

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339, Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

Telephone (805) 489-6666 FAX (805) 489-2765

www.sslocsd.org

AGENDA

BOARD OF DIRECTORS MEETING

City of Arroyo Grande, City Council Chambers

215 East Branch Street

Arroyo Grande, California 93420

Wednesday, September 18, 2013 at 6:00 P.M.

Board Members

Matthew Guerrero, Chair

Tony Ferrara, Vice Chair

Debbie Peterson, Director

Agencies

Oceano Community Services District

City of Arroyo Grande

City of Grover Beach

Alternate Board Members

Mary Lucey, Director

Jim Guthrie, Director

Glenn Marshall, Director

Oceano Community Services District

City of Arroyo Grande

City of Grover Beach

1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

This public comment period is an invitation to members of the community to present comments, thoughts or suggestions on matters not scheduled on this agenda. Comments should be limited to those matters which are within the jurisdiction of the District. The Brown Act restricts the Board from taking formal action on matters not published on the agenda. In response to your comments, the Chair or presiding Board Member may:

- Direct Staff to assist or coordinate with you.
- It may be the desire of the Board to place your issue or matter on a future Board meeting agenda.

Please adhere to the following procedures when addressing the Board:

- Comments should be limited to three (3) minutes or less.
- Your comments should be directed to the Board as a whole and not directed to individual Board members.
- Slanderous, profane or personal remarks against any Board Member, Staff or member of the audience shall not be permitted.

Any writing or document pertaining to an open-session item on this agenda which is distributed to a majority of the Board after the posting of this agenda will be available for public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the offices of the Oceano CSD, a member agency located at 1655 Front Street, Oceano, California. Consistent with the Americans with Disabilities Act (ADA) and California Government Code §54954.2, requests for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires modification or accommodation in order to participate at the above referenced public meeting by contacting the General Manager or Bookkeeper/Secretary at (805) 481-6903.

3. CONSENT AGENDA

The following routine items listed below are scheduled for consideration as a group. Each item is recommended for approval unless noted. Any member of the public who wishes to comment on any Consent Agenda item may do so at this time. Any Board Member may request that any item be withdrawn from the Consent Agenda to permit discussion or to change the recommended course of action. The Board may approve the remainder of the Consent Agenda on one motion.

3A. Review and Approval of the Minutes of the September 4, 2013 meeting

3B. Review and Approval of Warrants

3C. Review of Financial Report ending August 31, 2013

3D. Ratification of Contract Approval with Garing, Taylor & Associates, Inc.

4. PLANT SUPERINTENDENT'S REPORT

5. BOARD ACTION ON INDIVIDUAL ITEMS:

A. PUBLIC HEARING ON ADOPTION OF ORDINANCE NO. 2014-1

Staff recommends the Board hold a public hearing on the adoption of Ordinance No. 2014-1.

B. NEW BOILER SYSTEM CONSTRUCTION

Staff recommends the Board direct staff to solicit bids for the construction of a new boiler system designated as SSLOCSD Project No. 14-01.

C. AMENDMENT OF DISTRICT PURCHASING POLICY

Staff recommends the Board review the recommended modifications to the District purchasing and construction policies as set forth in Resolution No. 2014-314.

6. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

B. Miscellaneous Written Communications

7. PUBLIC COMMENT ON CLOSED SESSION

8. CLOSED SESSION

(1) Conference with Legal Counsel pursuant to Government Code Section 54956.9; 3 cases

a. Carter v. Wallace

b. Johnson v. Wallace

c. SSLOCSD v. U.S. Energy

9. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

10. ADJOURNMENT

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

City of Arroyo Grande, City Council Chambers
215 East Branch Street
Arroyo Grande, California 93420

Minutes of the Meeting of Wednesday, September 4, 2013
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

Present: Chair Matthew Guerrero, Oceano Community Services District; Vice Chair Tony Ferrara, City of Arroyo Grande; Director Debbie Peterson, City of Grover Beach.

District Staff in Attendance: Paul Karp, Interim District Manager; Mike Seitz, District Counsel; John Clemons, Plant Superintendent; Trini Rodriguez, Shift Supervisor; Matthew Haber, Bookkeeper/Secretary.

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Director Guerrero opened the public comment period. There being none, Director Guerrero closed the public comment period.

3. CONSENT AGENDA

3A. Review and Approval of the Minutes of the August 21, 2013 meeting

Director Peterson spoke about page 2 of the minutes regarding the 4th quarter budget review and legal fees. She wondered if there was a way in which to word that so that it was more accurate as the intent was not to say that they exaggerated the fees, but what happened was that some of the fees were submitted after the year end. Counsel Seitz said that the fees incurred in one year were reported in the following year so that the attorney fees for that year were inflated.

Director Peterson said that she had a question regarding the return to open session. Regarding Item 9, she said that the Board had met in closed session and approved a contract in closed session, but she asked whether the Board needs to hear contracts in open session. Counsel Seitz said that the Board does, and he also said that the contract approval should be on the consent calendar.

Action: It was moved by Director Peterson to approve Consent Agenda Item 3A as amended. Director Ferrara seconded, and the motion was carried 3-0.

3B. Review and Approval of Warrants

Director Peterson commented on the monthly electricity bills, and she wondered if the new billing practices by PG&E would be beneficial.

Action: It was moved by Director Peterson to approve Consent Agenda Item 3B as presented. Director Ferrara seconded, and the motion was carried 3-0.

4. PLANT SUPERINTENDENT'S REPORT

Plant Superintendent Clemons presented the Plant Superintendent's Report which shows that the Plant continues to run well during the summer and is in compliance with regulatory limits. He mentioned an unusually high influent BOD of 586 mg/L experienced on August 16 which the Plant handled relatively well considering the Plant was originally designed to treat BOD loading around 250 mg/L.

Plant Superintendent Clemons also spoke about an inspection by the Environmental Laboratory Accreditation Program (ELAP) and the feedback received from the inspector.

Director Ferrara said that he wanted to make sure that the Standard Operating Procedures (SOPs) reflect any operational changes at the Plant and that the SOPs are displayed in case of inspection.

Plant Superintendent Clemons replied that the SOPs should be completed by the end of September as well as revisions to the O&M Manual.

Action: The Board received and filed the Plant Superintendent's report.

5. BOARD ACTION ON INDIVIDUAL ITEMS

A. ADOPTION OF RESOLUTION NO. 2014-313

Interim General Manager Karp presented the staff recommendation that the Board adopt Resolution No. 2014-313 which allows for the election by the District to become subject to the Uniform Public Construction Cost Accounting Act.

Director Guerrero asked for public comment. There being none, Director Guerrero closed the public comment period.

Action: Director Peterson moved that the Board direct Interim General Manager Karp to read Resolution No. 2014-313 by title only. Director Guerrero seconded, and the motion carried 3-0. Interim General Manager Karp read the title of Resolution No. 2014-313: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT FOR THE ADOPTION OF UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING. On the following roll call vote, to wit:

AYES: Director Peterson, Director Ferrara, Director Guerrero

NOES: None

ABSENT: None;

the foregoing resolution was passed and adopted this 4th day of September 2013.

B. INTRODUCTION OF ORDINANCE NO. 2014-1

Interim General Manager Karp presented the staff recommendation that the Board introduce Ordinance No. 2014-1 which will allow the use of the informal bidding process per the Uniform Public Construction Cost Accounting Act.

Director Guerrero asked for public comment. There being none, Director Guerrero closed the public comment period.

Action: Director Ferrara moved Staff's recommendations that the Directors introduce the attached ordinance to implement accounting procedures allowing the District to use the State established limits for informally bid public construction projects. Director Peterson seconded, and the motion was carried 3-0.

6. MISCELLANEOUS ITEMS

- A. Miscellaneous Oral Communications
- B. Miscellaneous Written Communications

7. PUBLIC COMMENT ON CLOSED SESSION

Director Guerrero asked for public comment. There being none, Director Guerrero closed the public comment period.

8. CLOSED SESSION

- (1) Conference with Legal Counsel pursuant to Government Code Section 54956.9; 1 case

- a. Brown Act "Cure and Correct" Demand (Potential Litigation)

9. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

Counsel Seitz reported that the Board had met in closed session pursuant to Government Code Section 54956.9 to discuss a response to the "Cure and Correct" letter. The Board heard a report from Legal Counsel and had a vigorous discussion but took no reportable action.

10. ADJOURNMENT

There being no further business to come before the Board, Director Guerrero adjourned the meeting at approximately 7:23 p.m.

