

OTAY WATER DISTRICT
ENGINEERING, OPERATIONS & WATER RESOURCES COMMITTEE MEETING
and
SPECIAL MEETING OF THE BOARD OF DIRECTORS

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA
Board Room

MONDAY
August 22, 2016
2:30 P.M.

This is a District Committee meeting. This meeting is being posted as a special meeting in order to comply with the Brown Act (Government Code Section §54954.2) in the event that a quorum of the Board is present. Items will be deliberated, however, no formal board actions will be taken at this meeting. The committee makes recommendations to the full board for its consideration and formal action.

AGENDA

1. ROLL CALL
2. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

DISCUSSION ITEMS

3. ADOPT RESOLUTION NO. 4313 AMENDING POLICY NO. 21 OF THE DISTRICT'S CODE OF ORDINANCES TO REDEFINE THE FEE LIMITS FOR MINOR PROJECTS OF LESS THAN \$50,000 AND ADD CLARIFYING LANGUAGE FOR EXISTING PRACTICES WITH RESPECT TO PROFESSIONAL CONSULTING SERVICES (KENNEDY) [5 min]
4. ADOPT RESOLUTION NO. 4315 ELECTING THAT THE DISTRICT BE SUBJECT TO THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (CUPCCAA) PROCEDURES; AMEND SECTION 7 PRICING/BIDDING REQUIREMENTS OF THE OTAY WATER DISTRICT PURCHASING MANUAL; AND ADOPT RESOLUTION NO. 4316 TO ADOPT BOARD OF DIRECTORS POLICY 53, INFORMAL BIDDING PROCEDURES UNDER THE CUPCCAA (KENNEDY) [5 min]
5. APPROVE THE CONTINUANCE OF THE TEMPORARY MORATORIUM ON THE INSTALLATION OF NEW RECYCLED WATER FACILITIES ON OTAY MESA FOR A PERIOD OF ONE YEAR TO JULY 2017 (MARTIN) [5 min]

6. FY16 YEAR-END REPORT FOR THE DISTRICT'S FY15-18 STRATEGIC PLAN (SEGURA) [10 mins]
7. FOURTH QUARTER OF FISCAL YEAR 2016 CAPITAL IMPROVEMENT PROGRAM UPDATE (MARTIN) [10 mins]
8. SAN DIEGO COUNTY WATER AUTHORITY UPDATE (WATTON) [10 mins]
9. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Tim Smith, Chair
Gary Croucher

All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

The Agenda, and any attachments containing written information, are available at the District's website at www.otaywater.gov. Written changes to any items to be considered at the open meeting, or to any attachments, will be posted on the District's website. Copies of the Agenda and all attachments are also available through the District Secretary by contacting her at (619) 670-2280.

If you have any disability that would require accommodation in order to enable you to participate in this meeting, please call the District Secretary at 670-2280 at least 24 hours prior to the meeting.

Certification of Posting

I certify that on August 19, 2016 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on August 19, 2016.

/s/ Susan Cruz, District Secretary

AGENDA ITEM 3



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
SUBMITTED BY:	Bob Kennedy Engineering Manager	PROJECT:	Various DIV.NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief of Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Adopt Resolution No. 4313 Amending Policy No. 21 for the Selection of Professional Consultants of the District's Code of Ordinances and Amend Section 7.2.4 Request for Proposals of the Otay Water District Purchasing Manual		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) adopt/amend:

1. Adopt Resolution No. 4313 (see Attachment B) amending Policy No. 21 (see Attachment B, Exhibit 1) for the Selection of Professional Consultants of the District's Code of Ordinances for Engineering projects.
2. Amend Section 7.2.4 Request for Proposals of the Otay Water District Purchasing Manual.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

The purpose of the proposed amendment outlined in this staff report is to update Policy No. 21 of the District's Code of Ordinances to redefine the fee limits of up to \$50,000 for minor projects and add clarifying language for existing practices with respect to

Professional Consulting Services for Engineering projects (see Attachment B, Exhibit 1) and amend Section 7.2.4 Request for Proposals of the Otay Water District Purchasing Manual.

ANALYSIS:

Policy No. 21 of the District's Code of Ordinances establishes the guidelines for the District's selection of Professional Consultants.

The current Policy No. 21, dated March 13, 2006, established the guidelines for the selection of Professional Consultants for minor projects with fees of less than \$5,000 to be in accordance with the Purchasing Manual. The proposed amendment included in Policy No. 21 (see Attachment B, Exhibit 1) for the Selection of Professional Consultants of the District's Code of Ordinances is intended to increase the fee limits up to \$50,000 for the selection of Professional Consultants for minor projects. This will align Policy No. 21 with the language in Section 7.2.4(a) of the District's Purchasing Manual (see Attachment C) and allow staff more flexibility to quickly hire Professional Consultants for Engineering projects and still obtain competitive pricing.

The process for selection of Professional Consultants for minor projects will require an advertisement in the Daily Transcript or a paper of equivalent circulation and require a Letter of Interest and Statement of Qualification be submitted before receiving the Request for Proposal (Proposal). The Project Manager will be required to solicit proposals from three (3) or more Professional Consultants. The Project Manager will strive to have a five (5) member panel review, but will have at least a panel of three (3). The Project Manager will not be part of the evaluation panel (see Attachment B, Exhibit 2).

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

These changes have the potential to reduce project costs.

STRATEGIC GOAL:

Adoption of Resolution No. 4313 supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner" and the General Manager's Vision, "A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

None.

BK/RP:jf

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- Attachments:
- Attachment A - Committee Action
 - Attachment B - Resolution No. 4313
 - Exhibit 1 - Strike-through Policy No. 21
 - Exhibit 2 - Final Revised Policy No. 21
 - Attachment C - Strike-through of Section 7.2.4 Request for Proposals of the Otay Water District Purchasing Manual
 - Attachment D - Final Revision of Section 7.2.4 Requests for Proposals of the Otay Water District Purchasing Manual



ATTACHMENT A

SUBJECT/PROJECT: VARIOUS	Adopt Resolution No. 4313 Amending Policy No. 21 for the Selection of Professional Consultants of the District's Code of Ordinances and Amend Section 7.2.4 Request for Proposals of the Otay Water District Purchasing Manual
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a Committee Meeting held on August 22, 2016. The Committee supported staff's recommendation.

NOTE:

The "Committee Action" is written in anticipation of the Committee moving the item forward for Board approval. This report will be sent to the Board as a Committee approved item, or modified to reflect any discussion or changes as directed from the Committee prior to presentation to the full Board.

RESOLUTION NO. 4313

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY
WATER DISTRICT AMENDING POLICY 21 SELECTION OF
PROFESSIONAL CONSULTANTS OF THE DISTRICT'S CODE OF
ORDINANCES

WHEREAS, the Otay Water District Board of Directors has been presented with an amended Policy No. 21 of the District's Code of Ordinances for the management of the Otay Water District; and

WHEREAS, the amended Policy No. 21 has been reviewed and considered by the Board, and it is in the interest of the District to adopt the amended policy; and

WHEREAS, the strike-through copy of the proposed policy is attached as Exhibit 1 to this resolution; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the Otay Water District that the amended Policy No. 21, incorporated herein as Exhibit 2, is hereby adopted.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of Otay Water District at a board meeting held this 7th day of September 2016, by the following vote:

Ayes:
Noes:
Abstain:
Absent:

President

ATTEST:

District Secretary

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
POLICY FOR SELECTION OF PROFESSIONAL CONSULTANTS	21	8/1/90	3/13/06 <u>9</u> <u>/07/16</u>

I. PURPOSE

The purpose of this policy is to establish procedures governing the selection of professional consultants ~~in the performance of~~ needed for District Engineering work projects.

II. SCOPE

This policy is applicable to selection of Professional Consultants ~~all District departments and offices directly responsible to the General Manager~~ needed for Engineering projects.

III. POLICY

For the purpose of this policy, "professional consultants" means any "Firm" qualified and authorized to provide "architectural, landscape architectural, engineering, environmental, and land surveying services" or "construction project management" or "environmental services," as each of those terms or services is defined in the California Government Code, commencing with Section §4525, as hereinafter amended or renumbered (the "Professional Services Provisions").

This Policy provides a method and procedure pursuant to which professional consultants in engineering, architectural, landscape architectural, environmental, land surveying and construction management, including plan checking, inspection, and projects requiring a special expertise, may be retained from the private sector to augment the District's professional capabilities or for the performance of specialized services not available to the District from the existing District work-force.

Services provided to the District by professional consultants may cover a wide range of professional activity, including, but not limited to, studies, special reports, design and related activities on such projects as pipelines, pump stations, reservoirs, planning studies and other expert testimony capabilities.

Pursuant to the Professional Services Provisions, and particularly the provisions of the California Government Code Section §4526, the Otay Water District may adopt procedures that assure that professional services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices. Furthermore, maximum participation of small business firms, as defined in Government Code Section 14837, and disadvantaged business enterprises (DBEs) shall be encouraged. Government Code Section 14837 defines "small business" as a business in which the principal office is located in California and the officers of such business are domiciled in

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California, which is independently owned and operated and which is not dominant in its field of operation.

IV. METHOD OF SELECTION OF PROFESSIONAL CONSULTANTS

A. Major Projects - Anticipated Fee Greater than \$200,000

1. The District will advertise in at least one local newspaper of general circulation, on the District's webpage, and through CWA's Small Contractor Outreach and Opportunities Programs, and any other medium deemed appropriate by the project manager, before a Request for Proposal (RFP) is issued. Interested parties will be required to submit a Letter of Interest and a Statement of Qualifications within the time-frame specified in the publication. The "Statement of Qualifications" shall be a written document, shall contain background information on the firm that is current as of the date of submission of the statement and must highlight the work, expertise, and experience that qualify the firm to undertake the work required by the District, as such work is described in the publication.
2. All parties who submit Letters of Interest and a Statement of Qualifications, and are deemed qualified as a result of the Statement of Qualifications process, will receive a copy of the RFP. Proposals will only be accepted from those firms that submitted the Letter of Interest and the Statement of Qualifications within the time-frame specified in the publication. The form of the proposal will be prescribed by the District. If a firm has submitted a Statement of Qualifications within a calendar year and the qualifications remain correct and accurate, then only a Letter of Interest will suffice.
3. The General Manager and the appropriate department head(s) shall approve the selection criteria and the associated weighing factor to be used in evaluating the proposals accepted by the District, in accordance with Paragraph 2, above. The General Manager, or his/her designee, shall appoint a review panel of no fewer than five qualified staff to review and evaluate the proposals, and to rank the firms in the order from most qualified to least qualified. The panel will interview only those firms, which in the panel's opinion, appear to have the most desirable qualifications. If, in the opinion of the panel, none of the firms are qualified, all proposals may be rejected. In the event of an

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unusual project, which poses special problems beyond the scope previously encountered by staff personnel, the review panel may be augmented by an unbiased, qualified member of the profession being considered, so long as he/she has not and will not submit a proposal.

4. If a firm is rejected on the basis of its proposal, and is not asked to appear for an interview, the firm may appeal the decision by submitting a protest to the General Manager or his/her designee. A copy of the proposal shall be submitted with the protest. The protest shall be filed within five business days of the rejection notification. The protest shall provide a compelling reason why the firm believes the original proposal contained all relevant experience or other requested information. If the General Manager, or his/her designee, concurs with the appellant, the firm shall be added to the interview list.
5. Immediately upon conclusion of oral interviews, the review panel's oral scores will be combined with the written proposals scores and shall designate the order of preference of the candidates.
6. The department head designated by the General Manager, or his/her designee, shall commence negotiations of an agreement with the first choice of the review panel for the extent of service to be rendered and the compensation. If agreement is not reached within a reasonable time, the department head shall terminate the negotiations with the first choice and shall open negotiations with the second choice of the review panel and so on until a firm is retained or the list of selected firms is exhausted. Professional societies and organizations have published schedules of fees for professional services, which may be used as a guide following adjustment to reflect the actual scope of work expected of the firm selected.

B. Intermediate Projects - Fees of \$50,000 to \$200,000

1. The process for selecting consultants for intermediate projects shall be the same as prescribed in Sections IV-A and V of this policy, with the exception of formal interviews of the highest ranked consultants, which are not required, and subject to other applicable exceptions described below.

~~C. Minor Intermediate Projects - Fees of \$5,000 to \$50,000~~

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BOARD OF DIRECTORS POLICY

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POLICY FOR SELECTION OF PROFESSIONAL CONSULTANTS	21	8/1/90	3/13/06 <u>9/07/16</u>

~~1. The process for selecting consultants for minor intermediate projects shall be the same as prescribed in Sections IV B and V of this policy, with the exception of advertisement in a paper of major circulation, and subject to other applicable exceptions described below.~~

~~DC. Minor Projects -- Fees up to Less than \$5,000~~\$50,000

1. The process for selecting consultants for minor projects shall be in accordance with the Purchasing Manual ~~as adopted by the Board.~~

V. PROCEDURAL REQUIREMENTS FOR SELECTION OF CONSULTANTS FOR MAJOR AND INTERMEDIATE ~~AND MINOR INTERMEDIATE~~ PROJECTS

1. The appropriate department head receives proposals from all interested parties; which are defined as consultants that have submitted a Letter of Interest and a Statement of Qualifications as defined in Section IV-A-1.

2. The evaluating panel shall consider the qualifications and demonstrated experience of the prospective consultants as well as the fee proposed by each firm to provide the services as requested in the RFP. The panel will determine which firm offers the best value for the work required. Such determination will be made with due consideration to all factors, including the qualifications, approach to the scope of work, and experience of the consultant, relative to the project as measured in the score matrix. The weight assigned to each factor under consideration will be reflected in the score matrix included in the RFP.

3. A review panel is appointed in accordance with this policy. Review panel member names are not made available to consultants prior to a call for interview.

4. The first choice of the review panel is called for negotiation. If an agreement cannot be negotiated, the first choice will be dismissed from further consideration on that particular project. Following the dismissal of the first choice, negotiations will commence with the second choice.

5. The District's project manager will contact the references provided by the consultant and he/she evaluates the past performance, as well as internet search about the consulting company. A report is made part of the recommendation to the Board.

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- ~~56~~. A successful negotiation shall result in presentation by the department head to the General Manager~~7~~ or his/her designee, of a professional agreement signed by the selected firm. The agreement may provide for differing methods of compensation based upon the type of work to be performed. "Per diem" or "hourly" compensation is the general rule when specific scope of work is yet to be determined. This type of compensation should carry a stated maximum amount~~1~~, which will not be exceeded except by prior District approval. Fixed-fee or cost-plus-fixed-fee compensation is commonly used after scope of work has been explicitly identified. Compensation is paid as services are performed rather than in advance.
- ~~67~~. 7. All contracts in excess of the amount authorized by the Board to the General Manager, or his/her designee, in accordance with Section 2.01 of the District's Code of Ordinances, shall be submitted to the Board for consideration.
- ~~78~~. All agreements for professional services shall provide for the management phase of the resulting contract. A single project manager shall be designated by the consultant and a liaison manager shall be designated by the District for purposes of contract administration.
- ~~89~~. Late responses or untimely responses by prospective candidates should not be considered for further action. The ability to respond to a publication or an invitation for consideration in a timely and responsive manner is essential to a future satisfactory contract relationship.
- ~~910~~. All proposed contracts shall be reviewed by the District's Legal Counsel and approved as to form prior to presentation to the General Manager or his/her designee.
- ~~101~~. The department head shall ~~e~~insure that other departments~~1~~, which have a proper interest in the work under consideration~~1~~, are kept informed as to the progress of the work and that user decisions and desires are constructively considered within the constraints of financial and practical limitations.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
POLICY FOR SELECTION OF PROFESSIONAL CONSULTANTS	21	8/1/90	9/07/16

I. PURPOSE

The purpose of this policy is to establish procedures governing the selection of professional consultants needed for District Engineering projects.

II. SCOPE

This policy is applicable to selection of Professional Consultants needed for Engineering projects.

