spent by City Staff to manage contract.</li> <li>Continuing to contract with OMI may be perceived as rewarding bad behavior.</li> <li>Unclear on how the chemicals are managed.</li> <li>Recommend adding one City FTE to manage contract.</li> <li>A contract operator may not be less expensive than if O&amp;M is self-performed.</li> </ul>	<ul style="list-style-type: none"> <li>A new contractor has the potential to provide a better level of service.</li> <li>A larger company may be subject to discounts for chemical and equipment that the City is not privy to.</li> <li>Create contract language to track chemical management.</li> <li>WW contractors are heavily insured.</li> <li>Recommend adding one City FTE to manage contract.</li> </ul>	<ul style="list-style-type: none"> <li>There are other costs that may increase City's costs: <ul style="list-style-type: none"> <li>Potential for deferred maintenance</li> <li>Permit violations</li> <li>Additional Staff</li> </ul> </li> <li>Recommend adding one FTE to City Staff to manage contract.</li> <li>A contract operator may not be less expensive than if O&amp;M is self-performed.</li> </ul>	<ul style="list-style-type: none"> <li>O&amp;M in house would allow for better control to prevent deferred maintenance (this has long term positive budget impacts).</li> <li>Better control over planning and budgeting.</li> <li>No extra fees for extra testing/analyses.</li> <li>More control over chemical management.</li> <li>Keep WW Revenue in town.</li> <li>Will not be subject to contractor's management fee (OMI = 18%).</li> </ul>	<ul style="list-style-type: none"> <li>Startup cost has the potential to be more expensive.</li> <li>The City might not benefit from discounts on chemicals and equipment like large nationwide contractors are (there may be some benefit with ORPIN, need to investigate further).</li> <li>May have to obtain more insurance (currently contractor holds the City harmless).</li> </ul>
<b>RECORDS</b> Retention of historical data helps us understand trends and is a requirement of the permit	<ul style="list-style-type: none"> <li>OMI has 25 years of records.</li> <li>OMI has an established work order system that is company maintained.</li> <li>OMI has large amounts of historic information and record keeping.</li> </ul>	<ul style="list-style-type: none"> <li>OMI is not reviewing/tracking data for irregularities, anomalies, etc. (utility bills, discharge monitoring reports, Plant 2 SCADA, etc.).</li> <li>It is often difficult to obtain work order history from OMI.</li> </ul>	<ul style="list-style-type: none"> <li>Contractor will have an established work order system that is company maintained.</li> </ul>	<ul style="list-style-type: none"> <li>OMI has large amounts of historic information that may not be transferred to the new contractor.</li> <li>It may be difficult to obtain work order history from a contractor.</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining records in house will allow the information to be more readily available.</li> <li>Access to work order system will help track maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>OMI has large amounts of historic information that may be lost if their contract is terminated.</li> <li>City will have to develop and/or purchase and maintain a work order system for tracking.</li> </ul>
<b>EMPLOYEE DEVELOPMENT</b> Operators play a key role in protecting the asset	<ul style="list-style-type: none"> <li>They have developed training programs.</li> </ul>	<ul style="list-style-type: none"> <li>Current staff does not appear to be qualified based on high volume of permit exceedances and/or they are not implementing established training programs.</li> <li>High turnover rate (at all levels) at OMI. This is most likely due to pay and benefits.</li> <li>Recruiting qualified WW staff has proved to be difficult.</li> </ul>	<ul style="list-style-type: none"> <li>They have developed training programs.</li> <li>A new contractor has the potential to have fresh "eyes" and might have different or better ways to manage O&amp;M.</li> </ul>	<ul style="list-style-type: none"> <li>No guarantee that contractor will not have same high turnover rate, better benefits, ability to retain staff, competitive pay scale.</li> <li>Recruiting qualified WW staff can be difficult.</li> </ul>	<ul style="list-style-type: none"> <li>Better control of training of staff.</li> <li>City has good benefits and pay which has the potential to retain staff and obtain qualified operators.</li> <li>Most likely the City will retain the competent operators.</li> </ul>	<ul style="list-style-type: none"> <li>Training programs to be developed will cost time and \$.</li> <li>Human Resources Challenges.</li> </ul>

(1) No guarantee that the City would receive new proposals should it be decided to transition to a different O&M contractor

(2) Pre-Enforcement Notice