THESE MINUTES ARE DRAFT AND NOT OFFICIAL UNTIL APPROVED BY THE BOARD OF DIRECTORS AT A SUBSEQUENT MEETING.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
WARRANT REGISTER
9/18/2013 FY 2013/14

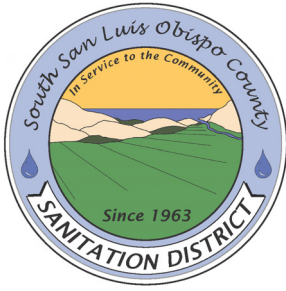
ISSUED TO	PURCHASE/SERVICE	INV. # / SERVICE PERIOD	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ABALONE COAST	CHEMICAL ANALYSIS	AUGUST	091813-7955	7078	2,701.50	2,701.50
ADAMSKI MOROSKI MADDEN CUMBERLAND & GREEN	LEGAL SERVICES	31925	56	7070	2,900.00	2,900.00
AIRFLOW FILTER SERVICE	MISC SUPPLIES	109320CR 109561CR	57	8030	335.59	335.59
ALLIED ADMINISTRATORS	EMPLOYEE DENTAL	OCTOBER	58	6025	974.50	974.50
AMI PIPE & SUPPLY, INC.	PVC PIPE FOR CENTRATE LINE	157670	59	20/8065	1,208.29	1,208.29
AQUATIC BIOASSAY	CHRONIC NPDES BIOASSAYS	SLO0613.0549	60	7060	3,065.00	3,065.00
ARAMARK UNIFORMS	EMPLOYEE UNIFORMS	8141879 8158645	61	7025	524.70	524.70
AT&T	TELEPHONE SERVICE	SEPTEMBER	62	7013	395.96	395.96
BC PUMP SALES & SERVICE	PUMP REBUILDS	28055 28056	63	26/8065	1,569.25	1,569.25
BRENNTAG PACIFIC, INC	PLANT CHEMICALS	341818	64	8050	6,082.93	6,082.93
CA DEPT. OF PUBLIC HEALTH - ELAP	LAB ACCREDITATION RENEWAL	1213-1413	65	7068	1,455.00	1,455.00
CARQUEST	WIPER BLADES	7314-652285	66	8032	20.93	286.74
	MISC SUPPLIES	652350 653328 653647		8060	265.81	
CENTRAL COAST WATER TRTMNT	LAB SUPPLIES	15380	67	8040	60.00	60.00
CITY OF ARROYO GRANDE	STORM DRAIN CLEANING	13-027	68	8060	1,033.50	1,033.50
COLE-PARMER	LAB THERMOMETER	8630162	69	8040	387.54	387.54
D'ANGELO'S	SOLVENT	S234284	70	26/8065	53.21	53.21
DIAL LONG DISTANCE, INC.	LONG DISTANCE SERVICE	4922	71	7013	51.85	51.85
FEDEX	SHIPPING	2-392-92382	72	8045	96.67	96.67
FERGUSON ENTERPRISES	COUPLING AND GASKET	9625679	73	8030	242.48	242.48
FGL ENVIRONMENTAL	CHEMICAL ANALYSIS	383133A 383073A 383157A 383190A	74	7078	336.00	336.00
FRANK RUSSEL INC.	PUMP GUARDS	684229	75	26/8061	1,582.40	1,582.40
GARING, TAYLOR & ASSOCIATES	DISTRICT ENGINEERING SERVICES	12291	76	7077	2,587.07	2,587.07
GAS COMPANY	GAS SERVICE	08/01/13 - 08/30/13	77	7092	2,267.65	2,267.65
HILTI	SUPPLY CORD FOR REPAIR	4603109299	78	8056	28.76	28.76
HOPKINS TECHNICAL PRODUCTS	PROMINENT PUMP REPAIR	201320060	79	8030	445.21	445.21
I.I. SUPPLY	REPLACEMENT VALVES	20602	80	26/8065	9,021.94	9,021.94
INDUSTRIAL MEDICAL GROUP	PULMONARY FUNCTION TESTS	7439 7440 7441 7583	81	8056	240.00	240.00
JB DEWAR INC	VEHICLE FUEL	37965	82	8020	249.68	249.68
JWC ENVIRONMENTAL	AUGER BRUSH KIT	53675	83	26/8061	924.57	924.57
LIBERTY COMPOSTING	BIOSOLIDS HANDLING	WO1725	84	7085	3,643.38	3,643.38
McMASTER CARR	WRENCHES	59222446	85	8055	133.60	659.40
	SAFETY SUPPLIES	59344539		8056	62.85	
	SUPPLIES FOR CENTRATE LINE	58523372 58540174		20/8065	462.95	
MINERS ACE	MAINTENANCE SUPPLIES	AUGUST	86	8030	617.48	721.11
	COFFEE MAKER			8035	41.03	
	SUPPLIES FOR CENTRATE LINE			20/8065	62.60	
NESTLE PURE LIFE	LAB WATER FOR AUGUST	13H0012917373	87	8040	117.46	117.46
PERRY'S ELECT MOTORS	FFR ARM DRIVE (SPARE)	15653	88	8060	509.01	509.01
PERS	EMPLOYEE RETIREMENT	100000014053363 100000014057992	89	6060	6,580.39	6,580.39
PG&E	ELECTRICITY SERVICE	08/12/13 - 09/11/13	90	7091	17,536.94	17,536.94
SHERWIN WILLIAMS	PAINTING SUPPLIES	06556	91	8060	25.66	25.66
SHIPSEY & SEITZ	DISTRICT COUNSEL SERVICES	AUGUST	92	7071	2,711.00	8,236.00
	LITIGATION			7070	5,525.00	
SO CO SANITARY SERVICE	TRASH SERVICE	SEPTEMBER	93	7093	118.47	118.47
SPRINT	CELL PHONE SERVICE	AUGUST	94	7013	71.28	71.28
SSLOCSO PETTY CASH	POSTAGE		95	8045	97.62	97.62
STANLEY SECURITY	SECURITY - OCTOBER	10593805	96	7011	62.20	62.20
UNITED STAFFING	CONTRACT LABOR	2231	97	6085	1,262.25	1,262.25
USABUEBOOK	SUPPLIES FOR CENTRATE LINE	129576 129577 135164 132804	98	20/8065	1,623.05	1,623.05
VWR	LAB SUPPLIES	8055145069	99	8040	14.02	14.02
WALLACE GROUP	FOG AND WDR REIMB EXPENSES	JULY	8000	various	2,732.93	3,186.98
	COGEN LITIGATION			7070	454.05	
SUB TOTAL					85,573.21	85,573.21
PAYROLL	PPE 09/06/2013				23,865.29	23,865.29
GRAND TOTAL					109,438.50	109,438.50

We hereby certify that the demands numbered serially from 091813-7955 to 091813-8000 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

DATE: _____

Chairman_____
Board Member_____
Board Member_____
Secretary



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TO: Board of Directors
FROM: Matthew Haber, *Bookkeeper/Secretary*
VIA: Paul J. Karp, *Interim District Manager*
DATE: September 18, 2013
SUBJECT: Monthly Financial Review (August 2013)

Overall Monthly Summary

During the month of August, the District recognized total revenues of \$177,062. Of this, \$174,993 was earned for sewer service. \$116,518 was earned for sewer service from the City of Arroyo Grande for July, and \$58,475 was earned from OCSO for August. August service revenue has not yet been received from the City of Arroyo Grande or the City of Grover Beach. For the month of August, \$2,070 was earned for the AT&T cell-tower lease.

District operating expenses totaled \$108,840 for the month of August. Non-operating expenses totaled \$30,094.

Local Agency Investment Fund

The balance in the District's LAIF account was \$ 2,730,069 at August 31, 2013.

County of San Luis Obispo Treasury Pool

As of August 31, 2013, the reconciled cash balance with the County of San Luis Obispo Treasury Pool was \$ 1,117,974. The County issues the majority of the District's checks, and the majority of the District's revenues are deposited with this agency. As such, the County provides 'banking services' to the District and provides some accounting documents for internal control purposes.

Rabobank Funds

As of August 31, 2013, the reconciled cash balance in the District's Rabobank account totaled \$51,471. This account is used to process LAIF transfers and for the issuance of payroll checks through the District's contracted payroll provider service. Funds are transferred periodically from LAIF in order to cover these expenses.

	FUND 19 OPERATING	FUND 20 EXPANSION	FUND 26 REPLACEMENT	DISTRICT- WIDE
Cash with County Treasury				1,113,911
Cash with LAIF				2,730,069
Cash with Rabobank				51,471
Cash allocated to Medical Trust				<u>4,062</u>
CONSOLIDATED CASH BALANCE				3,899,514
TOTAL DEPOSITS				
Current - County Treasury Pool	489,718			489,718
LONG-TERM DEBT				
Energy Project Principal Amount		296,347		296,347
REVENUES:				
OPERATING				
Current	174,992			174,992
Year-to-date	285,069			285,069
NON-OPERATING				
Current Period				
FEMA Funding				
Connection Fees				
Interest				
Lease Income (AT&T Cell)	2,070			2,070
Brine Disposal				
Other reimbursements				
Total - Current Period	2,070			2,070
Year-to-Date				
FEMA Funding				
Connection Fees		2,475		2,475
Interest				
Lease Income (AT&T Cell)	4,040			4,040
Brine Disposal				
Other reimbursements				
Total - YTD	4,040	2,475		6,515
TOTAL REVENUES:				
Current Period	177,062	2,475		179,537
Year-to-date	289,110	2,475		291,585
EXPENSES:				
Current Period	193,815		30,094	223,909
Year-to-date	302,655		30,094	332,749
Net Income (Loss) - Current Period	(16,753)	2,475	(30,094)	(44,372)
Net Income (Loss) - YTD	(13,545)	2,475	(30,094)	(41,164)

NEW CONNECTIONS	CURRENT NUMBER	CURRENT REVENUE	FY 2013/14 YEAR-TO-DATE	FY 2013/14 YTD REVENUE
Arroyo Grande	1	2,475	1	2,475
Grover Beach	0	0	0	0
Oceano	0	0	0	0
TOTAL NEW DISTRICT CONNECTIONS	1	2,475	1	2,475



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CLOSED SESSION Staff Report

To: Board of Directors
From: Paul J. Karp, Interim District Manager
Date: August 21, 2013

Subject: Review and Approval of Contract for Engineering Consultant

Recommendation:

It is the staff recommendation that the Directors receive and review this report and attachments; and approve the employment of Jim Garing from Garing Taylor and Associates as an aid to the Interim District Manager and Shannon Sweeney.