III. POLICY

For the purpose of this policy, "professional consultants" means any "Firm" qualified and authorized to provide "architectural, landscape architectural, engineering, environmental, and land surveying services" or "construction project management" or "environmental services," as each of those terms or services is defined in the California Government Code, commencing with Section §4525, as hereinafter amended or renumbered (the "Professional Services Provisions").

This Policy provides a method and procedure pursuant to which professional consultants in engineering, architectural, landscape architectural, environmental, land surveying and construction management, including plan checking, inspection, and projects requiring a special expertise, may be retained from the private sector to augment the District's professional capabilities or for the performance of specialized services not available to the District from the existing District workforce.

Services provided to the District by professional consultants may cover a wide range of professional activity, including, but not limited to, studies, special reports, design and related activities on such projects as pipelines, pump stations, reservoirs, planning studies and other expert testimony capabilities.

Pursuant to the Professional Services Provisions, and particularly the provisions of the California Government Code Section §4526, the Otay Water District may adopt procedures that assure that professional services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices. Furthermore, maximum participation of small business firms, as defined in Government Code Section 14837, and disadvantaged business enterprises (DBEs) shall be encouraged. Government Code Section 14837 defines "small business" as a business in which the principal office is located in California and the officers of such business are domiciled in

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BOARD OF DIRECTORS POLICY

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California, which is independently owned and operated and which is not dominant in its field of operation.

IV. METHOD OF SELECTION OF PROFESSIONAL CONSULTANTS

A. Major Projects - Anticipated Fee Greater than \$200,000

1. The District will advertise in at least one local newspaper of general circulation, on the District's webpage, and through CWA's Small Contractor Outreach and Opportunities Programs, and any other medium deemed appropriate by the project manager, before a Request for Proposal (RFP) is issued. Interested parties will be required to submit a Letter of Interest and a Statement of Qualifications within the timeframe specified in the publication. The "Statement of Qualifications" shall be a written document, shall contain background information on the firm that is current as of the date of submission of the statement and must highlight the work, expertise, and experience that qualify the firm to undertake the work required by the District, as such work is described in the publication.
2. All parties who submit Letters of Interest and a Statement of Qualifications, and are deemed qualified as a result of the Statement of Qualifications process, will receive a copy of the RFP. Proposals will only be accepted from those firms that submitted the Letter of Interest and the Statement of Qualifications within the timeframe specified in the publication. The form of the proposal will be prescribed by the District. If a firm has submitted a Statement of Qualifications within a calendar year and the qualifications remain correct and accurate, then only a Letter of Interest will suffice.
3. The General Manager and the appropriate department head(s) shall approve the selection criteria and the associated weighing factor to be used in evaluating the proposals accepted by the District, in accordance with Paragraph 2, above. The General Manager, or his/her designee, shall appoint a review panel of no fewer than five qualified staff to review and evaluate the proposals, and to rank the firms in the order from most qualified to least qualified. The panel will interview only those firms, which in the panel's opinion, appear to have the most desirable qualifications. If, in the opinion of the panel, none of the firms are qualified, all proposals may be rejected. In the event of an unusual project, which poses special problems beyond the

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BOARD OF DIRECTORS POLICY

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scope previously encountered by staff personnel, the review panel may be augmented by an unbiased, qualified member of the profession being considered, so long as he/she has not and will not submit a proposal.

4. If a firm is rejected on the basis of its proposal, and is not asked to appear for an interview, the firm may appeal the decision by submitting a protest to the General Manager or his/her designee. A copy of the proposal shall be submitted with the protest. The protest shall be filed within five business days of the rejection notification. The protest shall provide a compelling reason why the firm believes the original proposal contained all relevant experience or other requested information. If the General Manager, or his/her designee, concurs with the appellant, the firm shall be added to the interview list.
5. Immediately upon conclusion of oral interviews, the review panel's oral scores will be combined with the written proposals scores and shall designate the order of preference of the candidates.
6. The department head designated by the General Manager, or his/her designee, shall commence negotiations of an agreement with the first choice of the review panel for the extent of service to be rendered and the compensation. If agreement is not reached within a reasonable time, the department head shall terminate the negotiations with the first choice and shall open negotiations with the second choice of the review panel and so on until a firm is retained or the list of selected firms is exhausted. Professional societies and organizations have published schedules of fees for professional services, which may be used as a guide following adjustment to reflect the actual scope of work expected of the firm selected.

B. Intermediate Projects - Fees of \$50,000 to \$200,000

1. The process for selecting consultants for intermediate projects shall be the same as prescribed in Sections IV-A and V of this policy, with the exception of formal interviews of the highest ranked consultants, which are not required and subject to other applicable exceptions described below.

C. Minor Projects - Fees up to \$50,000

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BOARD OF DIRECTORS POLICY

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1. The process for selecting consultants for minor projects shall be in accordance with the Purchasing Manual.

V. PROCEDURAL REQUIREMENTS FOR SELECTION OF CONSULTANTS FOR MAJOR AND INTERMEDIATE PROJECTS

1. The appropriate department head receives proposals from all interested parties; which are defined as consultants that have submitted a Letter of Interest and a Statement of Qualifications as defined in Section IV-A-1.
2. The evaluating panel shall consider the qualifications and demonstrated experience of the prospective consultants as well as the fee proposed by each firm to provide the services as requested in the RFP. The panel will determine which firm offers the best value for the work required. Such determination will be made with due consideration to all factors, including the qualifications, approach to the scope of work, and experience of the consultant, relative to the project as measured in the score matrix. The weight assigned to each factor under consideration will be reflected in the score matrix included in the RFP.
3. A review panel is appointed in accordance with this policy. Review panel member names are not made available to consultants prior to a call for interview.
4. The first choice of the review panel is called for negotiation. If an agreement cannot be negotiated, the first choice will be dismissed from further consideration on that particular project. Following the dismissal of the first choice, negotiations will commence with the second choice.
5. The District's project manager will contact the references provided by the consultant and he/she evaluates the past performance, as well as internet search about the consulting company. A report is made part of the recommendation to the Board.
6. A successful negotiation shall result in presentation by the department head to the General Manager or his/her designee, of a professional agreement signed by the selected firm. The agreement may provide for differing methods of compensation based upon the type of work to be performed. "Per diem" or "hourly" compensation is the general rule when specific scope of work is yet to be determined. This type of compensation should carry a stated maximum amount, which will not be exceeded except by prior District approval. Fixed-fee or cost-plus-fixed-fee compensation is commonly used after scope

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

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of work has been explicitly identified. Compensation is paid as services are performed rather than in advance.

7. All contracts in excess of the amount authorized by the Board to the General Manager, or his/her designee, in accordance with Section 2.01 of the District's Code of Ordinances, shall be submitted to the Board for consideration.
8. All agreements for professional services shall provide for the management phase of the resulting contract. A single project manager shall be designated by the consultant and a liaison manager shall be designated by the District for purposes of contract administration.
9. Late responses or untimely responses by prospective candidates should not be considered for further action. The ability to respond to a publication or an invitation for consideration in a timely and responsive manner is essential to a future satisfactory contract relationship.
10. All proposed contracts shall be reviewed by the District's Legal Counsel and approved as to form prior to presentation to the General Manager or his/her designee.
11. The department head shall ensure that other departments, which have a proper interest in the work under consideration, are kept informed as to the progress of the work and that user decisions and desires are constructively considered within the constraints of financial and practical limitations.

Otay Water District Purchasing Manual

7.2.4 Request for Proposals:

a. For the Solicitation of Professional Consulting (Engineering):

The General Manager, or his/her designee, will establish a review panel to evaluate and rank submittals (proposals) using criteria published in the Request for Proposals package. Documents, invitations, and evaluation of submittals for professional consulting services shall be made in compliance with Government Code Section 4526-4529 and District Policy #21 - Policy for Selection of Professional Consultants.

b. For the Solicitation of General Consulting and Services:

The General Manager, or his/her designee, shall determine the method for soliciting and evaluating proposals for general consulting and services. The request for proposal must be in written form and must provide sufficient information to clearly identify the work required and provide respondents with a clear understanding of the District's needs, work specifications, expectations, and the criteria that will be used to evaluate submittals.

Otay Water District Purchasing Manual

7.2.4 Request for Proposals:

a. For the Solicitation of Professional Consulting (Engineering):

The General Manager, or his/her designee, will establish a review panel to evaluate and rank submittals (proposals) using criteria published in the Request for Proposals package. Documents, invitations, and evaluation of submittals for professional consulting services shall be made in compliance with Government Code Section 4526-4529 and District Policy #21 - Policy for Selection of Professional Consultants.

b. For the Solicitation of General Consulting and Services:

The General Manager, or his/her designee, shall determine the method for soliciting and evaluating proposals for general consulting and services. The request for proposal must be in written form and must provide sufficient information to clearly identify the work required and provide respondents with a clear understanding of the District's needs, work specifications, expectations, and the criteria that will be used to evaluate submittals.

AGENDA ITEM 4



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
SUBMITTED BY:	Bob Kennedy Engineering Manager	PROJECT:	Various DIV.NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief of Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Adopt Otay Water District Resolution No. 4315 Electing to be Subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA) Procedures and Adopting Policy 53 Informal Bidding Procedures under the Uniform Public Construction Cost Account Act, and Amend Section 7 Pricing/Bidding Requirements of the Otay Water District Purchasing Manual		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) adopt/amend:

1. Adopt Resolution No. 4315 Electing to be Subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA or Act) Procedures and Adopting Policy No. 53 Informal Bidding Procedures under the Uniform Public Construction Cost Account Act (see Attachment B).
2. Amend Section 7 Pricing/Bidding Requirements of the Otay Water District Purchasing Manual (see Attachment C).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

That the District's Board adopt Otay Water District Resolution No. 4315 Electing to be Subject to the CUPCCAA Procedures and Adopting Policy No. 53 Informal Bidding Procedures under the Uniform Public Construction Cost Account Act (Attachment B); and amend Section 7 Pricing/Bidding Requirements of the Otay Water District Purchasing Manual (Attachment C) to align with the CUPCCAA informal bidding procedures for Public Works contracts of less than \$175,000.

ANALYSIS:

The California Uniform Public Construction Cost Accounting Act (CUPCCAA) was created in 1983, as an alternative bidding procedure designed to reduce costs, expedite the awards process, reduce inefficiencies, and simplify administration of smaller public projects. CUPCCAA is contained in the Public Contracts Code Sections 22000 through 22045. CUPCCAA provides alternative bidding procedures when an agency performs public project work by contract.

The Act provides public agencies economic benefits and greater freedom in expediting public works projects. Agencies electing to follow the cost accounting procedures set forth in the Cost Accounting Policies and Procedures Manual prescribed by the California Uniform Construction Cost Accounting Commission (CUCCAC), will have a force account limit of \$45,000 and an alternative informal bidding procedure.

Any city, county, redevelopment agency, special district, school district, and community college district can voluntarily elect to become a participant of the Act. After opting into the CUPCCAA, by resolution of its governing board, participants enjoy the advantage of the streamlined awards process, as well as reductions in paperwork related to advertising and report filing. In return, the District agrees to provide cost accounting information in the format prescribed in the Cost Accounting Policies and Procedure Manual and to adhere to the terms of the Act until the District formally opts out.

The informal contracting limits in CUPCCAA are modified from time to time by the CUCCAC. The proposed ordinance provides that when these limits are modified under state law, these new limits will take effect.

When constructing public projects, the District must follow the State Public Contract Code; the updated Section 22032 increased to \$175,000 beginning July 1, 2011. This increase is pursuant to the terms of

the CUPCCAA and is at the recommendation of the CUCCAC. District's Purchasing Manual Sections 7.2.1, 7.2.3, and 7.2.4(a) have been amended to reflect the changes (see Attachment D).

Under the CUPCCAA, Public projects of \$45,000 or less may be performed by negotiated contract or by purchase order; Public projects of \$175,000 or less may be let to contract by the informal bidding procedures set forth in the Act and Policy; Public projects of more than \$175,000 must be let to contract by traditional formal bidding procedures.

Contracts procured through informal procedures would be awarded by the General Manager within his authority, otherwise, would go to the entire Board for approval. Contracts requiring formal bidding procedures would be awarded by the Board.

CUPCCAA also allows a public agency to perform project work with its own workforce in an amount up to \$45,000, if the public agency follows the accounting procedures set forth in the Act. These accounting procedures basically require an agency to track labor, equipment, material, and overhead costs to a specific project. Approximately, 294 Special Districts have adopted the CUPCCAA guidelines. A list of frequently asked questions have been compiled to assist agencies that are participating in CUPCCAA (see Attachment E).

It is important to note that the District's participation in the CUPCCAA does not affect the District's obligation to complete projects at the lowest possible cost, nor does it relieve the District from its obligations to require the payment of prevailing wages for any public project of \$1,000 or more.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Aside from staff time to implement this new program, there is no cost to adopt CUPCCAA. However, once adopted, the use of the alternative bidding procedures has the opportunity to reduce project costs.

STRATEGIC GOAL:

This project supports the District's Mission statement, "To provide the best quality of water and wastewater service to the customers of the Otay Water District in a professional, effective, and efficient manner" and the District's strategic goal, "Identify and evaluate improvements to enterprise and departmental business processes."

LEGAL IMPACT:

None.

BK/RP:jf

- Attachments:
- Attachment A - Committee Action
 - Attachment B - Resolution No. 4315 Electing to be Subject to the California Uniform Public Construction Cost Accounting Act Procedures
 - Exhibit 1 - Policy No. 53 Informal Bidding Procedures under the Uniform Public Construction Cost Accounting Act
 - Attachment C - Redlined Section 7 Pricing/Bidding Requirements of the Otay Water District Purchasing Manual
 - Attachment D - Final Section 7 Pricing/Bidding Requirements of the Otay Water District Purchasing Manual
 - Attachment E - California Uniform Public Construction Cost Accounting Act Frequently Asked Questions (FAQs)
 - Attachment F - PowerPoint presentation, "California Uniform Public Construction Cost Accounting Act (CUPCAA)"



ATTACHMENT A

SUBJECT/PROJECT: Various	Adopt Otay Water District Resolution No. 4315 Electing to be Subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA) Procedures and Adopting Policy 53 Informal Bidding Procedures under the Uniform Public Construction Cost Account Act, and Amend Section 7 Pricing/Bidding Requirements of the Otay Water District Purchasing Manual
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on August 22, 2016. The Committee supported Staff's recommendation.

NOTE:

The "Committee Action" is written in anticipation of the Committee moving the item forward for board approval. This report will be sent to the Board as a committee approved item, or modified to reflect any discussion or changes as directed from the committee prior to presentation to the full Board.

RESOLUTION NO. 4315

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT ELECTING TO BECOME SUBJECT TO THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (CUPCAA or Act) PROCEDURES AND ADOPTING POLICY NO. 53 INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT OF THE DISTRICT'S CODE OF ORDINANCE

WHEREAS, Public Contract Code Section 22000 et seq., the California Uniform Public Construction Cost Accounting Act, establishes a uniform cost accounting standard; and

WHEREAS, prior to the passage of Assembly Bill No. 1666, Chapter 1054, Status of 1983, which added Chapter 2, commencing with Section 22000, to Part 3 of Division 2 of the Public Contract Code, existing law did not provide a uniform cost accounting standard for construction work performed or contracted by local public agencies; and

WHEREAS, the Act allows for alternative procurement methods for projects up to \$175,000; and

WHEREAS, the alternative procurement methods provide flexibility and opportunities for significant cost savings to the District.

WHEREAS, the Otay Water District Board of Directors has been presented with a Policy No. 53 Informal Bidding Procedures Under the Uniform Public Construction Cost Accounting Act, to establish a policy for informal bidding procedures; and

WHEREAS, Policy No. 53 has been reviewed and considered by the Board, and it is in the interest of the District to adopt Policy No. 53;

WHEREAS, a copy of the proposed Policy No. 53 is attached as Exhibit 1 to this resolution; and

WHEREAS, staff plans to start complying with CUPCCAA on October 1, 2016; this time allows for modification of existing practices.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the Board of Directors of the Otay Water District, hereby elects under Public Contract Code Section 22030 to implement the California Uniform Public Construction Cost Accounting Act as of October 1, 2016, and to become subject to the California Uniform Public Construction Cost Accounting Procedures set forth in the Act and to the California Uniform Construction Cost Accounting Commission's policies and procedures manual and cost accounting review procedures, as they may each from time to time be amended, and directs that the General Manager notify the State Controller forthwith of this election; and that Policy No. 53, incorporated herein as Exhibit 1, is hereby adopted.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of Otay Water District at a board meeting held this 7th day of September 2016, by the following vote:

Ayes:
Noes:
Abstain:
Absent:

President

ATTEST:

District Secretary

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (Section 22000 et seq. of the Public Contract Code)	53	09/07/16	

Purpose

To establish a policy for informal bidding procedures under the Uniform Public Construction Cost Accounting Act ("Act").

Background

The District elected to become subject to the Act by Resolution No. 4315 approved by the Board of Directors at a regular Board meeting held September 7, 2016. In accordance with Section 22034 of the Public Contract Code, the District hereby establishes an informal bid policy to govern the selection of contractors to perform public projects pursuant to the subdivision (b) of Section 22032 of the Public Contract Code.

Policy

- A. 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.
- B. Contractors List. A list of contractors ("List") 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.
- C. 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 or sent by electronic means, not less than ten (10) calendar days before bids are due, to all contractors for the category of work to be bid, as shown on the List; and/or may be mailed or sent by electronic means not less than ten (10) calendar days before bids are due 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 department/section soliciting bids, 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 include 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.

The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time, place and manner for the submission of bids.

- D. Award of Contracts. The General Manager is authorized to award informal contracts pursuant to the limits set forth by Section 22032 of the Public Contract Code.
- E. Bids Exceeding Informal Bid Limit. If all bids are in excess of the informal bid limit as set forth by the Act, and if it is determined that the cost estimate obtained by the department/section soliciting the bid was reasonable, the Board of Directors may, by four-fifths vote, award the contract to the lowest responsible bidder pursuant to subdivision (f) of Section 22034 of the Public Contract Code.

Otay Water District Purchasing Manual

Section 7 – Pricing/Bidding Requirements

7.0 PURPOSE:

To provide requirements, policies, and guidelines for the pricing/bidding of the purchases within the Otay Water District.

7.1 GENERAL:

It is the District's policy to request competitive pricing from responsible vendors for all purchases exceeding \$5,000. Pricing, although important, is not the only factor in determining the overall cost and value of a product. Quality, service and delivery are factors that must also be considered when comparing quotations. It is by weighing these factors that an intelligent decision can be made to purchase the product with the greatest value for the least overall price.

7.2 REQUIREMENTS:

7.2.1 Formal Advertising:

Public works purchases, as defined in the State of California's government and contract code, shall follow the procedure outlined under the California Uniform Public Construction Cost Accounting Act (CUPCCAA) (Sect 22000 et seq. of the California Contract Code and as set by the California Uniform Construction Cost Accounting Commission (CUCCAC).equal to or exceeding \$35,000 must be formally advertised. Solicitations shall be advertised in a newspaper of general circulation at least one, a minimum of ten (10) calendar days prior to the date of the bid opening. Solicitations must contain a brief description of the goods or services required, state where prospective bidders may obtain plans and specifications and make any required deposits, state the time and place of the bid opening, and state that the District reserves the right to reject one or all bids.

7.2.2 Quotations:

For purchases greater than \$5,000, ~~excluding public work purchases exceeding \$35,000 that require formal advertising and bidding,~~ excluding public works subject to CUPCCAA or formal bidding, a minimum of three competitive quotations must be obtained. Quotations received may be in written or oral form. Should oral quotations be received, written documentation must be made identifying the bidder's name, contact name, telephone number, the date of the quotation and the price bid. Should three quotations not be obtainable, documentation in the form of a notation of memorandum must be provided and attached to the purchase requisition. Where only one price is obtainable, the actions taken to obtain competitive pricing shall be documented and attached to the purchase requisition and the purchase may be made and the requirements of this section shall be satisfied.

7.2.3 Public Works – Construction:

Public work purchases equal to or exceeding ~~\$35,000~~ what is authorized under the California Uniform Public Construction Cost Accounting Act (CUPCCAA) (Sect 22000 et seq. of the California Code and as set by the California Uniform Construction Cost Accounting Commission (CUCCAC)) ~~in value~~ must be formally advertised and sealed bids received.

The Purchasing and Facilities Manager or the General Manager's designee, in conjunction with the project manager, and where appropriate, the District's legal counsel, shall publicly open all sealed bids and tabulate the results. The bid tabulation, along with a recommendation for award contract or possible rejection of bids, shall be forwarded to the District's General Manager.

In the event that the value of the purchase exceeds the General Manager's signatory authority, a summary of bids shall be presented together with staff's recommendation for an award of contract or possible rejection of bids to the Board of Directors of the District during a formal board meeting. The Board of Directors will then authorize the execution of the contract on behalf of the District.

Award shall be made to the response and responsible bidder who has submitted the lowest bid meeting the requirements and criteria set forth in the invitation to bid. After approval as to form and legality of the contract documents by legal counsel, the successful bidder and the appropriate District representative(s) shall execute the contract. A copy of the executed contract shall be promptly provided to the Finance Department for proper accounting review.

7.2.4 Request for Proposals:

- a. For the Solicitation of Professional Consulting (Engineering):

The General Manager, or his/her designee, will establish a review panel to evaluate and rank submittals (proposals) using criteria published in the Request for Proposals package. Documents, invitations, and evaluation of submittals for professional consulting services shall be made in compliance with Government Code Section 4526-4529 and District Policy #21 - Policy for Selection of Professional Consultants.

- b. For the Solicitation of General Consulting and Services:

The General Manager, or his/her designee, shall determine the method for soliciting and evaluating proposals for general consulting and services. The request for proposal must be in written form and must provide sufficient information to clearly identify the work required and provide respondents with a clear understanding of the District's needs, work specifications, expectations, and the criteria that will be used to evaluate submittals.

Otay Water District Purchasing Manual

Section 7 – Pricing/Bidding Requirements

7.0 PURPOSE:

To provide requirements, policies, and guidelines for the pricing/bidding of the purchases within the Otay Water District.

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It is the District's policy to request competitive pricing from responsible vendors for all purchases exceeding \$5,000. Pricing, although important, is not the only factor in determining the overall cost and value of a product. Quality, service and delivery are factors that must also be considered when comparing quotations. It is by weighing these factors that an intelligent decision can be made to purchase the product with the greatest value for the least overall price.

7.2 REQUIREMENTS:

7.2.1 Formal Advertising:

Public works purchases, as defined in the State of California's government and contract code, shall follow the procedure outlined under the California Uniform Public Construction Cost Accounting Act (CUPCCAA) (Sect 22000 et seq. of the California Contract Code and as set by the California Uniform Construction Cost Accounting Commission (CUCCAC). Solicitations must contain a brief description of the goods or services required, state where prospective bidders may obtain plans and specifications and make any required deposits, state the time and place of the bid opening, and state that the District reserves the right to reject one or all bids.

7.2.2 Quotations:

For purchases greater than \$5,000, excluding public works subject to CUPCCAA or formal bidding, a minimum of three competitive quotations must be obtained. Quotations received may be in written or oral form. Should oral quotations be received, written documentation must be made identifying the bidder's name, contact name, telephone number, the date of the quotation and the price bid. Should three quotations not be obtainable, documentation in the form of a notation of memorandum must be provided and attached to the purchase requisition. Where only one price is obtainable, the actions taken to obtain competitive pricing shall be documented and attached to the purchase requisition and the purchase may be made and the requirements of this section shall be satisfied.

7.2.3 Public Works – Construction:

Public work purchases equal to or exceeding what is authorized under the California Uniform Public Construction Cost Accounting Act (CUPCCAA) (Sect 22000 et seq. of

the California Code and as set by the California Uniform Construction Cost Accounting Commission (CUCCAC) must be formally advertised and sealed bids received.

The Purchasing and Facilities Manager or the General Manager's designee, in conjunction with the project manager, and where appropriate, the District's legal counsel, shall publicly open all sealed bids and tabulate the results. The bid tabulation, along with a recommendation for award contract or possible rejection of bids, shall be forwarded to the District's General Manager.

In the event that the value of the purchase exceeds the General Manager's signatory authority, a summary of bids shall be presented together with staff's recommendation for an award of contract or possible rejection of bids to the Board of Directors of the District during a formal board meeting. The Board of Directors will then authorize the execution of the contract on behalf of the District.

Award shall be made to the response and responsible bidder who has submitted the lowest bid meeting the requirements and criteria set forth in the invitation to bid. After approval as to form and legality of the contract documents by legal counsel, the successful bidder and the appropriate District representative(s) shall execute the contract. A copy of the executed contract shall be promptly provided to the Finance Department for proper accounting review.

7.2.4 Request for Proposals:

a. For the Solicitation of Professional Consulting (Engineering):

The General Manager, or his/her designee, will establish a review panel to evaluate and rank submittals (proposals) using criteria published in the Request for Proposals package. Documents, invitations, and evaluation of submittals for professional consulting services shall be made in compliance with Government Code Section 4526-4529 and District Policy #21 - Policy for Selection of Professional Consultants.

b. For the Solicitation of General Consulting and Services:

The General Manager, or his/her designee, shall determine the method for soliciting and evaluating proposals for general consulting and services. The request for proposal must be in written form and must provide sufficient information to clearly identify the work required and provide respondents with a clear understanding of the District's needs, work specifications, expectations, and the criteria that will be used to evaluate submittals.

CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING

ACT FREQUENTLY ASKED QUESTIONS (FAQs)

These FAQs have been compiled to assist agencies that are participating in the California Uniform Public Construction Cost Accounting Act ("the Act"). Public Contract Code section 22000 et seq. Unless stated otherwise, all references are to the Public Contract Code.

1. What is the Uniform Public Construction Cost Accounting Act?

The Act is legislation that was enacted in 1983 to help promote "uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state." Section 22001. The Act is a voluntary program that is available to all public entities in the State but it only applies to those public agencies that have "opted in" to the provisions set forth by the Act. The entirety of the Act is found at Sections 22000-22045.

2. What are some of the key provisions of the Act?

The Act allows for public project work in the amount of \$45,000 or less to be performed by the public agency's force account, by negotiated contract, or by purchase order. Section 22032(a). Public projects in the amount of \$175,000 or less can use the informal bidding procedures set forth in the Act in Section 22032(b). Public projects at a cost of more than \$175,000 shall use formal bidding procedures to let the contract. Section 22032(c).

3. What are the benefits of the program?

- a) Increased force account limit
- b) Informal bidding for projects that are \$175,000 or less which do not require advertising.
- c) Reduces the number of formal bids.
- d) Expedited contracting for small projects.

Many participants laud the program because it gives them more leeway in the execution of public works projects; has speeded up the awards process; has improved timeliness of the project completion; has eliminated considerable red tape and cumbersome paperwork relative to advertising and filing of reports; and has simplified administration. Many agencies have encountered only minimal challenges with the accounting requirements and the overhead portion. Moreover, where required, the adjustment was relatively simple; most of the required procedures were already actually in place, so there was no noticeable change in the existing operations. The Standard Accounting Codes Structure will satisfy the reporting requirements when used properly.

4. Is the Uniform Public Construction Cost Accounting Act mandatory for public agencies?

No. The Act is a voluntary program.

5. How does a public agency become subject to the Act?

The governing body must elect by resolution to become subject to the Act and file a copy of the resolution with the State Controller's Office. Section 22030. Sample documents are available at: http://www.sco.ca.gov/ard_cuccac.html. Once an agency has opted into the Act it will remain a part of the program.

6. May a public agency withdraw from the Act?

Yes. An agency may withdraw from the Act by filing a resolution of the agency's election to withdraw with the State Controller's Office.

7. What is the California Uniform Construction Cost Accounting Commission?

It is the Commission created to administer the Act. Section 22010. It consists of fourteen (14) members: thirteen (13) members are appointed by the State Controller and one is a designated member of the Contractors' State License Board. Seven members represent the public sector (counties, cities, school districts, and special districts). Six members represent the private sector (public works contractors and unions). The Commission members receive no salary, but are eligible for reimbursement of their direct expenses related to the Commission.

8. What are the Uniform Public Construction Cost Accounting Procedures?

They are procedures to be used to estimate costs for determining if a public project is required to be bid out and to capture and record actual costs when a public project is performed by the agency's own work force found at www.sco.ca.gov/ard_cuccac.html. The procedures follow normal accounting in the industry and in many cases are not much different from those already in place at the agency. Sample forms are available in the CUCCAC [Cost Accounting Policies and Procedures Manual](#) at http://www.sco.ca.gov/Files-ARD-Local/CUCCAC_Manual.pdf

~~School districts may use the Standard Accounting Code Structure to comply with the tracking requirements.~~

9. Are the cost accounting policies and procedures applicable for agencies whose work force only performs maintenance tasks as defined in the Act and that contract all of its public projects to third parties?

The cost accounting policies and procedures are only applicable for agencies that perform public project work by force account. This does not exclude from the program agencies whose public projects are all contracted out. In fact, they might want to review the benefits available and elect to participate now in the event conditions change at some time in the future.

10. What is meant by the term “qualified contractors” as it pertains to the Act?

Qualified contractors are legally qualified contractors who perform work as a licensed contractor. In addition, the Commission has determined that nothing in the Act prohibits a participating agency from, at their discretion, using an objective pre-qualification process in the formation and maintenance of their Qualified Contractors lists.

11. Can a public agency disqualify or exclude certain contractors from the Qualified Contractors List required in Section 22034(a)(1)?

Agencies may disqualify contractors from the Qualified Contractors List when a contractor fails to furnish information to meet the minimum criteria as established by the Commission.

12. For agencies that do not maintain an informal bidders list, are they allowed to choose who will get notifications on information projects?

No. Section 22034(a)(2) provides for notifications to construction trade journals and exchanges in lieu of sending notifications to contractors on an informal bidders list.

13. What is the difference between qualifying contractors under the Act and requalification of contractors under Section 20101?

Qualifying contractors is a process that allows contractors to register with a public agency for notification of public works opportunities. The prequalification process under Section 20101 is a more complex process that requires a standardized questionnaire and evaluation of contractors using standard scoring criteria and does not apply to the Act. The prequalification process is applicable under the Local Agency Public Construction Act.

14. Must a public agency: (1) Notify contractors about public projects if the contractor is believed to not have the skills, credentials, or experience to perform the work required for the public project? (2) Consider bids submitted by a contractor that the public agency believes does not have the skills, credentials, or experience to perform the work?

a) Yes. If a contractor is on the Qualified Contractors List the contractor must be notified by the agency of public projects for which he is licensed to perform. Section 22034(a)(1)

b) Yes. All bids received from qualified contractors must be considered. Section 22034(a)(1).

15. Does the Act allow flexibility in cases of emergency and when repair or replacements are necessary to permit the continued conduct of the operations or services of a public agency?

For the purposes of the Public Contract Code, “emergency” is defined at Section 1102 as “a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.”

The Act sets forth in Section 22035(a) how a governing body would proceed in the case of emergency repairs or replacements. This section states, "In cases of emergency when repair or replacements are necessary, the governing body may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by contractor, or by a combination of the two."

Section 22050 et seq. provides the emergency contract procedures to be followed in these cases.

16. Do the alternative bidding procedures apply only to public projects as defined in Section 22002(c)?

No. The alternative bidding procedures can be used when contracting for "maintenance work" as defined at Section 22002(d) or when contracting for other work that does not fall within the definition of "public work" as defined in Section 22002(c).

17. What will membership in the Act cost my agency?

Nothing. There are no membership fees or dues. However, the Commission does accept grants to assist it in carrying out its duties. Section 22015(c).

18. What are the most common concerns addressed by the Act?

These are:

- a) Cost accounting policies and procedures;
- b) Informal bidding procedures;
- c) Accounting procedures review.