Funding:

Funding is appropriated in 19-7077 Professional Services – Engineering.

Discussion:

I have been looking for the best possible fit to aid Shannon in her service as engineer for the SSLOCS. I have discussed preliminarily an arrangement for hourly service with Jim Garing of Garing Taylor and Associates (GTA) subject to my approval and scheduling (the same manner under my arrangement with the Sweeneys). Garing currently works with the City of Grover Beach in their water and sewer enterprises city engineer. He has previously acted as District Engineer for Nipomo Community Services District, Avila Beach, and San Maguelito (a current Client). He is a previous City Engineer for Arroyo Grande, Grover Beach, Guadalupe, and others. GTA designed and supervised the installation of a methane boiler system to heat the digesters at the Pismo wastewater treatment plant. Jim has served on the Zone 3 Advisory Committee for decades. Jim has always maintained a very professional relationship with clients and regulators and has provided expert testimony and forensic engineering services for various superior court cases.

Priority projects that should be attended to while Shannon is down include the design and installation of a methane/natural gas boiler for heating the District's digester system (this will virtually eliminate the need to flare off the gas produced at the plant). Garing will also provide engineering support to staff as we begin the permit writing process for the new Waste Discharge Requirements (WDR) submittal for the review and approval by the Regional Water Quality Control Board (RWQCB). This key permit will guide the District through the design phase for

next major construction improvement (redundancies and efficiencies, as well as deferred projects like the repair of the splitter box and major maintenance on the trunk lines) project outlined for us by Mrs. Sweeney. We remind the board that a specialist approved by the Board after we complete the WDR and put in place the financial plan will perform most of the design for these major improvements. Although neither Mrs. Sweeney nor Mr. Garing will perform design for our new processes recommended for the plant by the Jenks report, we shall rely on them heavily in the process we use to select this consultant.

As background information, Shannon Sweeney is progressing quite nicely on her rehabilitation. It's too early to ask her about her return to us, but I have kept her in the loop of the temporary arrangement with GTA that is being proposed here.

South San Luis Obispo County Sanitation District
1600 Aloha Place
Oceano, CA 93445

AGREEMENT FOR SERVICES OF INDEPENDENT CONSULTANT

Description: Gairing, Taylor & Assoc., Inc. (name of consultant)

Project Location: South San Luis Obispo County Sanitation District

THIS AGREEMENT (hereinafter referred to as "Agreement") is made by and between the South San Luis Obispo Sanitation District, a county sanitation district duly existing and operating pursuant to the provisions of Health and Safety Code §4700 et seq. (hereinafter referred to as "SSLOCSD"), and GTA 141 S. Elm (business name and address), wherein Consultant agrees to provide the SSLOCSD and SSLOCSD agrees to accept the services specified herein. Sf. Ag.

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

1. **DESIGNATED REPRESENTATIVES.** Paul J. Karp, P.E., District Manager at telephone number (805) 489-6666 is the representative of SSLOCSD and will administer this Agreement for and on behalf of SSLOCSD. GTA (name of consultant) (805) ~~489-1321~~ is the authorized representative for Consultant. Changes in designated representatives shall be made only after advance written notices to the other party.

2. **NOTICES.** Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first-class mail, postage prepaid, or otherwise delivered as follows:

SSLOCSD: South San Luis Obispo Sanitation District
P.O. Box 339
Oceano, CA 93445
Attn: Paul J. Karp
Facsimile: (805) 489-2765



FEE SCHEDULE
JUNE 1, 2008

Fee charges by GARING, TAYLOR & ASSOCIATES, INC. depend on the person or persons performing the work.

<u>CLASSIFICATION</u>		<u>RATE</u>
	OFFICE	
Principal, Expert Witness/Investigation		145.00/290.00
Civil Engineer		110.00/117.00*
Land Surveyor		110.00
Survey Technician II		70.00
Field Assistant		60.00
Designer		100.00
Planner		100.00
Civil Engineering Assistant III		100.00/110.00
Civil Engineering Assistant II		85.00
Civil Engineering Assistant I		72.00
Engineering Technician III		85.00
Engineering Technician II		70.00
Engineering Technician I		61.00
Specifications Technician I		77.00
Project Coordinator		70.00
Draftsperson II		59.00
Draftsperson I		56.00
Office Manager/Accounting		77.00
Administrative Assistant II		49.00
Administrative Assistant I		40.00
	FIELD	
Construction Inspector		110.00/117.00*
Survey Crew		140.00/155.00*

The above fees include office and field equipment and vehicles. Travel time may be charged for projects located at a significant distance from our office. Any costs for postage, shipping, courier services, photocopies, blueprints, telephone and fax charges, filing fees, current mileage charges as set by the Internal Revenue Service, recording fees, outside professional services, special equipment and other miscellaneous charges are additional unless stated otherwise by agreement.

Prevailing wage rates for field personnel will be Prevailing Wage* billed at the highest rate shown. Prevailing wage billing rates subject to changes in wage determinations by California Division of Labor and Federal Wage Rates.

OVERTIME

Authorized overtime is charged at one and one-half the normal rate and/or as otherwise provided by state and federal law.

Billings shall be paid monthly. Billings unpaid after 30 days will have a service charge of 0.83% per month (10% per year) added.

CONSULTANT: (business name and address)
ATTN:
Phone:
Fax:

or at such other address or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail.

3. ATTACHMENTS. Attached to this Agreement are the following Exhibits. Said Exhibits shall be initiated by Consultant upon request of SSLOCSD or by SSLOCSD directly. Said Exhibits are incorporated herein by reference:

A. Description of scope of services (the Project) to be performed by Consultant, including a timeline for Project completion. (Exhibit "A")

B. A listing of hourly rates of Consultant's personnel applicable to providing services under this Agreement, a definition of reimbursable costs with a maximum limit for reimbursable costs, along with a contract budget for the services described in Exhibit "B".

4. SCOPE OF SERVICES.

A. Consultant agrees to provide the services to SSLOCSD in accordance with Exhibit "A".

B. The Consultant shall perform its services in character, sequence and timing so that they will be coordinated with the requirements of SSLOCSD and other consultants of SSLOCSD.

5. TERM. Consultant shall commence performance immediately.

6. COMPENSATION OF CONSULTANT.

A. The Consultant will be paid for services provided to SSLOCSD on a time and material basis not to exceed \$ 145⁰⁰/hr. in accordance with the schedule set forth in Exhibit "B".

B. Payment of undisputed amounts are due within 60 days of receipt of invoices. Invoices shall reflect the phase to which the request for payment is being invoiced in accordance with the "Scope of Service" (Exhibit "A") and the percentage of completion of each phase.

C. Consultant will not receive compensation in excess of five thousand dollars (\$5,000.00) without written authorization from SSLOCSD.

D. Payment to Consultant shall be considered as full compensation of all personnel, materials, supplies, and equipment used in carrying out the services as stated in Exhibit "A".

E. SSLOCSD's failure to discover or object to any unsatisfactory work or billing prior to payment will not constitute a waiver of SSLOCSD's right to:

1. Require Consultant to correct such work or billings; or
2. Seek any other legal remedy.

7. REIMBURSABLE COSTS. Consultant shall be reimbursed at cost for reimbursable costs as provided in Exhibit "B".

8. EXTRA SERVICES. Should services be requested by Consultant which are considered to be beyond the scope of Basic Services in this Agreement by the Consultant, the Consultant shall provide a written request for consideration of Additional Services to the SSLOCSD Contract Administrator.

9. INDEPENDENT CONTRACTOR. Consultant, its agents and contractors are independent contractors, responsible for all methods and means used in performing the Consultant's services under this agreement, and are not employees, agents or partners of SSLOCSD.

10. PERFORMANCE STANDARDS.

A. Compliance with laws.

(1) Consultant shall (and shall cause its agents and contractors), at its sole cost and expense, to comply with all District, County, State and Federal ordinances, regulations and statutes now in force or which may hereafter be in force with regard to the Project and this Agreement. The judgment of any court of competent jurisdiction, or the admission of Consultant in any action or proceeding against Consultant, whether SSLOCSD be a party thereto or not, that Consultant has violated any such ordinance or statute, shall be conclusive of that fact as between Consultant and SSLOCSD. Any corrections to Consultant's instruments of professional service which become necessary as a result of the Consultant's failure to comply with these requirements shall be made at the Consultant's expense.