The cost accounting requirements follow those common to the construction industry. The informal bidding on public projects up to \$175,000 is seen by the agencies as an asset enhancing project completion. Maintenance of a Qualified Contractor Bid List is routine, since interested contractors make it a point to be included on the list. While an accounting procedures review could potentially hold up a project for a minimum of 45 days pursuant to Section 22043(c)(1), these types of reviews have been rare in the Commission's history.

19. Does an agency have to calculate an overhead rate in order to apply the accounting procedures?

No. Cities with populations of less than 75,000 shall assume an overhead rate equal to 20% of the total costs of the public project, including the costs of material, equipment and labor. Section 22017(b)(1). Cities with a population of more than 75,000, may either calculate an actual overhead or assume an overhead rate of 30% of the total costs of a public project including the costs of material, equipment and labor. Section 22017(b)(2).

20. When a public entity opts into the Act, does the Act supersede other contracting legal requirements such as statutory requirements for performance bonds, prevailing wages, and certificates of insurance, etc.?

No. The Act only supersedes the bidding procedures used once a public agency has opted into the Act and has notified the Controller. All other contracting requirements are applicable.

21. Can a public agency, claim to be to be exempt from following all of the requirements in the Public Contract Code by claiming they only have to follow the language and procedures within the Act?

The Act is part of the Public Contract Code therefore, if the Act is silent on a particular matter the rest of the Public Contract Code would apply.

22. If public agencies are not following the advertising requirements in the Act, will the Commission address those agencies? Can a complaint be brought to the Commission?

No. The Commission cannot review any complaint of improper advertising by any public agency. The Commission can only review the accounting procedures of a public agency when a complaint from an interested party provides evidence that the participating agency:

- 1.) Performs work, after rejecting all bids, claiming it can do it less expensively. (Section 22042(a))
- 2.) The work performed exceeded the force account limits. (Section 22042(b))
- 3.) The work has been improperly classified as maintenance. (Section 22042(c))
- 4.) A public agency is accused of not complying with the informal bidding procedures set forth at Section 22034. (Section 22042.5)

23. Section 20112 specifically requires school districts to advertise twice for a two week period, while Section 22037 requires advertising once, 14 days in advance of the date of opening of bids. How do participating school districts reconcile this conflict?

When the Act is in conflict with any other section in the Public Contract Code, the Act shall supersede. Advertising once, 14 days in advance of the date of opening of bids is what is required by the Act. Districts participating in the Act may choose to maximize their outreach by continuing to advertise twice.

24. May a public agency contract separately for like work at the same site at the same time using the under \$45,000 Force Account method?

No. Section 22033 provides that, "It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding". Separating "like work" would only be permitted as long as the total of all the "like work" is less than \$45,000. If the work is more than \$45,000, the work needs to be advertised and bid according to the provisions of the Act (i.e. bid informally if the total amount is less than \$175,000 and bid formally if the total amount exceeds \$175,000).

25. May a public agency bid out 2 separate projects that occur at the same time and site, but are different types of work?

Yes, there is no violation if the work is being competitively bid. If the agency wants to use the negotiated or informal bidding processes, the agency must apply the appropriate limits to each of the projects. Each project must be separate in scope. Projects may not be separated by trade to avoid bidding. If the total of all jobs is greater than \$45,000; the informal or formal bid limits will apply.

26. How does a public agency process change orders when the standard code conflicts with the Act?

For contracts below \$45,000, the total cost of the contract may not exceed \$45,000. For informal contracts, under the Act, the limit is \$175,000. If the public agency is a school district, there may be additional limits and it is recommended the agency consult with their legal counsel for interpretation of change order limits.

27. Does a public agency by opting into the Act, automatically bring all departments of the public agency into the Act?

Yes. When a public agency elects to become subject to the uniform construction cost accounting procedures, the entire legal entity is considered subject to the Act and no divisions or departments will be exempt.

28. When a public agency opts into the Act, does it automatically bring all districts under control of the Board into the Act?

No. Special Districts, which are governed by a board of supervisors or city council, are only subject if a separate election is made for each special district.

29. PCC 22034 requires that participating agencies adopt an Informal Bidding Ordinance. What do school and special districts that cannot adopt Ordinances do to comply?

The Commission cannot provide legal advice. The school districts and special districts should check with their own legal counsel on how to comply with Section 22034.

Additional inquiries and questions can be directed to:

State Controller's Office
Division of Accounting and Reporting
Local Government Policy Section
P.O. Box 942850
Sacramento, CA 94250

Or email

LocalGovPolicy@sco.ca.gov

California Uniform Public Construction Cost Accounting Act (CUPCCAA)

September 7, 2016

Presented by Bob Kennedy, Engineering Manager



WHAT IS CUPCCAA?

- The California Uniform Public Construction Cost Accounting Act (Act) was established in 1983 under Public Contract Code §22000 et seq.
- The California Uniform Construction Cost Accounting Commission (CUCCAC) was created by Public Contract Code §22010 to govern the Act



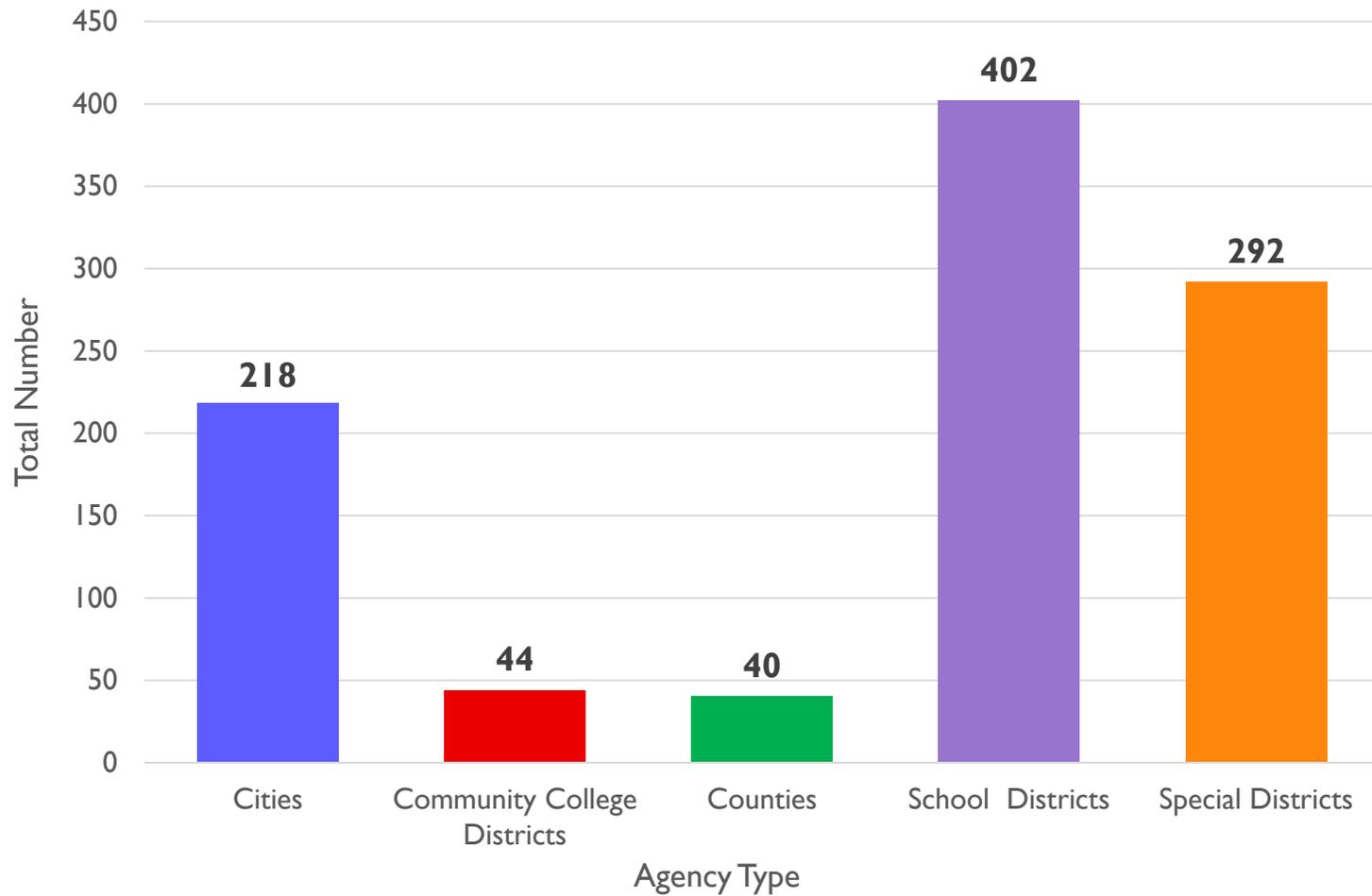
Who May Participate?

- Any local agency may opt into the Act
 - Cities
 - Counties
 - Community College Districts
 - School Districts
 - Special Districts
- Participation is voluntary



Participating Agencies

Total Participating Member Agencies – 996
as of June 30, 2016



Benefits of the Act

Allows participating agencies to:

- Raise bidding thresholds
- Simplify bidding process for small projects
- Perform larger projects with agency employees

No Bids Required:

- Projects below \$45,000 may be performed by:
 - Agency's own workforce, by force account
 - Negotiated Contract
 - Purchase Order

To ensure the District is getting the required scope of work for the best price, obtaining multiple quotes will be solicited.



Benefits of the Act (cont'd)

Informal Bids:

- Project value \$45,000 - \$175,000
- Competitive bids using informal bidding procedures:
 - Bidders list
 - Trade journals and exchanges
- Award bids by the General Manager within his authority, otherwise, would go to the Board

Formal Bids:

- Public projects greater than \$175,000
- Competitive bids following Public Contract Code



How to Opt In

- Board adopts a resolution
- District adopts a policy outlining informal bidding procedures
- District notifies the State Controller's office
- District follows the regulations and guidelines outlined in the Cost Accounting Policies and Procedures Manual
- Entire District becomes subject to the Act
- Once the District has opted in, it must conform to the uniform cost accounting procedures until the District opts out of the Act by adopting a resolution opting out and forwarding said resolution to the State Controller



Public Works Laws Still Apply

- **Contractor Must Pay Prevailing Wages** (Labor Code §1771)
- **Payment Bond Required**
 - Civil Code §9550: “Every original contractor to whom is awarded a contract by a public entity...in excess...of \$25,000 for any public work shall file a payment bond.”
- **SB 854 – Agency must comply with the requirements**
 - DIR Registered Contractors
 - Notification of award to DIR
 - Specifying requirements in bid and contract documents



Procedures for Informal Bidding

- District procedures for informal bidding:
 - District maintains list of registered contractors, identified by work category;
 - District mails notice inviting bids at least ten (10) days before bids due to:
 - All contractors on list for category of work; or
 - Specified trade journals; or
 - Both
- Notice should describe project in general terms with information for how to obtain detailed information and time and place for submission of bids.
 - Will often include site walk, where appropriate



Procedures for Informal Bidding (cont'd)

- Notice need not include drawings, plans, etc., unless required for preparing bid.
- If all bids received exceed \$175,000, Board may pass a resolution by a four-fifths majority awarding contract at \$187,500 or less to lowest responsible bidder, if it determines District's cost estimate was reasonable.



Emergency Contracts

- In cases of emergency when repair or replacements are necessary, the Board may proceed at once to replace or repair any facility without adopting plans, specifications, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the Board, by contractor, or by a combination of the two.
- By a four-fifths vote of the Board, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.
- By a four-fifths vote of the Board, the authority to enter emergency contracts may be delegated as long as the designee takes the action to the Board within seven (7) days or at its next regularly scheduled meeting which shall be no more than fourteen (14) days after the action was taken. The designee must report at each following meeting until the action is terminated (contract completed).
 - Code is in conflict with boards that meet on a monthly basis. For the District, this is very unlikely; but if this happens, the District will need to call for a Special Board Meeting.



Accounting Procedures Under CUPCCAA

- Agencies must account for force account work. There are a number of methods that may be used to accomplish the accounting requirements.
- The Commission notes that all cost elements -- personnel, materials, supplies and subcontracts, equipment and overhead -- associated with a project must be recorded and reported at the project level (see worksheet provided on State Controller's website).



Questions / Reference Sources

CUCCAC web page:

http://www.sco.ca.gov/ard_cuccac.html

- Cost Accounting Policies and Procedures Manual
- FAQs
- References and Resources
- Past Meeting Minutes and Reports
- Contact Commissioners and State Controller's office



AGENDA ITEM 5



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
SUBMITTED BY:	Dan Martin Engineering Manager	PROJECT:	Various DIV.NO. 2
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Continue the Temporary Moratorium on the Installation of New Recycled Water Facilities on Otay Mesa for a Period of One Year to July 2017		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) continue the temporary moratorium on the installation of new recycled water facilities on Otay Mesa for a period of one year to July 2017 (See Exhibit A for Project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To continue the temporary moratorium on the installation of new recycled water facilities on Otay Mesa for a period of one year to July 2017.

ANALYSIS:

Currently, recycled water is not available on Otay Mesa. The existing recycled water infrastructure on Otay Mesa is being supplied with potable water. As the District has pursued expansion of the District's recycled water supply system to the Otay Mesa area, the District has encountered a number of issues and risks,

when considered in total, challenge both the technical and financial feasibility of delivering recycled water to Otay Mesa. On July 2, 2014, staff presented information to the Board on the uncertainty of recycled water availability for Otay Mesa, the financial feasibility considerations associated with anticipated recycled water rates from the City of San Diego (City), the uncertainty of securing easements to support the Otay Mesa Recycled Water Supply Link Project, and the delivery horizon of Indirect Potable Reuse (IPR) and/or Direct Potable Reuse (DPR). As a result of the information presented to the Board, the Board voted to place a temporary moratorium on the installation of new recycled water facilities on Otay Mesa.

On July 6, 2016, staff presented to the Board an update on a number of efforts related to the temporary moratorium on the installation of new recycled water facilities on Otay Mesa. These efforts included the following:

- Continued efforts with the City to discuss issues and amendments to the agreements between the District and the City.
- Close out of developer recycled water projects in the planning, design, and construction phases on Otay Mesa.
- Meeting with representatives of the East Otay Mesa Property Owners Association and the Otay Mesa Property Owners Association.

Continued Efforts with the City of San Diego to Discuss Issues and Amendments to the Agreements between the District and the City

Since the date the Temporary Moratorium was put in place by the District in July of 2014, District staff has sent correspondence and held meetings with the City staff regarding issues related to the October 23, 2003 Agreement Between the Otay Water District and the City of San Diego for Purchase of Reclaimed Water from the South Bay Water Reclamation Plant ("Agreement"). District staff has presented proposals regarding the City's recycled water rates, the "Take-Or-Pay" requirement included in the Agreement, and miscellaneous terms missing from the Agreement. Although District staff has met with City staff to discuss the issues and how they impact the delivery of recycled water to Otay Mesa, these items remain unresolved. On November 17, 2015, the City voted to raise the rate for recycled water from the then current rate of \$0.80/HCF (\$348/AF) to a new Unitary Rate of \$1.73/HCF (\$753/AF). This new Unitary Rate was effective on January 1, 2016. District staff has met with the City as recently as June 6, 2016 to discuss the District's proposals

outlined above. In that meeting, the City expressed no interest in revising the existing Agreement.

Close-out of Developer Recycled Water Projects in the Planning, Design, and Construction Phases on Otay Mesa

As noted in the November 5, 2014 update to the Board, District staff completed a review of the developer projects on Otay Mesa that are affected by the temporary moratorium. In total, thirty (30) projects were identified. These projects, which include both private recycled water systems and public recycled water mains, were found to be in various stages of project development ranging from planning to construction. Since the last update to the Board, staff has completed the closeout of all developer recycled water projects that were in the planning and design phases on Otay Mesa. The associated recycled water project developer accounts have also been closed out.

Staff has also worked cooperatively with developers on active recycled water projects that were in construction on Otay Mesa when the temporary moratorium was put into place in July 2014. On those active projects that were nearing completion, staff worked with the developers to allow the projects to move forward to completion with the knowledge that potable meters will be set on the newly constructed infrastructure to serve the projects' locations. On projects that were in the early stages of construction when the temporary moratorium was placed, staff worked with the developers to implement changes on the projects that would delete the recycled water infrastructure and mitigate project impacts. At this time, there is only one recycled water construction project located on Alta Road that remains to be closed out. The remaining work on that project consists of final paving and punch list work to accept the developer installed main.

As of July 2014, only potable water meters have been purchased and set on Otay Mesa for permanent service.

Meeting with Representatives of the East Otay Mesa Property Owners Association and the Otay Mesa Property Owners Association

In the July 6, 2016 report to the Board, staff reported on meetings held with the representatives from the East Otay Mesa Property Owners Association and the Otay Mesa Property Owners Association (EOMPOA/OMPOA) in December 2014. It was noted that staff provided an in-depth review of the District's financial analysis that supported the placement of a temporary moratorium on the installation of new recycled water facilities on Otay Mesa. As part of the discussions in December 2014, the District granted a request

made by the EOMPOA/OMPOA representatives to extend the temporary moratorium on the installation of new recycled water facilities on Otay Mesa to July of 2016. It was explained that during the one (1) year extension, the EOMPOA/OMPOA could focus on attracting businesses to Otay Mesa that have a high demand for recycled water use. Additionally, the EOMPOA/OMPOA representatives explained that the District could use this time to seek funding opportunities that could offset the capital costs of implementing recycled water infrastructure on Otay Mesa.

At the July 6, 2016 Board meeting, staff presented a summary update on the factors included in the Otay Mesa Recycled Water Financial Analysis in support of a staff recommendation to place a permanent moratorium on the installation of new recycled water facilities on Otay Mesa. These factors include cost of supply, infrastructure cost, recycled water demand, and the expiration of recycled water incentives. The summary update also included a sensitivity analysis that suggests that significant changes in the current trends would be needed with respect to the factors included in the Otay Mesa Recycled Water Financial Analysis in order to make delivery of recycled water on Otay Mesa financially feasible. In consideration of the information presented, the Board requested that staff solicit formal feedback from the EOMPOA/OMPOA for consideration before taking Board action.

On August 11, 2016, staff provided a formal presentation to the EOMPOA/OMPOA and updated the EOMPOA/OMPOA on the cost of water and current status of factors included in the District's financial analysis contained within the July 6, 2016 report to the Board. Feedback was solicited from the EOMPOA/OMPOA at that meeting. In consideration of the information presented, the EOMPOA/OMPOA provided a formal request to extend the temporary moratorium on the installation of new recycled water facilities on Otay Mesa for an additional year to July 2017. It was explained that the outlook for development has improved over the last year and that the one (1) year extension would provide additional time for the EOMPOA/OMPOA to continue efforts to attract businesses to Otay Mesa that have a high demand for recycled water use. Additionally, the EOMPOA/OMPOA representatives explained that funding opportunities that could offset the capital costs of implementing recycled water infrastructure on Otay Mesa may materialize within the requested one (1) year extension.

In consideration of the EOMPOA/OMPOA's request, staff is recommending that the Board approve a one (1) year extension of the temporary moratorium on the installation of new recycled water facilities on Otay Mesa to July 2017.

As included in the July 6, 2016 Board report, the District has not collected San Diego County Water Authority (SDCWA) capacity fees on meters set and designated as future recycled water meters in anticipation that recycled water would be available on Otay Mesa. The value of the avoided SDCWA fees based on an analysis of SDCWA capacity and treatment fees that would have been due at the time of meter purchase totals \$1,340,684.00.

Lastly, the approved Fiscal Year 2017 budget includes a Capital Improvement Program project "Repurpose Otay Mesa Recycled Water Lines" (R2123) (Project) to evaluate alternative uses for the recycled waterlines installed on Otay Mesa. Initial work on this Project in FY 2017 will consist of hydraulic modeling to assess the potential for alternative use of the existing recycled water infrastructure should it be determined that a permanent moratorium be placed at the a future date.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Overall, it has been determined that the financial benefits of a permanent moratorium outweigh the identified financial costs. There are financial costs associated with a permanent moratorium. Those costs include a potential reimbursement of \$950,000 in grant funds that were received from the United States Bureau of Reclamation (USBR) and SDCWA capacity fees.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner" and the District's Vision, "A District that is innovative in providing water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

None.

DM/RP:mlc

P:\WORKING\CIP R2087\Staff Reports\BD 09-07-16\BD 09-07-16 Staff Report Otay Mesa Recycled Water Permanent Moratorium.docx

Attachments: Attachment A - Committee Action
 Exhibit A - Project Location Map



ATTACHMENT A

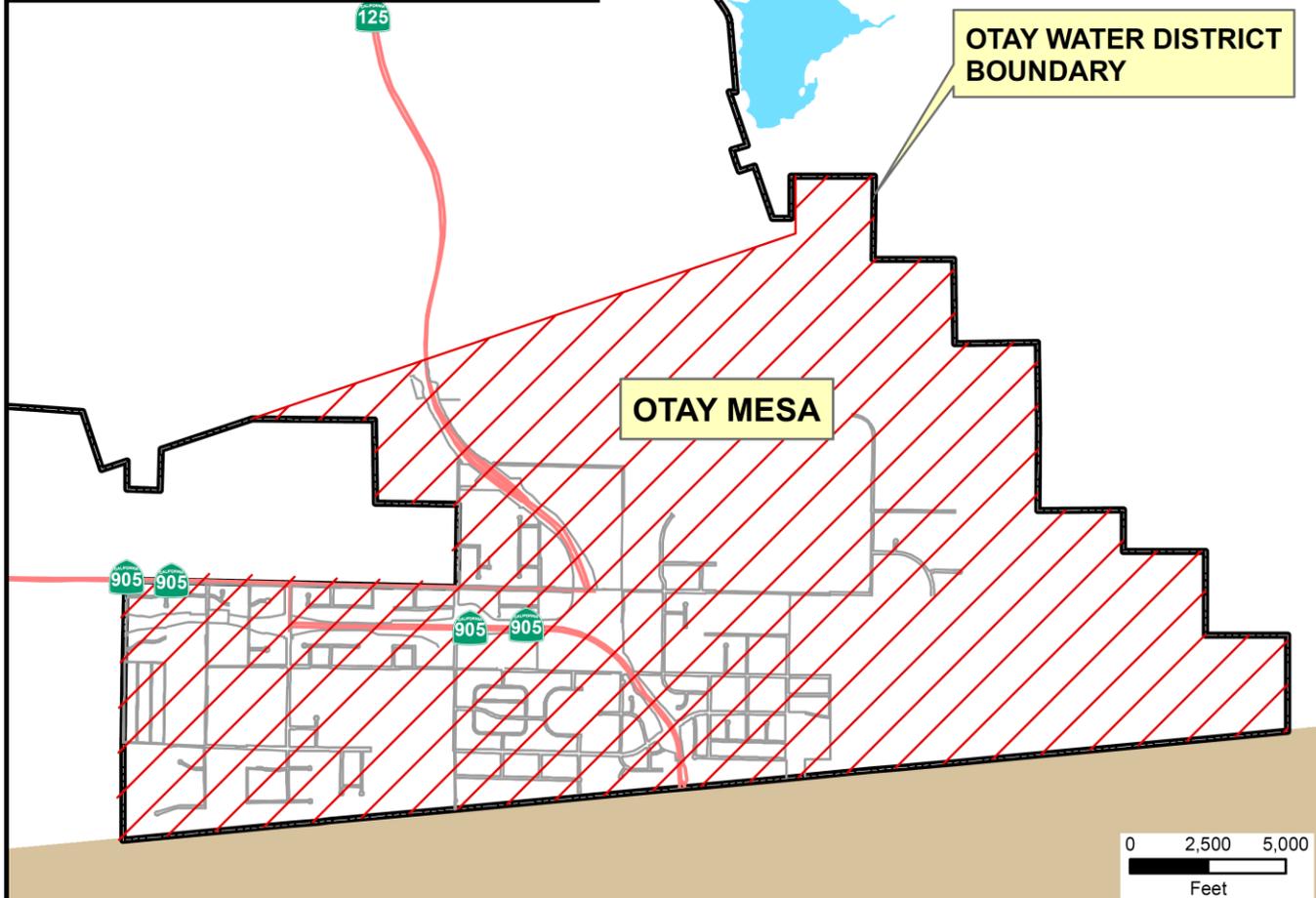
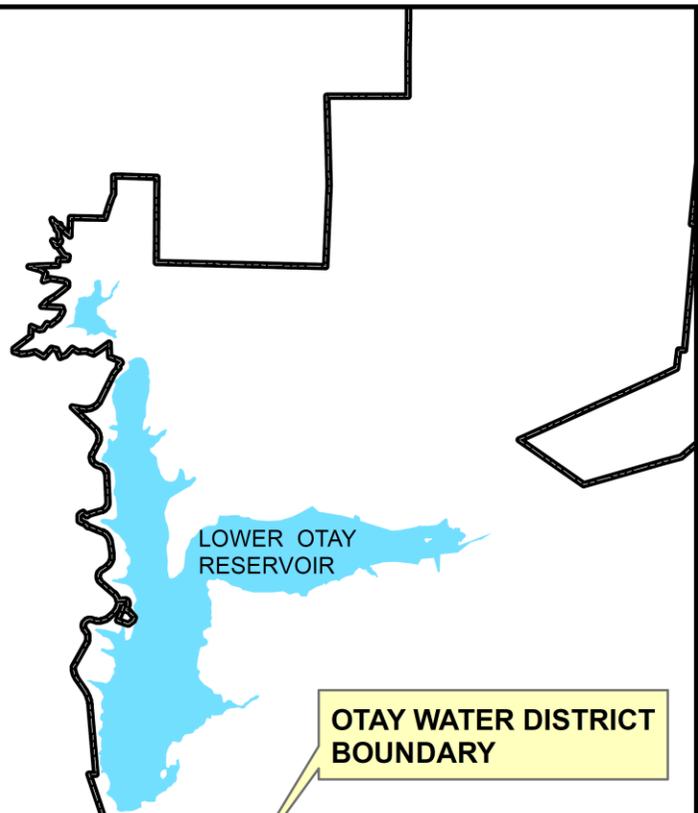
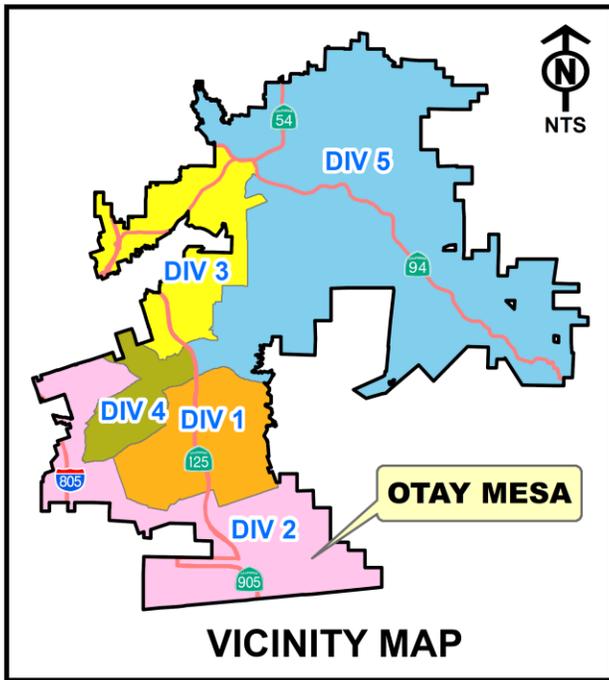
SUBJECT/PROJECT: Various	Continue the Temporary Moratorium on the Installation of New Recycled Water Facilities on Otay Mesa for a Period of One Year to July 2017
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COMMITTEE ACTION:

Finance, Admin, and Communications Committee (Committee) reviewed this item at a meeting held on August 23, 2016. The Committee supported Staff's recommendation.

NOTE:

The "Committee Action" is written in anticipation of the Committee moving the item forward for Board approval. This report will be sent to the Board as a Committee approved item, or modified to reflect any discussion or changes as directed from the Committee prior to presentation to the full Board.



OTAY WATER DISTRICT
OTAY MESA RECYCLED WATER AREA



EXHIBIT A



AGENDA ITEM 6

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
		PROJECT:	DIV. NO.: ALL
SUBMITTED BY:	Adolfo Segura, Chief of Administrative Services		
APPROVED BY:	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager		
	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	FY16 YEAR-END REPORT FOR THE DISTRICT'S FY15-18 STRATEGIC PLAN		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION:

Please see "Attachment A".

PURPOSE:

To provide a year-end report on the District's FY15-18 Strategic Performance Plan for FY16.

ANALYSIS:

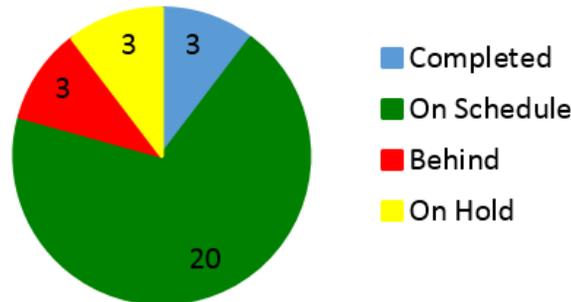
Summary

The current Otay Water District Strategic Plan is a four-year plan ranging from the start of FY15 through the end of FY18. This report details the year-end results for the second year of our four-year plan.

Strategic Plan Objectives - Target 90%

Strategic Plan objectives are designed to ensure the District is executing mission designed objectives and making the appropriate high-level changes necessary to guide the agency's efforts to meet new challenges and positively adapt to change. Objective results for FY16 year-end are below target at 88%, with 23 of 26 active items completed or on schedule. Two objectives are on hold and three are not scheduled to begin until FY17 and FY18.

23 of 26 Active Objectives are Completed or On Schedule (88%)



The following objectives have been reported to be behind schedule. These projects have identified appropriate actions and are expected to be back on schedule in FY17.

1. *Enhance Management Control of Non-Inventory Items* - Due to unplanned repairs and staffing issues, staff was unable to complete the review of non-inventory items and develop adequate recommendations. The review and recommendations are expected to be completed by FY17 Q2.
2. *Evaluate Efficiencies for Delivering Capital Assets* - Final assessment and recommendation of the BIM 3D model effort will be completed as the 870-1 Pump Station Design reaches completion in FY17 Q2.
3. *Streamline Input of Operations Data* - Staff has identified business processes and forms that should be automated and auto-populated. However, with the delay of the SCADA project closeout, a complete action list could not be completed. The SCADA Roadmap is expected to be completed in FY17 Q1.

The following objectives have been put on hold:

1. *Evaluate Requirements for Future Emergency Communication System* - The existing communication system is expected to be vendor supported for an additional 5 years. Staff will continue to explore new technologies should the communication system need to be replaced sooner than expected.
2. *Evaluate the Viability of Implementing an Indirect Potable Reuse Program* - Staff from the District and Sweetwater Authority have completed the study and cost-estimate and have determined that this project is not feasible at this time.
3. *Implement a Habitat Conservation Plan that will Streamline O&M within District Easements* - The draft habitat conservation plan

has not been submitted to wildlife agencies. Plan preparations are expected to be back on schedule FY17 Q1.

Performance Measures - Target 75%

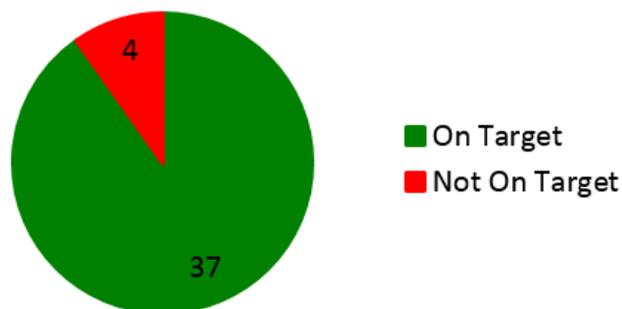
Performance measures are designed to track the District's day-to-day performance. These items measure the effectiveness and efficiency of daily operations and essential services. The overall goal is that at least 75% of these measures be rated "on target". FY16 year-end results are well above target with 37 of 41 (90%) items achieving the desired level or better.