(2) Should these requirements change after the date of design or drawing preparation, Consultant shall be responsible for notifying SSLOCSD of such change in requirements. Consultant will bring the instruments of professional service into conformance with the newly issued requirements at the written direction of SSLOCSD. Consultant's costs for providing services pursuant to this paragraph shall be submitted to SSLOCSD as Additional Services.

B. **Standard of Performance.** Consultant represents that it has the skills, expertise, and licenses/permits necessary to perform the services required under this Agreement. Accordingly, Consultant shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession in which Consultant is engaged. All products of whatsoever nature which Consultant delivers to SSLOCSD pursuant to this Agreement shall conform to the standards of quality normally observed by a person practicing in Consultant's profession. Consultant shall correct or revise any errors or omissions at SSLOCSD's request without additional compensation. Permits and/or licenses shall be obtained and maintained by Consultant without additional compensation throughout the term of this Agreement.

11. TAXES. Consultant shall pay all taxes, assessments and premiums under the federal Social Security Act, any applicable unemployment insurance contributions, Workers Compensation insurance premiums, sales taxes, use taxes, personal property taxes, or other taxes or assessments now or hereafter in effect and payable by reason of or in connection with the services to be performed by Consultant.

12. CONFLICT OF INTEREST. Consultant covenants that Consultant presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under the Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by Consultant.

13. RESPONSIBILITIES OF SSLOCSD. SSLOCSD shall provide all information reasonably necessary by Consultant in performing the services provided herein.

14. OWNERSHIP OF DOCUMENTS. All drawings, specifications, data, and other instruments of professional service prepared by Consultant during the performance of this Agreement shall become the property of SSLOCSD. However, Consultant shall not be liable for SSLOCSD's use of documents and instruments of professional service if used for other than the Project or scope of services contemplated by this Agreement.

15. RECORDS, AUDIT AND REVIEW. Consultant shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of Consultant's profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. SSLOCSD shall have the right to audit and review all such documents and records at any time during Consultant's regular business hours or upon reasonable notice.

16. INDEMNIFICATION.

A. Consultant shall defend, indemnify and save harmless SSLOCSD, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of the performance or attempted performance of this Agreement or occasioned by the

performance or attempted performance of the other independent contractors and consultants directly responsible to Consultant; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the active negligence, sole negligence, or willful misconduct of SSLOCSD.

B. Neither termination of this Agreement or completion of the Project under this Agreement shall release Consultant from its obligations referenced in subsections A, above, as to any claims, so long as the event upon which such claims is predicated shall have occurred prior to the effective date of any such termination or completion and arose out of or was in any way connected with performance or operations under this Agreement by Consultant, its employees, agents or consultants, or the employee, agent or consultant of any one of them.

C. Submission of insurance certificates or submission of other proof of compliance with the insurance requirements in the Agreement does not relieve Consultant from liability referenced in subsection A, above. The obligations of this article shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

17. INSURANCE.

A. Consultant shall procure and maintain, in insurance companies authorized to do business in the State of California and assigned an A.M. Best's rating of no less than A-(IX), the following insurance coverage, written on the ISO form shown below (or its equivalent) at the limits of liability specified for each:

Commercial General Liability Insurance (ISO Form CG 0001 11/85)	\$ ____ per occurrence \$ ____ in the aggregate
Commercial Automobile Liability Insurance (ISO Form CA 0001 12/90)	\$ ____ per accident
Workers' Compensation Insurance	Statutory
Employer's Liability Insurance	\$ ____ policy limit
Professional Liability Insurance	\$ ____ per claim \$ ____ in the aggregate

*See Incl.
Ins Certs.*

B. The Commercial General and Commercial Automobile liability policies shall be endorsed to include the following:

(1) SSLOCSD, its officers, directors, employees and agents shall be named as Additional Insureds under ISO Form CG 2010 11/85 or its equivalent; and

(2) the coverage afforded SSLOCSD shall be primary and non-contributing with any other insurance maintained by SSLOCSD.

(3) If not covered separately under a business automobile liability policy, the general liability policy shall also be endorsed to include non-owned and hired automobile liability.

C. Prior to commencing work under this Agreement, Consultant shall provide SSLOCSD with Certificates of Insurance evidencing compliance with the foregoing requirements, accompanied by copies of the required endorsements. Certificates of Insurance for automobile liability, workers' compensation/ employer's liability, and professional liability insurance shall specify that the insurer shall give SSLOCSD an unqualified thirty (30) days advance written notice by the insurer prior to any cancellation of the policy.

D. All insurance coverage required hereunder shall be kept in full force and effect for the term of this Agreement. Professional liability insurance shall be maintained for an additional, uninterrupted period of three (3) years after termination of this agreement, provided such insurance is commercially available at rates reasonably comparable to those currently in effect. Certificates of Insurance evidencing renewal of the required coverage shall be provided within ten (10) days of the expiration of any policy at any time during the period such policy is required to be maintained by Consultant hereunder. Any failure to comply with this requirement shall constitute a material breach of this Agreement.

18. PERSONNEL. The Consultant represents that it has, or will secure at its own expense, all personnel required in performing the services under this Agreement. All of the services required hereunder will be performed by the Consultant or under Consultant's supervision, and all personnel engaged in the work shall be qualified to perform such services.

19. NONEXCLUSIVE AGREEMENT. Consultant understands that this is not an exclusive Agreement and that SSLOCSD shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by Consultant as the SSLOCSD desires.

20. ASSIGNMENT. Consultant shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of SSLOCSD and any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

21. TEMPORARY SUSPENSION. The SSLOCSD's Contract Administrator shall have the authority to suspend this Agreement and the services contemplated herein, wholly or in part, for such period as he/she deems necessary due to unfavorable conditions or to the failure on the part of the Consultant to perform any provision of this Agreement. Consultant will be paid for services performed through the date of

temporary suspension. In the event that Consultant's services hereunder are delayed for a period in excess of six (6) months due to causes beyond Consultant's reasonable control, Consultant's compensation shall be subject to renegotiation.

22. TERMINATION.

A. Right to terminate. SSLOCSD retains the right to terminate this Agreement for any reason by notifying Consultant in writing thirty (30) days prior to termination. Upon receipt of such notice, Consultant shall promptly cease work and notify SSLOCSD as to the status of its performance. SSLOCSD shall pay Consultant for its reasonable costs and expenses through the date of termination. However, if this Agreement is terminated for fault of Consultant, then SSLOCSD shall be obligated to compensate Consultant only for that portion of Consultant services which are of benefit to SSLOCSD, up to and including the day Consultant receives notice of termination from SSLOCSD.

B. Return of materials. Upon such termination, Consultant shall immediately turn over to the District copies of studies, drawings, mylars, computations, computer models and other instruments of professional services, whether or not completed, prepared by Consultant, or given to Consultant in connection with this Agreement. Consultant, however, shall not be liable for SSLOCSD's use of incomplete materials or for SSLOCSD's use of complete documents if used for other than the project or scope of services contemplated by this Agreement.

C. Should SSLOCSD fail to pay Consultant undisputed payments set forth in Section 6, above, Consultant may, at Consultant's options, suspend its services or terminate this agreement if such failure is not remedied by SSLOCSD within thirty (30) days of written notice to SSLOCSD of such late payment.

23. DISPUTE RESOLUTION. The following procedures apply only to disputes where the amount in controversy is less than \$ 10,000.

A. SSLOCSD and Consultant agree that disputes between them arising out of or relating to this Agreement where the amount in controversy is less than \$ 10,000 shall be submitted to nonbinding mediation, unless the parties mutually agree otherwise. If the dispute is not settled by mediation, then the parties agree to submit the dispute to binding arbitration as provided in subsection B, below.

B. Either party may demand arbitration by filing a written demand with the other party within thirty (30) days from the date of final mediation, in accordance with the prevailing provisions of the California Arbitration Act at the time of written demand. The arbitration procedures are as follows:

(1) The parties may agree on one arbitrator. If they cannot agree on one arbitrator, there shall be three: one named in writing by each of the parties within five days after demand for arbitration is given, and a third chosen by the two appointed.

Should either party refuse or neglect to join in the appointment of the arbitrator(s) or to furnish the arbitrator(s) with any papers or information demanded, the arbitrator(s) may proceed ex parte.

(2) A hearing on the matter to be arbitrated shall take place before the arbitrator(s) within the County of San Luis Obispo, state of California, at the time and place selected by the arbitrator(s). The arbitrator(s) shall select the time and place promptly and shall give each party written notice of the time and place at least sixty (60) days before the date selected. The procedures of the California Arbitration Act are incorporated herein by reference.

(3) If there is only one arbitrator, his or her decision shall be binding and conclusive on the parties, and if there are three arbitrators, the decision of the two shall be binding and conclusive. The submission of a dispute to the arbitrator(s) and the rendering of a decision by the arbitrator(s) shall be binding on the parties. A judgment confirming the award may be given by any Superior Court having jurisdiction, or that Court may vacate, modify, or correct the award in accordance with the prevailing provision of the California Arbitration Act.

(4) If three arbitrators are selected, but no two of the three are able to reach an agreement regarding the determination of the dispute, then the matter shall be decided by three new arbitrators who shall be appointed and shall proceed in the same manner, and the process shall be repeated until a decision is agreed on by two of the three arbitrators selected.