Three new measures have been added and staff will begin reporting in FY17. Staff will strive to keep as many measures the same in order to collect and analyze multi-year data.

New measures in FY17 include:

- Accounts Per FTE
- Percent of Customers Paying Bills Electronically
- Injury Incident Rate

37 of 41 Measures are On Target (90%)



Items Not On Target

1. *CIP Project Expenditures vs. Budget* - Year-to-date CIP expenditures amounted to \$10,605,000 vs. the budgeted amount of \$11,811,000 (-11.37%).
2. *Overtime Percentage* - Year-to-date expenditures amounted to \$121,164 vs. the budgeted amount of \$94,000 (+28.89%).
3. *Water Rate Ranking* - The March 2016 rate increase has moved the District up from number 11 in FY15, to number 12 in FY16, out of 22 member agencies.
4. *Reserve Level* - Year-end result is 78%, target was 85%.

AWWA (formerly QualServe) Benchmarking Perspective

As a result of AWWA modifying how indicators are calculated, the District has moved away from most of the AWWA benchmarks. However, the following performance indicators have remained unchanged and the District will continue to use them as benchmarks:

- Collection System Integrity
- Sewer Overflow Rate
- Technical Quality Complaint
- Potable Water Compliance Rate

Composition of Balanced Scorecard Objectives and Measures

The Balanced Scorecard continues to be used as the core methodology for the District's Strategic Plan, and is widely adopted by businesses internationally. The Balanced Scorecard itself was developed by Kaplan and Norton and published in 1992 in the Harvard Business Review. The model has evolved over time and is now in its third-generation. In brief, the Balanced Scorecard emphasizes an integrated strategy approach for the development of goals and measures in four basic areas: customer, financial, business processes, and learning and growth.



Each objective is broken down by the balanced scorecard, strategy, and goal required to meet the specific challenge.



Strategy: Deliver high quality services to meet and increase confidence of the customer in the value the District provides

Goal: Increase customer confidence in the District

Objectives:

1. Enhance communications with customers

Goal: Improve and expand communications

Objectives:

1. Regularly produce and evaluate communications tools and explore the effective use of new media options
2. Evaluate requirements for future emergency communication system

Goal: Provide effective water services

Objectives:

1. Optimize SCADA program

Strategy: Manage the financial issues that are critical to the District

Goal: Improve financial information and systems

Objectives:

1. Streamline procurement and contractor on-boarding process via web-based eProcurement technology
2. Electric power and fuel management practices
3. Optimize operations inventory management

Goal: Maintain District financial strength

Objectives:

1. Strengthen internal audit program
2. Implement a cost-benefit program

Strategy: Maximize efficiency and effectiveness

Goal: Actively manage water supply as well as support for water and sewer services

Objectives:

1. Evaluate and enhance the District's water conservation programs and services
2. Evaluate the City of San Diego's pure water program planning/implementation
3. Sewer system business evaluation
4. Address dependency on imported water
5. Leak detection and repair program
6. Pressure vessel maintenance program



7. Evaluate the viability of implementing an indirect potable reuse program

Goal: Identify and evaluate improvements to enterprise and departmental business processes

Objectives:

1. Optimize asset management program
2. Enhance District's enterprise facilities physical security
3. Improve and streamline meter related processes
4. Evaluate efficiencies for delivering capital assets
5. Enhance District's enterprise confined space program
6. Operations workflow process evaluation
7. Streamline input of operations data
8. Streamline work processes in four strategic areas including departmental synergies, technology, procurements, and alignment of business practices
9. Revise business practices by modifying the master recycled water permit
10. Implement a habitat conservation plan that will streamline O&M within District easements
11. Advance business processes and operational efficiencies through implementation of information technology
12. Evaluate implementation of an online performance management system



Strategy: Provide leadership and management expertise

Goal: Reinforce a results-oriented and accountable culture

Objectives:

1. Negotiate a Successor Memorandum of Understanding for represented employees for 2017 and beyond, and related compensation and benefits for unrepresented employees with emphasis on making necessary updates to employee health benefits related to health care reform
2. Evaluate requirements for future emergency communication system

Goal: Focus on achieving a lean flexible workforce

Objectives:

1. Evaluate opportunities to combine or transfer similar work functions

2. Evaluate training and development programs for new and existing supervisors/managers

Next Steps - FY17-18

The completion of Phase 2 of the FY15-18 Strategic Plan was a significant accomplishment. The successful implementation and rapid adoption of next generation technology solutions, has allowed the District to continue to gain efficiencies, improve department functions, and sustain a growing customer base with a reduced work force. Staff will be tracking a number of new objectives and measures during FY17.

Measurement of continuous improvement is essential to demonstrate the efficiency gains achieved by the District. During FY17, staff will be analyzing collected productivity data to further gauge efficiencies gained and elevate or create new performance metrics where warranted. Also, staff will continue to train and cross-train to further leverage the value-added functions of our enterprise business systems. Additional improvements to our Asset Management program will also be addressed via a recently developed SCADA roadmap. Staff will be targeting utility smart power management, additional remote/mobile capabilities, production management, and enhanced cyber security mechanisms. Much of this will be used to set key performance objectives in FY18, to include the evolution of key service programs across the District. The Board will receive an update of our measurements progress during the FY17 mid-year Strategic Plan presentation in March 2017.

Committee Reports - Slideshow

The Strategic Plan results are presented to both the Finance, Administration, and Communications Committee and the Engineering, Operations, and Water Resources Committee with a specific focus on the most relevant information for each Committee.

Strategic Plan is available on the Board VPN

All of the Strategic Plan results and associated details are provided in a real-time, interactive web-based application available to the Board via secured remote access, VPN. The District Secretary can facilitate any password or access issues.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Informational item only; no fiscal impact.

STRATEGIC GOAL:

Strategic Plan and Performance Measure reporting is a critical element in providing performance reporting to the Board and staff.

LEGAL IMPACT:

None.

ATTACHMENTS:

Attachment A - Committee Action Report

Attachment B - FY16 Year-End Strategic Plan Results Presentation



ATTACHMENT A

SUBJECT/PROJECT:	FY16 YEAR-END REPORT FOR THE DISTRICT'S FY15-18 STRATEGIC PLAN
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on August 23, 2016. The Committee supports presentation to the full Board for their consideration.

NOTE:

The "Committee Action" is written in anticipation of the Committee moving the item forward for Board approval. This report will be sent to the Board as a Committee approved item, or modified to reflect any discussion or changes as directed from the Committee prior to presentation to the full Board.



STRATEGIC PLAN
FY16 YEAR-END REPORT

Introduction

The completion of Phase 2 of the FY15-18 Strategic Plan was a significant accomplishment. The successful implementation and rapid adoption of next generation technology solutions has allowed the District to continue to gain general work efficiencies, improve department functions, and sustain a growing customer base with a reduced work force.

Measurement of continuous improvement is essential to demonstrate the efficiency gains achieved by the District. During FY17, staff will be analyzing collected productivity data to further measure efficiencies gained and elevate or create new performance metrics if warranted. Staff will also continue to train and cross-train to further leverage the value-added functions of our enterprise business systems and work processes. Additional improvements to our Asset Management Program will also be addressed via a recently developed multi-year SCADA roadmap.

Balanced Scorecard Strategies and Goals



Deliver high quality services to meet and increase confidence of the customer

- 1. Increase customer confidence in the District
- 2. Improve and expand communications
- 3. Provide effective water services



Manage the financial issues that are critical to the District

- 1. Improve financial information and systems
- 2. Maintain District financial strength



Maximize efficiency and effectiveness

- 1. Actively manage water supply as well as support for water and sewer services
- 2. Identify and evaluate improvements to enterprise and departmental business processes



Provide leadership and management expertise

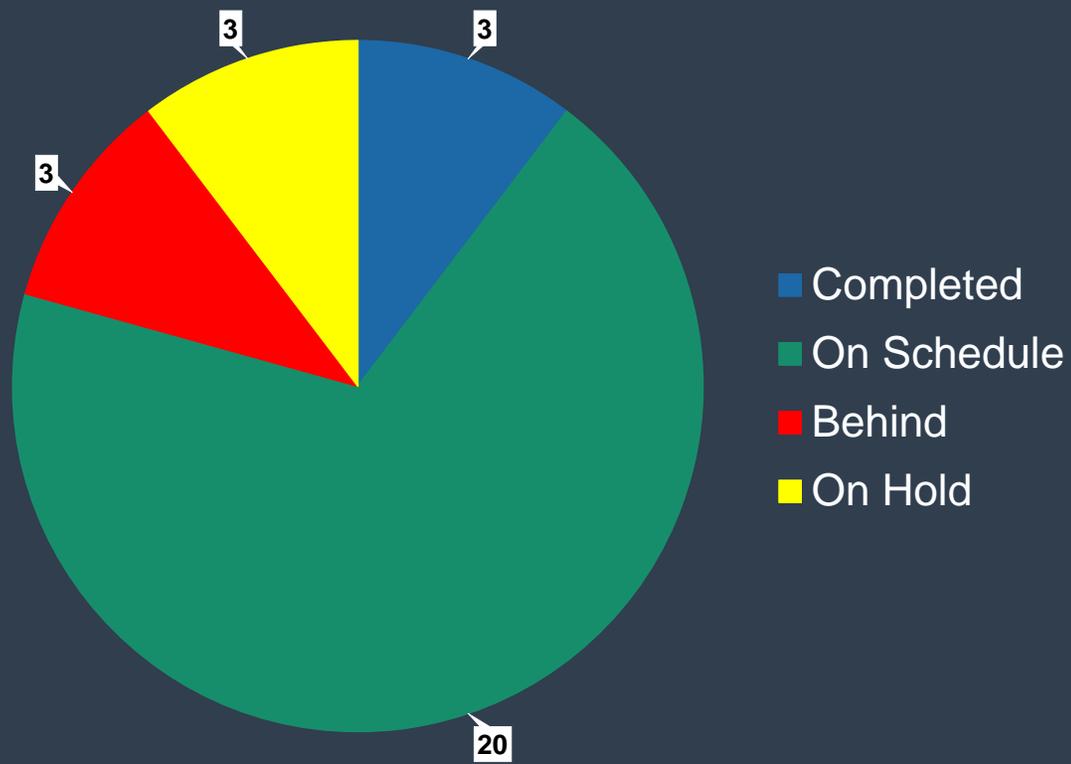
- 1. Reinforce a results-oriented and accountable culture
- 2. Focus on achieving a lean flexible workforce

AWWA Benchmarks

- 1 Technical Quality Complaint
- 2 Potable Water Compliance Rate
- 3 Collection System Integrity
- 4 Sewer Overflow Rate

Objectives

88% are Completed or On Schedule



Objective Reports
26 Total

Objectives

✓ COMPLETED

1. Update of SCADA Program
2. Enterprise E-Commerce (Purchasing/Contracting) Solution – BidSync
3. Automation and Enhancement of District-wide Operational Forms and Workflows



Objectives

8

⏸ ON HOLD

1. Evaluate requirements for future emergency communication system
2. Evaluate the viability of implementing an indirect potable reuse program
3. Implement a Habitat Conservation Plan that will streamline O&M within District easements

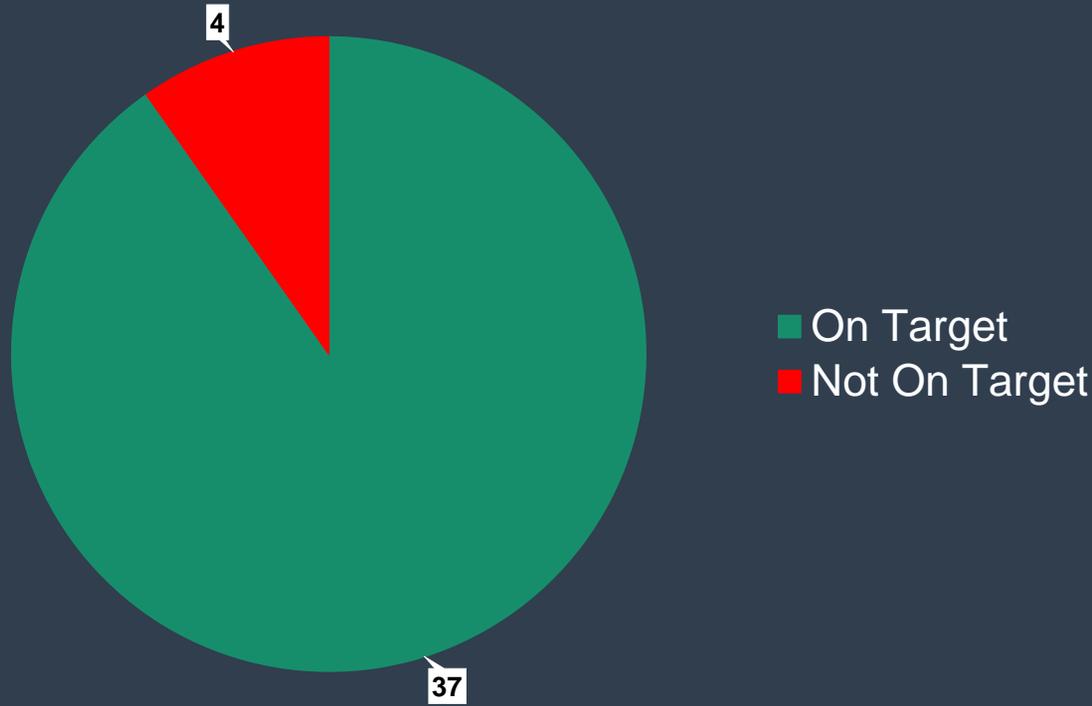
✖ BEHIND SCHEDULE

1. Enhance management control of non-inventory items
2. Evaluate efficiencies for delivering capital assets
3. Streamline input of Operations data



Performance Measures

90% On Target



Measure Reports
41 Total

Performance Measures

X NOT ON TARGET

1. CIP Project Expenditures vs. Budget
2. Overtime Percentage
3. Reserve Level
4. Water Rate Ranking



Year-End Results

Administrative Services

Enterprise System Availability

Target: No less than 99.5% availability per quarter in a year

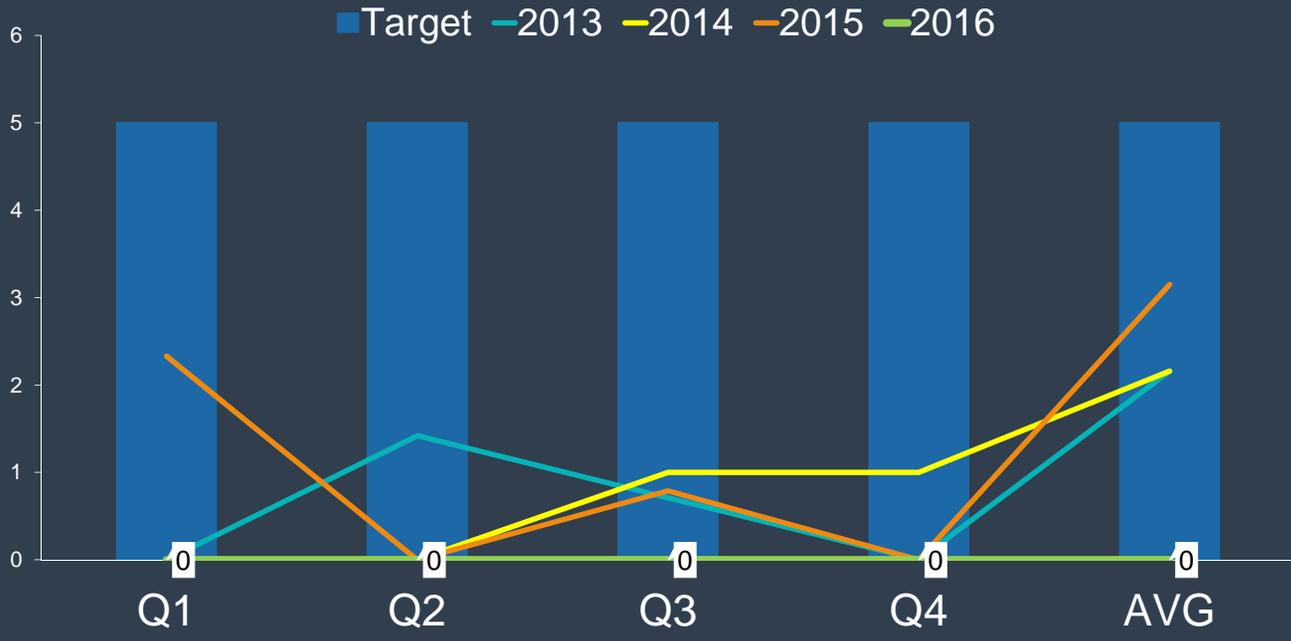


Q&Y Quarter & YTD Measurement
99.5% = 3.60 hours of downtime per month/1.83 days of downtime in a year

*FY14 – FY16 results are 99.99%

Employee Turnover Rate

Target: Less than 5% turnover in a year



Q

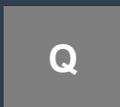
Quarter Measurement
of voluntary resignations (not including retirements)/average # of employees

Y

YTD Measurement Method
YTD # of voluntary resignations (not including retirements)/average # of employees

Training Hours Per Employee

Target: 12 hours or more general formal training per employee in a year
(excludes safety training)



Quarter Measurement

Total qualified training hours for all employees/average # of FTEs



YTD Measurement

YTD Total qualified training hours for all employees/Average # of FTEs

Safety Training Program

Target: 24 hours or more safety training per field employee in a year



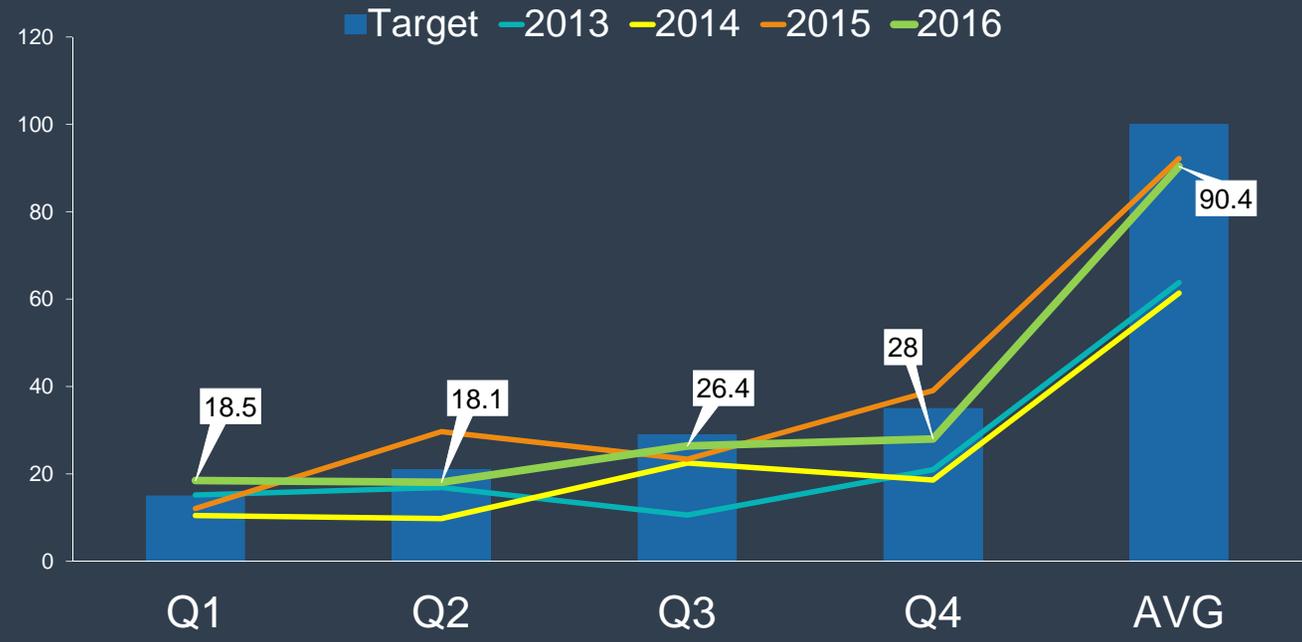
Q Quarter Measurement
of safety training hours for the quarter/ # of field employees

Y YTD Measurement
YTD Total qualified safety training hours for field employees/average # of field employees

Engineering

CIP Project Expenditures vs. Budget

Target: 95% of budget but not to exceed 100%
Being below target gives the measure a “not on target” status



Q
Quarter Measurement

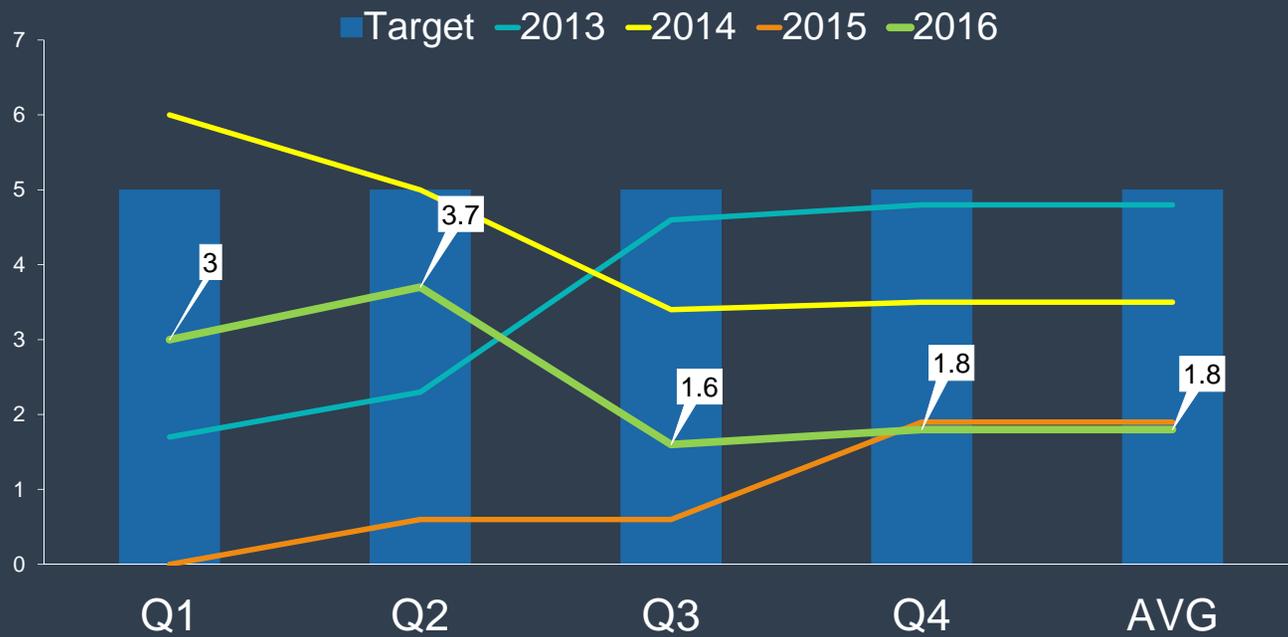
Actual quarterly expenditures/Annual budget

Y
YTD Measurement

YTD expenditures/Annual budget

Construction Change Order Incidence (w/o allowances)

Target: No more than 5% per quarter in a year



Q&Y

Quarter & YTD Measurement

Total cost of Change Orders (not including allowances)/Total original construction contract amount (not including allowances)

Mark-Out Accuracy

Target: No less than 100% mark-out accuracy per quarter in a year



Q&Y

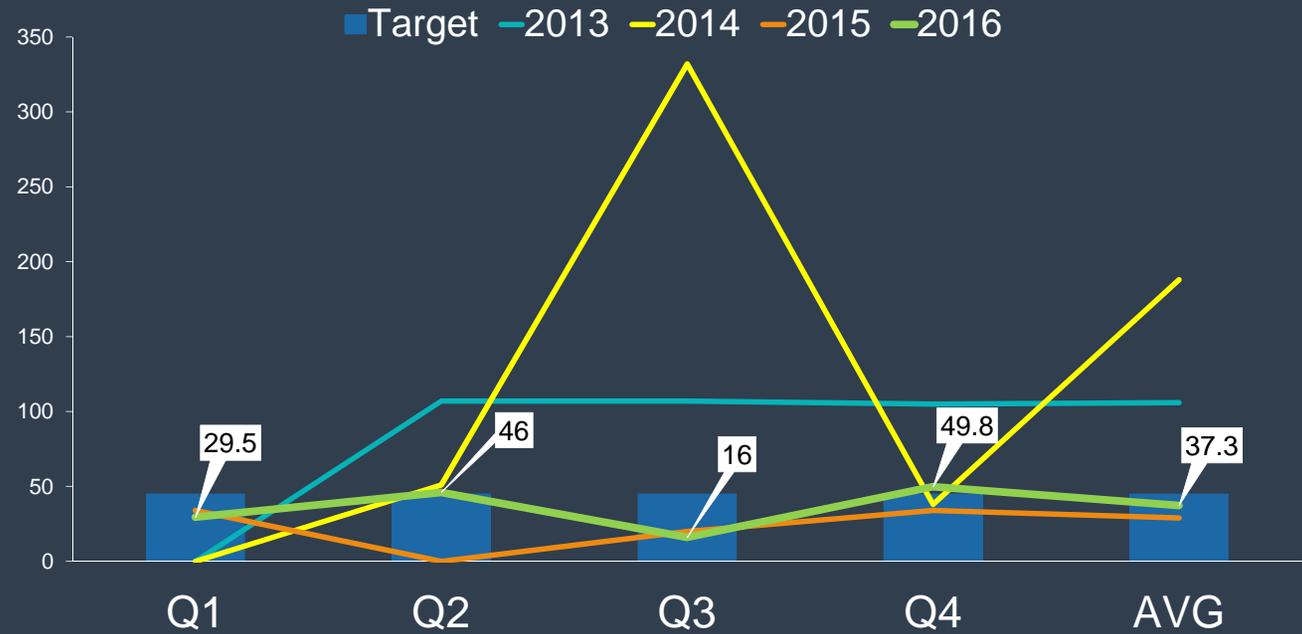
Quarter & YTD Measurement

of mark-outs performed without an at-fault hit, which is damage to a District facility that results from a missing or erroneous mark-out/Total # of mark-outs performed

*FY13 – FY16 results are 100%

Project Closeout Time

Target: No more than a 45 day average per quarter in a year



Q

Quarter Measurement

of days between NOSC and NOC for all construction projects within the quarter/# of construction projects within the quarter

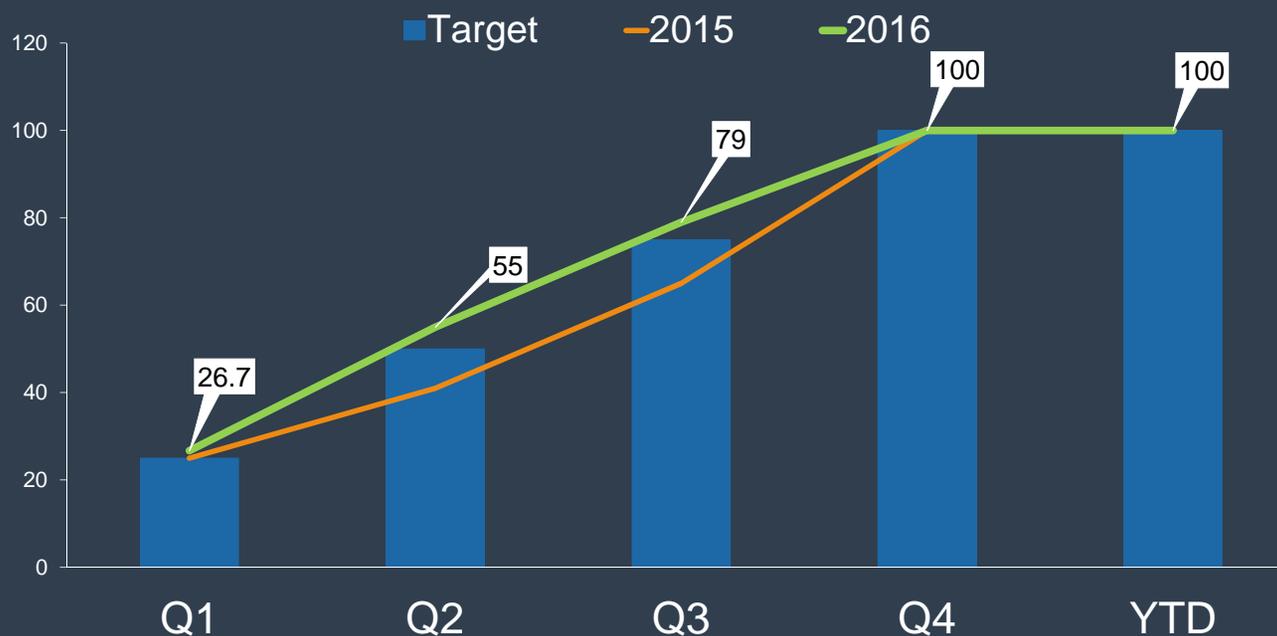
Y

YTD Measurement

YTD # of days between NOSC and NOC for all construction projects within the quarter/YTD # of construction projects within the quarter

Annual Recycled Water Site Inspections

Target: 100% of recycled sites inspected in a year
 (There are 112 recycled water use sites scheduled for FY16)



Q&Y

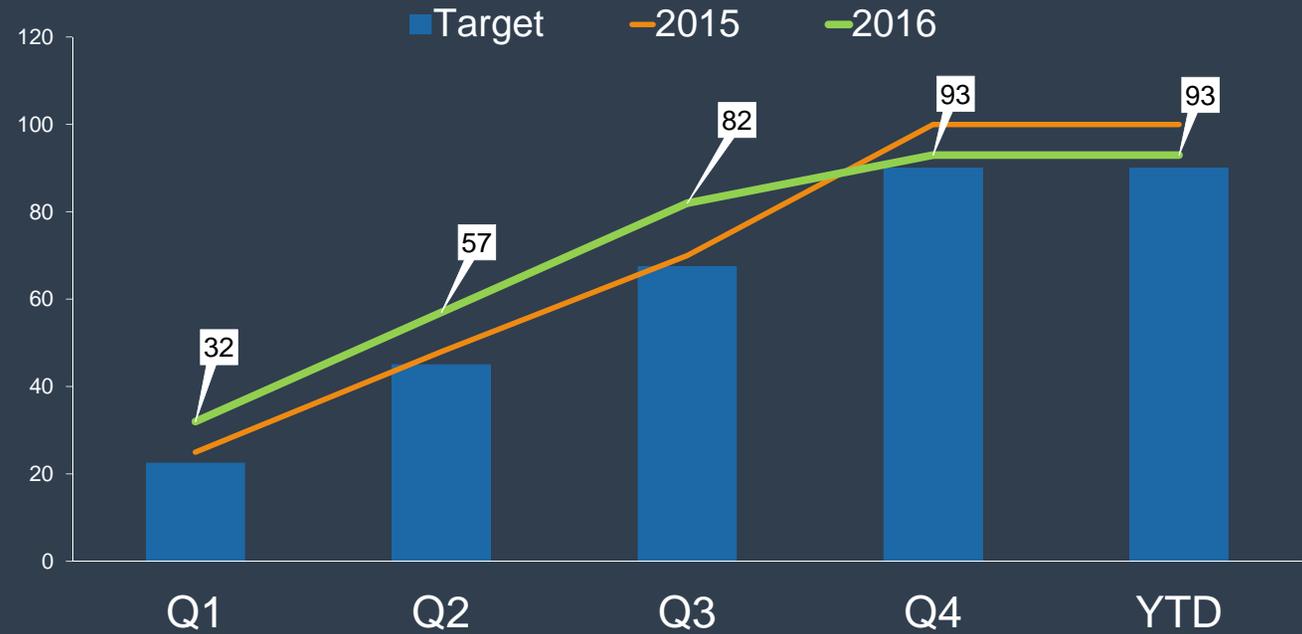
Quarter & YTD Measurement

Cumulative % of recycled sites inspected per quarter of those required by DEH

*Measure was created in FY15

Recycled Water Shutdown Testing

Target: No less than 90% of recycled site shut down tests in a year
(There are 31 recycled water use sites due for shutdown in FY16)