(5) The costs of the arbitration shall be borne by the losing party or shall be borne in such proportions as the arbitrator(s) determine(s).

24. SSLOCSD NOT OBLIGATED TO THIRD PARTIES. SSLOCSD shall not be obligated or liable for payment hereunder to any party other than the Consultant.

25. COSTS AND ATTORNEY'S FEES. The prevailing party in any action between the parties to this Agreement brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs and attorney's fees expended in connection with such an action from the other party.

26. SECTION HEADINGS. The headings of the several sections, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

27. SEVERABILITY. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

28. REMEDIES NOT EXCLUSIVE. Except as provided in Sections 22 and 23, no remedy herein conferred upon or reserved to SSLOCSD is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

29. TIME IS OF THE ESSENCE. Time is of the essence in this Agreement and each covenant and term is a condition herein.

30. NO WAIVER OF DEFAULT. No delay or omission of SSLOCSD to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default of an acquiescence therein; and every power and remedy given by this Agreement to SSLOCSD shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of SSLOCSD.

31. ENTIRE AGREEMENT AND AMENDMENT. In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

32. SUCCESSORS AND ASSIGNS. All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

33. CALIFORNIA LAW. This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of San Luis Obispo, if in state court, or in the federal court nearest to San Luis Obispo County, if in federal court.

34. EXECUTION OF COUNTERPARTS. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

35. AUTHORITY. All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into


this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Consultant hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which Consultant is obligated, which breach would have a material effect hereon.

36. PRECEDENCE. In the event of conflict contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of the Exhibits shall prevail over those in the numbered sections.

37. FORCE MAJEURE. Neither party shall hold the other responsible for damages or delays in performance caused by force majeure (acts of nature) or other events beyond the reasonable control of either party.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date executed by the SSLOCSD.

CONSULTANT

By: 
Name: JEFFREY EMRICK
Title: OWNER
Date: 8.14.13

By: _____
Name: _____
Title: _____
Date: _____

SOUTH SAN LUIS OBISPO SANITATION DISTRICT

District Manager

Date: _____

ATTEST:

Date: _____



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339, Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

Telephone (805) 489-6666 FAX (805) 489-2765

www.sslocsd.org

Staff Report

To: Board of Directors
From: John L. Clemons, Plant Superintendent
Via: Paul J. Karp, Interim District Manager
Date: September 18, 2013
Subject: Plant Superintendent's Report

Chart 1 – **Plant Data**

August 2013	FLOW MGD	Peak MGD	INF BOD mg/L	EFF BOD mg/L	INF TSS mg/L	EFF TSS mg/L	Fecal Coli	Cl2 lbs/day	
Average	2.55	4.1	372	30.1	380	29.7	<50	254	
High	2.76	4.9	586	54.8	420	38.0	300	876	
Limit	5.0			40		40	2000		
Sept. 2013									
Average	*2.52	*4.1						*267	
High	*2.79	*5.0						*438	

* Thru September 12, 2013

Final Plant Data for August 2013 is as follows:

Average daily flow was 2.55 MGD. Plant maximum design flow capacity is 5.0 MGD

Average effluent biochemical oxygen demand was 30.1 mg/L

Average effluent totals suspended solids were 29.7 mg/L

Permit limits for monthly BOD and TSS averages is 40 mg/l for each.

BOD average removal efficiency was 91.9%.

TSS average removal efficiency was 92.3%.

Plant BOD and TSS values continue to be very good for the summer season. We had two incidents of higher than normal (for our plant) effluent BOD values. Each elevated value was the result of a maintenance activity. On August 16th staff was replacing a sludge pump. On August 27th staff shut down the FFR recirc pump to install the flow meter and paint.

Corrective Maintenance

Plant staff repaired leaks in the fuel lines going to the emergency generator. Replaced float in sump #3 (confined space entry). Plant staff repaired a drip trap actuator for the flare system (confined space entry). Cleaned and recalibrated the chlorine analysis system

Safety

Staff attended a safety meeting to review the Plant Safety Inspection performed by the Safety Officer and Superintendent. Staff also completed a review of the MSDS for Weld On plumbing primer and glue.

Training

Plant staff attended a training meeting for FFR familiarization. Staff members J. Clemons, W. Jackman, and F. Mui attended a CWEA Northern Regional Training Conference. During the conference staff received instruction on several subjects such as mechanical seal maintenance, traffic control, lab techniques, FOG inspections, pretreatment certification, electrical safety, disinfection, and sludge biology.

Plant staff hosted a Combined Agency Collections Systems Meeting. Representatives were present from the cities of Arroyo Grande, Grover Beach, Oceano CSD, and SLO County Public Works.

Plant staff is currently engaged in planning or executing the early stages of the following projects:

- Review of plant SOPs and O&M.
- Plant tool inventory.
- SCADA upgrade
- Boiler Replacement
- Centrifuge chute project
- Lab tests expansion
- Installation of back up primary sludge pump.
- Review of FOG/Pretreatment implementation







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Staff Report

To: Board of Directors
From: Paul J. Karp, Interim District Manager
Date: September 18, 2013

Subject: Public Hearing on the Adoption of Ordinance No. 2014-1

Recommendation:

It is the Staff recommendation that the Directors hold a public hearing on the adoption of the attached ordinance to implement accounting procedures that will allow the District to use the State established limits for informally bid public construction projects.

Funding:

No expenditure is necessary to implement these procedures.

Discussion:

When the Board adopted Resolution No. 2014-313 at the September 4 meeting, the District, under the Uniform Public Construction Cost Accounting Act, must now comply with State established guidelines for uniform cost accounting. At the same meeting, the Board introduced Ordinance No. 2014-1. By adopting that ordinance at this meeting, after a public hearing, the District will be able to authorize work by “informal” bidding procedures up to a limit established by the State (currently \$175,000). Informal procedures may still require solicitation of multiple bids, and any work that costs in excess of these amounts will still have to be bid according to normal public bidding procedures as required under the Public Contract Code.

Holding a public hearing is the required second step in the process for the adoption of this ordinance.

Attachment 1: Notice of Public Hearing on Ordinance No. 2014-1

Attachment 2: SSLOCSD Ordinance No. 2014-1

**NOTICE OF PUBLIC HEARING
SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT
ADOPTION OF ORDINANCE NO. 2014-1**

DATE: September 18, 2013
TIME: 6:00 p.m.
PLACE: City Council Chambers
215 East Branch Street
Arroyo Grande, CA 93420

PLEASE TAKE NOTICE:

1. At 6:00 p.m., on September 18, 2013, at the City Council Chambers, City of Arroyo Grande, located at 215 East Branch Street, Arroyo Grande, California, the South San Luis Obispo County Sanitation District Board of Directors will meet to consider and to adopt Ordinance No. 2014-1 AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT TO PROVIDE INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (Section 22000, et seq. of the Public Contract Code)
2. At the time and place specified in this Notice, any person may appear to be heard regarding the proposed ordinance.
3. If you should have questions related to this item, please contact Matthew Haber, District Bookkeeper/Secretary, at (805) 481-6903.

ORDINANCE NO. 2014-1

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT TO PROVIDE INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (Section 22000, et seq. of the Public Contract Code)

Whereas, on the 4th day of September, 2013, the Board of Directors (the “Board”) of the South San Luis Obispo County Sanitation District (the “District”) adopted Resolution No. 2014-313 thereby electing to become subject to the uniform public construction cost accounting procedures set forth in the Uniform Public Construction Cost Accounting Act (the “Act”) and to the policies and procedures manual and cost accounting review procedures required under the Act;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SOUTH SAN LUIS
OBISPO COUNTY SANITATION DISTRICT DOES ORDAIN AS FOLLOWS:

SECTION 1

Section 1.1 - Informal Bid Procedures. Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

Section 1.2 - Contractors List. A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

Section 1.3 - Notice Inviting Informal Bids. Where a public project is to be performed, which is subject to the provisions of this Ordinance, a notice inviting informal bids may be mailed to all contractors for the category of work to be bid as shown on the list developed in accordance with Section 1.2 and shall be mailed to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the District, provided however:

- (1) If there is no list of qualified contractors maintained by the District for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission.
- (2) If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

Section 1.4 - Award of Contracts

The District Manager is authorized to award informal contracts pursuant to this Section.

Section 2 — Inconsistency

To the extent that the terms of provision of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior district Ordinance(s), Motions, Resolutions, Rules, or Regulations adopted by the District, governing the same subject matter thereof, then such inconsistent and conflicting provisions of prior Ordinances, Motions, Resolutions, Rules, and Regulations are hereby repealed.

Section 3 — Incorporation of Recitals

The recitals to this Ordinance are true and correct, are incorporated herein by this reference, including the referenced documents, and constitute further findings for the implementation of the Water Service Limitations adopted by this Ordinance.

Section 4 — Severance Clause

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Ordinance. The Governing Board of the District hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Section 5 — Effect of Headings in Ordinance

Title, division, part, chapter, article, and section headings contained herein do not in any manner affect the scope, meaning, or intent of the provisions of this Ordinance.

Section 6 — CEQA

The Board of Directors of the District finds that the policies and procedures adopted by this Ordinance are exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15378 (b) (2) because such policies and procedures constitute general policy and procedure making. The Board of Directors further finds that the adoption of the rules and regulations established by this Ordinance is not a project as defined in CEQA Guideline Section 15378, because it establishes a new format and monetary limits relating to work by force account and for bidding for services. The District Manager is directed to file notice of this finding.

SECTION 7

This Ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it or a summary of it, shall be published once, with the names of the members of the Board of Directors

voting for and against the same in a newspaper of general circulation published in the County of San Luis Obispo.

PASSED, APPROVED and ADOPTED by the Board of Directors of the South San Luis Obispo County Sanitation District, this ____ day of _____, _____, by the following vote:

AYES:

NOES:

ABSENT:

Matthew Guerrero, Chair

ATTEST:

Paul J. Karp, Interim General Manager

APPROVED AS TO FORM:

Michael W. Seitz
District Legal Counsel



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Staff Report

To: Board of Directors
From: Paul J. Karp, Interim District Manager
Date: September 18, 2013

Subject: Request to Solicit Bids to Construct New Boiler System to Warm Digesters;
SSLOCSD Project No. 14-01

Recommendation:

It is the staff recommendation that the Directors authorize staff to solicit construction bids for the installation of a new boiler that will burn digester or natural gas to warm plant digesters.

Funding:

This is a budgeted item to be funded from Account 26-8065.

Discussion:

It has been a goal of the District to initiate a process that is more sustainable. Over the last few months, treatment processes have become less dependent upon the injection of chemicals. With continued lack of performance by the District's installer of a cogeneration operation using digester gas to produce electricity, the District has been forced to flare its digester gas, resulting in the consumption of a large quantity of natural gas to warm digesters. Staff has been working diligently to reinstall a boiler system that will use the digester gas to perform this function and specifications are nearing completion. The new boiler will primarily use digester gas, but in the event that this becomes unavailable for any reason, equipment will also be installed that can automatically change over to natural gas as a backup. The final touches on the design will be added over the next week, and an engineer's estimate of the construction costs will be prepared. Staff hopes to complete the installation near the beginning of 2014. Additional information developed on these subjects will be shared with the Board at the upcoming meeting.

In order to stay on schedule to complete this project as soon as possible, staff is requesting permission to advertise for construction bids for the boiler installation at this time. Re-piping of the necessary gas sources will be performed in house under the recently approved Uniform Public Construction Cost Accounting Act procedures.



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Staff Report

To: Board of Directors
From: Paul J. Karp, Interim District Manager
Date: September 18, 2013

Subject: Modifications to District Purchasing and Construction Policies

Recommendation:

It is the staff recommendation that the Directors review the proposed modifications to the District purchasing and construction policies as set forth in Resolution No. 2014-314.

Funding:

N/A

Discussion:

In 2010, the Board adopted Resolution No. 2010-274 which revised the then-current District purchasing and construction policies dating back to July 2005. At the last meeting, the current Board elected for the District to become subject to the Uniform Public Construction Cost Accounting Act thereby necessitating changes to the District purchasing policy. The proposed modifications incorporate the higher dollar limits and informal bidding process allowed under the Act while including the related requirements for adherence.

Staff sees these changes as a natural progression of recent Board direction regarding District financial policy, namely strengthening the District's financial controls.

It is the staff recommendation that the Board review the modifications to Resolution No. 2010-274 with final approval of the changes being recommended through the adoption of Resolution No. 2014-314 at the first Board meeting in October.

Attachment 1: Resolution No. 2010-274 strikethrough

Attachment 2: Draft Resolution No. 2014-314

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
RESOLUTION NO. 2010-274**

**A RESOLUTION ADOPTING THE POLICIES AND PROCEDURES FOR THE
EXPENDITURE OF DISTRICT FUNDS FOR SUPPLIES, EQUIPMENT, CONSTRUCTION,
AND SERVICES**

**ARTICLE I
Adoption of Purchasing and Construction Policies**

1.1 Statutory Authority: These policies and procedures are adopted pursuant to the Government Code Section 54201 (l), et seq., and ~~Public Contracts Code Section 20783- (2)~~ the Public Contract Code Section 22000 et seq. ("Uniform Public Construction Cost Accounting Act") in order to establish an efficient procedure for the purchase of supplies, equipment and contracting for work and services.

1.2 Board Findings and Declaration: The Board finds and declares that placing all of these policies in one procedural set of guidelines will make these procedures clearer and easier to find. ~~Further~~ Furthermore, it is the intent of the Board in ~~inacting~~ enacting these procedures to achieve the following objectives:

A. To establish an efficient procedure for the purchase of supplies, equipment, and services at the lowest possible cost;

B. To assure that all supplies, equipment, construction and services at the plant are of sufficient quality to assure the efficient running of the plant;

C. To exercise positive financial control over purchases;

D. To clearly define authority for the purchase of supplies and equipment and for contracting for outside services and construction;

E. To assure as full and open competition as possible on all purposes;

F. Fitness and quality being equal, a preference may be granted to local vendors for the purchase of materials, supplies and services with a bid price less than ~~\$35,000~~\$45,000. The District may provide a preference to each qualified local vendor if the bid of a local qualified vendor does not exceed the lowest bid or price quoted by other vendors by more than five percent. To qualify as a local vendor, a business must have all current applicable city licenses and permits, must maintain its primary office and/or place of business within district boundaries. This preference is not applicable to any materials, supplies or services for which formal bids are required pursuant to statutory or California common law.

ARTICLE II
Purchase of Supplies and Equipment
District ~~Administrator~~ Manager Duties

2.1 The District ~~Administrator~~ Manager or Plant Superintendent, as the case may be, shall be the purchasing authority whose functions shall include the following powers and duties:

- A. To purchase or contract for supplies and equipment required by the District in accordance with the purchasing procedures outlined herein.
- B. To negotiate and recommend execution of contracts for the purchase of supplies and equipment.
- C. To ensure as full and open competition as possible on all purchases.
- D. To inspect supplies and equipment delivered, as well as contractual services performed, to determine their conformance with the specifications set forth in the purchase orders and contracts.
- E. To sell surplus supplies and equipment to interested private and/or public agencies or vendors.
- F. To keep informed of current developments in the field of purchasing, prices, market conditions and new products,
- G. To maintain a bidders' list, vendors' catalog file and records.
- H. To develop and prescribe administrative policies, forms, and files as may be reasonably necessary for the internal management and operation of these purchasing procedures.

2.2 Exemptions From Policies

- A. Emergencies: The purchasing procedures described above may be dispensed with at the discretion and judgment of the purchasing authority in the best interest of the District when the Board of Directors adopts a resolution by two-thirds vote declaring that it is in the public interest and necessity to demand an immediate expenditure of public funds to safeguard life, health, or property.
- B, Single Source: When the Board of Directors adopts a finding that there is only a single source of procurement and that the purchase is for the sole purpose of

duplicating or replacing supplies, equipment, or material which is in use.

C. Deliveries Under Annual or Biannual Contracts: When the Board of Directors has contracted for services or supplies on an annual or other regular basis, the payment for delivery of such services or supplies upon delivery is exempt from the need for additional authority for payment. This exemption does not apply to the actual negotiation or contracting for services or delivery of supplies.

2.3 Supplies and Equipment -District purchases under \$1,500.00

A. The Plant Superintendent shall act as purchasing agent for the District in connection in obtaining materials, supplies, and equipment with a cost of **\$1,500.00** or less.

B. Open Accounts:

1. The Plant Superintendent shall maintain a list of all open accounts with suppliers on which employees of the District have the ability to sign for purchases. The list of open accounts shall be approved by the District ~~Administrator~~ Manager.

2. The Plant Superintendent shall maintain a list of all employees with the ability to sign on open accounts and such list shall be approved by the District ~~Administrator~~ Manager.

3. No employee shall sign on an open account without prior approval of the District ~~Administrator~~ Manager.

C. In regards to the purchases of supplies or equipment with a cost of **\$300.00** or more, a “purchase order” shall be used.

1. District employees shall submit a requisition for any required supplies, equipment, or services with an anticipated cost in excess of **\$300.00** on a form approved by the District ~~Administrator~~ Manager.

2. If the requisition is approved by the Plant Superintendent, the Plant Superintendent shall seek the most favorable terms and price for the approved requisition either through comparative pricing or competitive bidding, whichever method the Plant Superintendent deems most appropriate under the circumstances. To the extent possible, the Plant Superintendent will review at least two quotations to ensure that the products or supplies purchased are of a quality suitable for the District's purposes and to obtain the lowest price available.

3. Once the Plant Superintendent has determined the most advantageous price or bid, as the case may be, for the requisition, ~~he~~ he/she shall issue a purchase

order which will constitute a formal offer by the District to purchase the supplies, equipment, or to procure the service for the price and terms indicated therein.

D. Except in cases of emergency or in cases where specific authority has been first obtained from the District ~~Administrator~~ Manager, the Plant Superintendent shall not purchase supplies or equipment unless there exists an unencumbered appropriation in the fund account against which the purchase is to be charged.

2.4 Supplies and Equipment-District purchases under ~~\$5,000.00~~ 7,500.00

The District ~~Administrator~~ Manager shall act as purchasing agent for the District in connection with the obtaining of supplies, equipment, or services with costs in excess of \$1,500.00 but not more than ~~\$5,000.00~~ 7,500.00.

A. The purchase of supplies and equipment with a value of \$1,500.00 to ~~\$5,000.00~~ 7,500.00 may be made by the District ~~Administrator~~ Manager in the open market pursuant to the procedure hereinafter proscribed:

1. The District ~~Administrator~~ Manager or his/her designee shall solicit quotations for the purchase of all such goods and supplies. Said quotations may be solicited by telephone or in writing.
2. Open market purchases shall, whenever possible, be based on at least three written quotations approved by the District ~~Administrator~~ Manager and shall be awarded to the supplier submitting the lowest responsive quote.
 - a. Single Source Items: If the District ~~Administrator~~ Manager determines that there is a single source of procurement and that the purchase of the supplies or equipment is for the sole purpose of duplicating or replacing supplies, equipment, or material which is in use, the requirement of obtaining competitive quotations shall not be required.

2.5 Supplies and Equipment -District Purchases over ~~\$5,000.00~~ 7,500.00 and less than ~~\$35,000.00~~ \$45,000.00

A. For the purposes of this section, the District ~~Administrator~~ Manager shall be the purchasing agent for the District in connection with supplies, equipment, and services with a cost in excess of ~~\$5,000.00~~ 7,500.00, but not more than ~~\$35,000.00~~ \$45,000.00.

B. The District ~~Administrator~~ Manager and/or his/her designee shall solicit quotations for all goods and supplies with a cost of more than ~~\$5,000.00~~ 7,500.00

and less than ~~\$35,000.00~~ \$45,000.00. Said quotations may be solicited by telephone or in writing,

1. Open market purchases shall, whenever possible, be based upon at least three written quotations approved by the District ~~Administrator~~ and shall be awarded to the entity submitting the lowest responsive quote.
2. The Board of Directors of the District shall approve all purchases in excess of \$5,000.00 and less than ~~\$35,000.00~~ \$45,000.00.
 - a. Exception: When the District ~~Administrator~~ Manager determines that it is reasonably necessary to purchase equipment and supplies on an expedited basis, the District ~~Administrator~~ Manager may do so, but only on approval by the Chairman of the Board of Directors obtained prior to the actual purchase of equipment, supplies, or services.

2.6 Supplies and Equipment -District Purchases over ~~\$35,000.00~~ \$45,000.00 and less than \$175,000 – ~~Formal Competitive Bidding/Notice~~ Informal Bidding Process

- A. For the purposes of this section, the District Manager shall be the purchasing agent for the District in connection with supplies, equipment, and services with costs in excess of \$45,000.00, but not more than \$175,000.
- B. Public projects, as defined by the Uniform Public Construction Cost Accounting Act (Act) and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Code.
- C. A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.
- D. **Notice Inviting Informal Bids:**

Where a public project is to be performed, which is subject to the provisions of the Act, a notice inviting informal bids may be mailed to all contractors for the category of work to be bid and shall be mailed to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the District Manager and/ or his/her designee, provided however:

1. If there is no list of qualified contractors maintained by the District for

the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission.

2. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such a contractor or contractors.

E. The District Manager is authorized to award informal contracts pursuant to this section.

2.67 Supplies and Equipment -District Purchases over ~~\$35,000.00~~ \$175,000.00 - Formal Competitive Bidding/Notice

Except as otherwise provided in these procedures, purchases and contracts for supplies and equipment subject to the ~~twenty-five thousand Dollar~~ one-hundred seventy-five thousand dollar contract limitations of ~~Public Contracts Code Section 20783 (2), (or an amount specified in a predecessor statute)~~, the Uniform Public Construction Cost Accounting Act (or an amount specified in a subsequent statute), shall be by written contract with the lowest responsible bidder pursuant to the procedures prescribed herein.

A. Notice of Inviting Bids:

1. Notices inviting bids shall include, but not be limited to, the following:
 - a) The notice shall distinctly state the supplies and equipment to be purchases;
 - b) The location and deadline for submission of bids;
 - c) The location where bid blanks and specifications may be secured;
 - d) The date, time, and place assigned for the opening of sealed bids;
 - e) The type and character of bidder's security required, if any;
 - f) Notice that the District reserves the right to waive minor irregularities in the bid.
 - g) ~~A notice~~ Notice that no bidder can withdraw his/her bid for a period of 60 days after the date set for the award of the contract.
 - h) ~~A notice~~ Notice that a successful bidder can substitute securities for performance retention pursuant to Public Contract Code Section 22300.

2. Notices inviting bids shall be published at least twice, not less than 5 days apart, in a newspaper of general circulation, printed and published in the District, or if there is none, the notice shall be posted in at least three public places in the District that have been designated by the District Board of Directors as places for posting such notice.
3. The first publication or posting of the notice shall be at least ten days before the date of opening bids.

B. Supplies and Equipment Bids -Security Requirements:

Bidder's security may be required when deemed necessary. Bidders shall be entitled to the return of any bid security within 60 days from the time the award is made. A successful bidder shall forfeit his/her bid security, however, upon refusal or failure to execute a contract within 15 days after notice of award of the contract unless the district is responsible for the delay. The contract may be awarded to the next lowest responsible bidder upon the refusal or failure of the successful bidder to execute the contract within the time herein prescribed.

C. Bids Opening:

Sealed bids shall be opened in public at a time and place stated in the notice of inviting bids. A tabulation of all bids received shall be made available for public inspection until the award of the contract.

D. Bid Rejection:

The District may reject:

1. Any bid that fails to meet the bidding requirements in any respect; or
2. All bids, for any reason whatsoever, and may readvertise for new bids;
3. All bids, and adopt by two-thirds vote, a resolution declaring that the materials or supplies can be furnished at a lower price in the open market and the District may purchase the materials or supplies as stated in the resolution in order to take advantage of the lower cost.

E. Contract Award:

Contracts shall be awarded at the next regularly scheduled meeting after the date set for opening bids to the lowest responsible bidder except as follows:

1. If two or more bids are the same and the lowest, the District Board may accept the one it chooses.
2. If no bids are received, the District Board may order the supplies and equipment purchased without further bid.

F. Determination of Lowest Responsible Bidder:

In addition to the bid or quotation price, criteria for determining the lowest responsible bid or quotation, shall include, but not be limited to, the following:

1. The character, integrity, reputation, judgment, experience and efficiency of the bidder (this may include an analysis of previous dealings with the District or other public agencies);
2. The ability of the bidder to provide the supplies, equipment or services required, within the time specified, without delay or interference;
3. The ability of the bidder to provide future maintenance, repair parts and replacement of purchased equipment or supplies; and
4. Compliance by the bidder with Federal Acts, Executive Orders, and State Statutes.

Upon motion of Director _____, seconded by Director _____,
and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The forgoing Resolution is hereby adopted this ____ day of _____ 2010.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
RESOLUTION NO. 2014-314**

**A RESOLUTION AMENDING THE ADOPTED POLICIES AND PROCEDURES FOR THE
EXPENDITURE OF DISTRICT FUNDS FOR SUPPLIES, EQUIPMENT, CONSTRUCTION,
AND SERVICES AS SET FORTH IN RESOLUTION NO. 2010-274**

ARTICLE I

Adoption of Purchasing and Construction Policies

1.1 Statutory Authority: These policies and procedures are adopted pursuant to the Government Code Section 54201 (l), et seq., and the Public Contract Code Section 22000 et seq. ("Uniform Public Construction Cost Accounting Act") in order to establish an efficient procedure for the purchase of supplies, equipment and contracting for work and services.

1.2 Board Findings and Declaration: The Board finds and declares that placing all of these policies in one procedural set of guidelines will make these procedures clearer and easier to find. Furthermore, it is the intent of the Board in enacting these procedures to achieve the following objectives:

A. To establish an efficient procedure for the purchase of supplies, equipment, and services at the lowest possible cost;

B. To assure that all supplies, equipment, construction and services at the plant are of sufficient quality to assure the efficient running of the plant;

C. To exercise positive financial control over purchases;

D. To clearly define authority for the purchase of supplies and equipment and for contracting for outside services and construction;

E. To assure as full and open competition as possible on all purposes;

F. Fitness and quality being equal, a preference may be granted to local vendors for the purchase of materials, supplies and services with a bid price less than \$45,000. The District may provide a preference to each qualified local vendor if the bid of a local qualified vendor does not exceed the lowest bid or price quoted by other vendors by more than five percent. To qualify as a local vendor, a business must have all current applicable city licenses and permits, must maintain its primary office and/or place of business within district boundaries. This preference is not applicable to any materials, supplies or services for which formal bids are required pursuant to statutory or California common law.

ARTICLE II
Purchase of Supplies and Equipment
District Manager Duties

2.1 The District Manager or Plant Superintendent, as the case may be, shall be the purchasing authority whose functions shall include the following powers and duties:

- A. To purchase or contract for supplies and equipment required by the District in accordance with the purchasing procedures outlined herein.
- B. To negotiate and recommend execution of contracts for the purchase of supplies and equipment.
- C. To ensure as full and open competition as possible on all purchases.
- D. To inspect supplies and equipment delivered, as well as contractual services performed, to determine their conformance with the specifications set forth in the purchase orders and contracts.
- E. To sell surplus supplies and equipment to interested private and/or public agencies or vendors.
- F. To keep informed of current developments in the field of purchasing, prices, market conditions and new products,
- G. To maintain a bidders' list, vendors' catalog file and records.
- H. To develop and prescribe administrative policies, forms, and files as may be reasonably necessary for the internal management and operation of these purchasing procedures.

2.2 Exemptions From Policies

- A. Emergencies: The purchasing procedures described above may be dispensed with at the discretion and judgment of the purchasing authority in the best interest of the District when the Board of Directors adopts a resolution by two-thirds vote declaring that it is in the public interest and necessity to demand an immediate expenditure of public funds to safeguard life, health, or property.
- B. Single Source: When the Board of Directors adopts a finding that there is only a single source of procurement and that the purchase is for the sole purpose of duplicating or replacing supplies, equipment, or material which is in use.

C. Deliveries Under Annual or Biannual Contracts: When the Board of Directors has contracted for services or supplies on an annual or other regular basis, the payment for delivery of such services or supplies upon delivery is exempt from the need for additional authority for payment. This exemption does not apply to the actual negotiation or contracting for services or delivery of supplies.

2.3 Supplies and Equipment -District purchases under \$1,500.00

A. The Plant Superintendent shall act as purchasing agent for the District in connection in obtaining materials, supplies, and equipment with a cost of **\$1,500.00** or less.

B. Open Accounts:

1. The Plant Superintendent shall maintain a list of all open accounts with suppliers on which employees of the District have the ability to sign for purchases. The list of open accounts shall be approved by the District Manager.
2. The Plant Superintendent shall maintain a list of all employees with the ability to sign on open accounts and such list shall be approved by the District Manager.
3. No employee shall sign on an open account without prior approval of the District Manager.

C. In regards to the purchases of supplies or equipment with a cost of **\$300.00** or more, a “purchase order” shall be used.

1. District employees shall submit a requisition for any required supplies, equipment, or services with an anticipated cost in excess of **\$300.00** on a form approved by the District Manager.
2. If the requisition is approved by the Plant Superintendent, the Plant Superintendent shall seek the most favorable terms and price for the approved requisition either through comparative pricing or competitive bidding, whichever method the Plant Superintendent deems most appropriate under the circumstances. To the extent possible, the Plant Superintendent will review at least two quotations to ensure that the products or supplies purchased are of a quality suitable for the District's purposes and to obtain the lowest price available.
3. Once the Plant Superintendent has determined the most advantageous price or bid, as the case may be, for the requisition, he/she shall issue a purchase order which will constitute a formal offer by the District to purchase the supplies, equipment, or to procure the service for the price and terms indicated therein.

D. Except in cases of emergency or in cases where specific authority has been first obtained from the District Manager, the Plant Superintendent shall not purchase supplies or equipment unless there exists an unencumbered appropriation in the fund account against which the purchase is to be charged.

2.4 Supplies and Equipment-District purchases under \$7,500.00

The District Manager shall act as purchasing agent for the District in connection with the obtaining of supplies, equipment, or services with costs in excess of **\$1,500.00** but not more than **\$7,500.00**.

A. The purchase of supplies and equipment with a value of **\$1,500.00** to **\$7,500.00** may be made by the District Manager in the open market pursuant to the procedure hereinafter proscribed:

1. The District Manager or his/her designee shall solicit quotations for the purchase of all such goods and supplies. Said quotations may be solicited by telephone or in writing.
2. Open market purchases shall, whenever possible, be based on at least three written quotations approved by the District Manager and shall be awarded to the supplier submitting the lowest responsive quote.
 - a. Single Source Items: If the District Manager determines that there is a single source of procurement and that the purchase of the supplies or equipment is for the sole purpose of duplicating or replacing supplies, equipment, or material which is in use, the requirement of obtaining competitive quotations shall not be required.

2.5 Supplies and Equipment -District Purchases over \$7,500.00 and less than \$45,000.00

A. For the purposes of this section, the District Manager shall be the purchasing agent for the District in connection with supplies, equipment, and services with a cost in excess of **\$7,500.00**, but not more than **\$45,000.00**.

B. The District Manager and/or his/her designee shall solicit quotations for all goods and supplies with a cost of more than **\$7,500.00**

and less than **\$45,000.00**. Said quotations may be solicited by telephone or in writing,

1. Open market purchases shall, whenever possible, be based upon at least three written quotations approved by the District and shall be awarded to the entity submitting the lowest responsive quote.

2. The Board of Directors of the District shall approve all purchases in excess of **\$5,000.00** and less than **\$45,000.00**.

- a. Exception: When the District Manager determines that it is reasonably necessary to purchase equipment and supplies on an expedited basis, the District Manager may do so, but only on approval by the Chairman of the Board of Directors obtained prior to the actual purchase of equipment, supplies, or services.

2.6 Supplies and Equipment -District Purchases over \$45,000.00 and less than \$175,000 – Informal Bidding Process

- A. For the purposes of this section, the District Manager shall be the purchasing agent for the District in connection with supplies, equipment, and services with costs in excess of **\$45,000.00**, but not more than **\$175,000**.
- B. Public projects, as defined by the Uniform Public Construction Cost Accounting Act (Act) and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Code.
- C. A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

D. Notice Inviting Informal Bids:

Where a public project is to be performed, which is subject to the provisions of the Act, a notice inviting informal bids may be mailed to all contractors for the category of work to be bid and shall be mailed to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the District Manager and/ or his/her designee, provided however:

1. If there is no list of qualified contractors maintained by the District for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission.
2. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such a contractor or contractors.

- E. The District Manager is authorized to award informal contracts pursuant to this section.

**2.7 Supplies and Equipment -District Purchases over \$175,000.00 -
Formal Competitive Bidding/Notice**

Except as otherwise provided in these procedures, purchases and contracts for supplies and equipment subject to the one-hundred seventy-five thousand dollar contract limitations of the Uniform Public Construction Cost Accounting Act (or an amount specified in a subsequent statute), shall be by written contract with the lowest responsible bidder pursuant to the procedures prescribed herein.

A. Notice of Inviting Bids:

1. Notices inviting bids shall include, but not be limited to, the following:
 - a) The notice shall distinctly state the supplies and equipment to be purchases;
 - b) The location and deadline for submission of bids;
 - c) The location where bid blanks and specifications may be secured;
 - d) The date, time, and place assigned for the opening of sealed bids;
 - e) The type and character of bidder's security required, if any;
 - f) Notice that the District reserves the right to waive minor irregularities in the bid.
 - g) Notice that no bidder can withdraw his/her bid for a period of 60 days after the date set for the award of the contract.
 - h) Notice that a successful bidder can substitute securities for performance retention pursuant to Public Contract Code Section 22300.
2. Notices inviting bids shall be published at least twice, not less than 5 days apart, in a newspaper of general circulation, printed and published in the District, or if there is none, the notice shall be posted in at least three public places in the District that have been designated by the District Board of Directors as places for posting such notice.
3. The first publication or posting of the notice shall be at least ten days before the date of opening bids.

B. Supplies and Equipment Bids -Security Requirements:

Bidder's security may be required when deemed necessary. Bidders shall be entitled to the return of any bid security within 60 days from the time the award is made. A successful bidder shall forfeit his/her bid security, however, upon refusal or failure to execute a contract within 15 days after notice of award of the contract unless the district is responsible for the delay. The contract may be awarded to the next lowest responsible bidder upon the refusal or failure of the successful bidder to execute the contract within the time herein prescribed.

C. Bids Opening:

Sealed bids shall be opened in public at a time and place stated in the notice of inviting bids. A tabulation of all bids received shall be made available for public inspection until the award of the contract.

D. Bid Rejection:

The District may reject:

1. Any bid that fails to meet the bidding requirements in any respect; or
2. All bids, for any reason whatsoever, and may readvertise for new bids;
3. All bids, and adopt by two-thirds vote, a resolution declaring that the materials or supplies can be furnished at a lower price in the open market and the District may purchase the materials or supplies as stated in the resolution in order to take advantage of the lower cost.

E. Contract Award:

Contracts shall be awarded at the next regularly scheduled meeting after the date set for opening bids to the lowest responsible bidder except as follows:

1. If two or more bids are the same and the lowest, the District Board may accept the one it chooses.
2. If no bids are received, the District Board may order the supplies and equipment purchased without further bid.

F. Determination of Lowest Responsible Bidder:

In addition to the bid or quotation price, criteria for determining the lowest responsible bid or quotation, shall include, but not be limited to, the following:

1. The character, integrity, reputation, judgment, experience and efficiency of the bidder (this may include an analysis of previous dealings with the District or other

public agencies);

2. The ability of the bidder to provide the supplies, equipment or services required, within the time specified, without delay or interference;

3. The ability of the bidder to provide future maintenance, repair parts and replacement of purchased equipment or supplies; and

4. Compliance by the bidder with Federal Acts, Executive Orders, and State Statutes.

Upon motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The forgoing Resolution is hereby adopted this ____ day of _____ 2013.

Matthew Guerrero, Chairman

ATTEST:

Paul J. Karp, Interim District Manager

APPROVED AS TO FORM:

Michael W. Seitz, District Legal Counsel