Q&Y

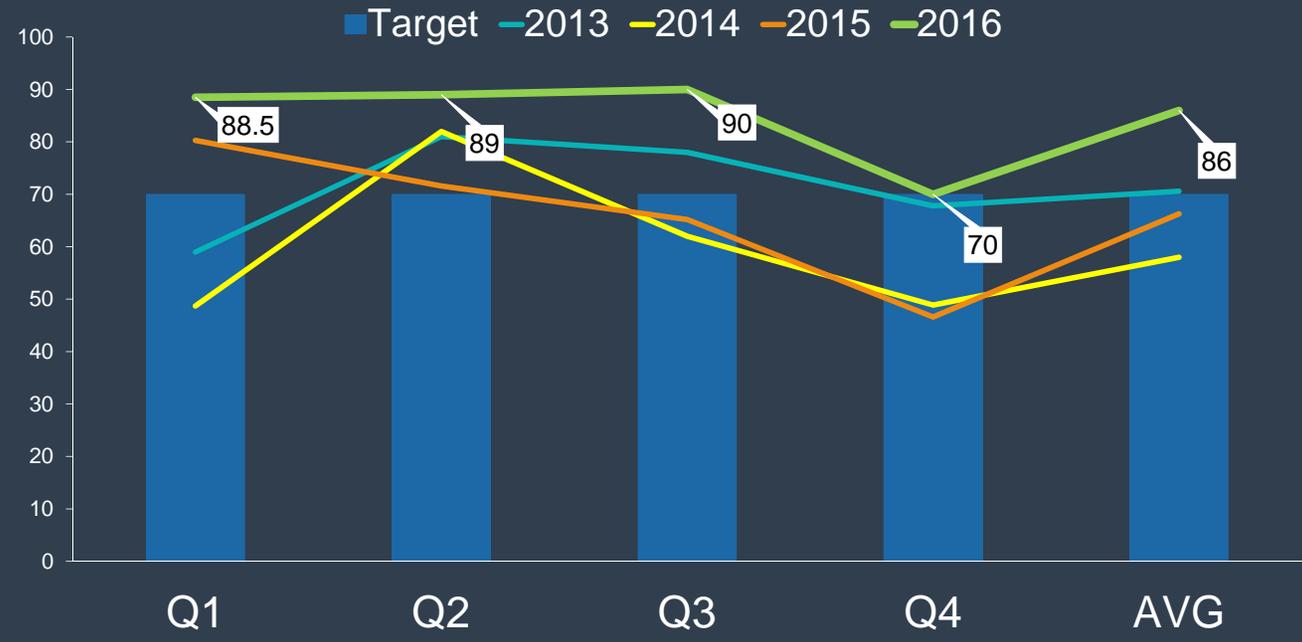
Quarter & YTD Measurement

Cumulative % of recycled site shutdown tests performed per year compared to those scheduled

*Measure was created in FY15

Planned Recycled Water Maintenance Ratio in \$

Target: No less than 70% of all labor spent on preventative maintenance per quarter in a year

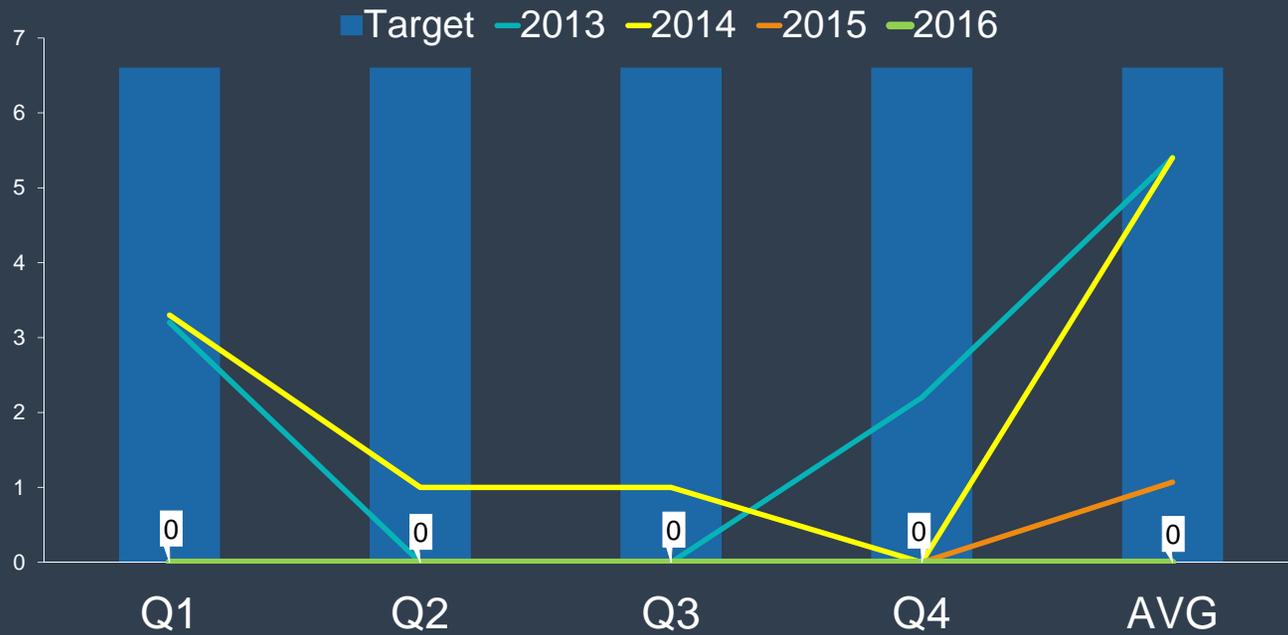


Q&Y

Quarter & YTD Measurement
Total planned maintenance costs/Total maintenance costs

Recycled Water System Integrity

Target: No more than 6.6 leaks or breaks per 100 miles of recycled distribution system in a year



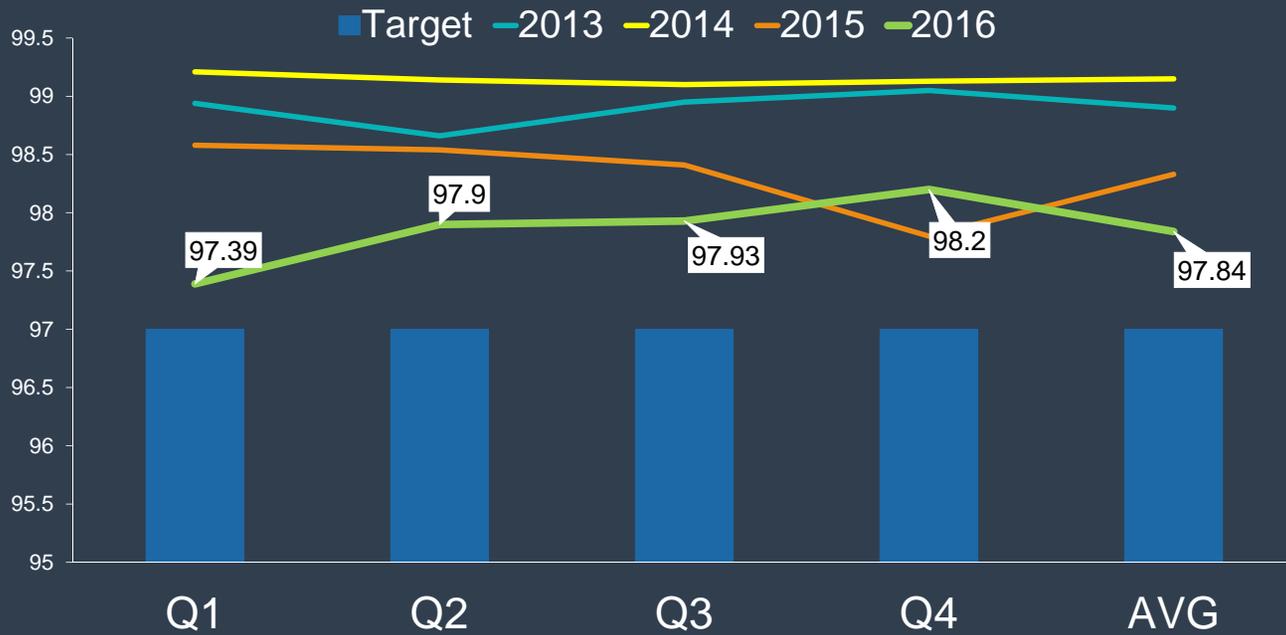
Q&Y

Quarter & YTD Measurement
(100 x # of leaks or breaks) / # of miles of distribution system

Finance

Answer Rate

Target: No less than 97% average answer rate per quarter in a year



Q

Quarter Measurement

of all calls answered/ # of all calls received during a quarter

Y

YTD Measurement

YTD # of all calls answered/ YTD # of all calls received

Gallons Per Capita Per Day

Target: Below 172 gallons per day

(Target comes from California Urban Water Control Council & the State Water Resources Control Board)



Q

Quarter Measurement

Total potable water purchased/Population (from SANDAG)/Number of days through the end of the quarter

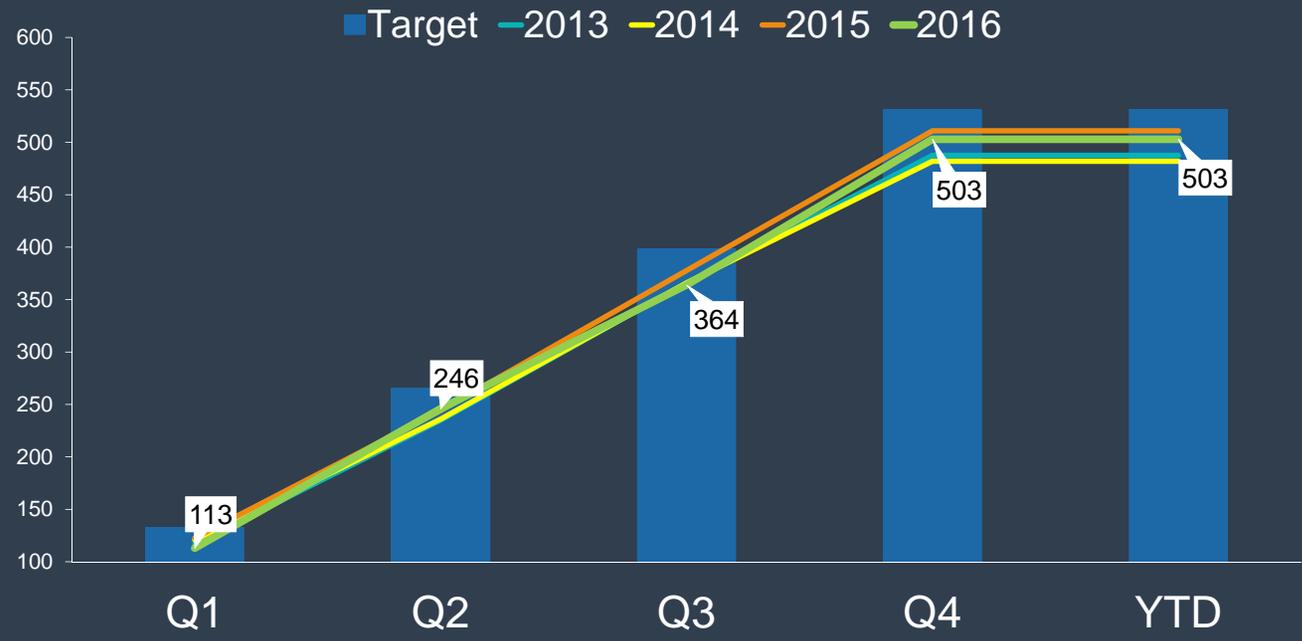
Y

YTD Measurement

Total annual potable water purchased/Annual population estimate from SANDAG/Number of days through the end of the quarter

O&M Cost Per Account

Target: Less than \$531.12 per account in a single year
(Target is based on Operating Budget)



Q Quarter Measurement
Total operations O&M costs/ # of accounts

Y YTD Measurement
YTD total operations O&M costs/ # of accounts

Billing Accuracy

Target: No less than 99.8% billing accuracy per quarter in a year



Q

Quarter Measurement

of correct bills during the reporting period / # of total bills during the reporting period

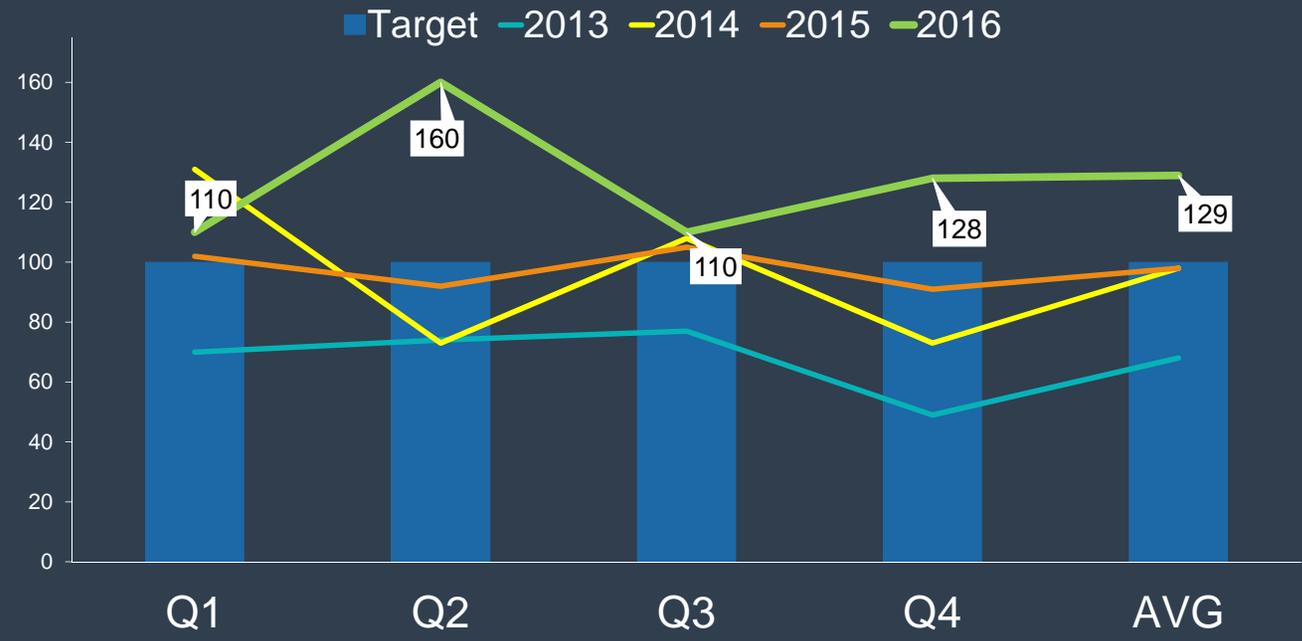
Y

YTD Measurement

YTD # of correct bills during the reporting period / YTD # of total bills during the reporting period

Overtime Percentage

Target: Less than 100% of budgeted overtime per quarter in a year
(Target is based on Operating Budget; FY16 Overtime Budget is \$94,100)



Q

Quarter Measurement
Actual overtime costs (including comp time)/
Budgeted overtime costs

Y

YTD Measurement
YTD actual overtime costs (including comp
time)/ YTD budgeted overtime costs

Sewer Rate Ranking

Target: Bottom 50 percentile for the 28 sewer service providers in San Diego
(Otay ranks 7 out of 28 sewer service providers)



Q&Y

Quarter & YTD Measurement
Otay ranking for the average bill for sewer/ # of sewer agencies

Water Rate Ranking

Target: Bottom 50 percentile for the 22 member agencies in San Diego
 (Otay ranks 12 out of 22 member agencies)



Q&Y

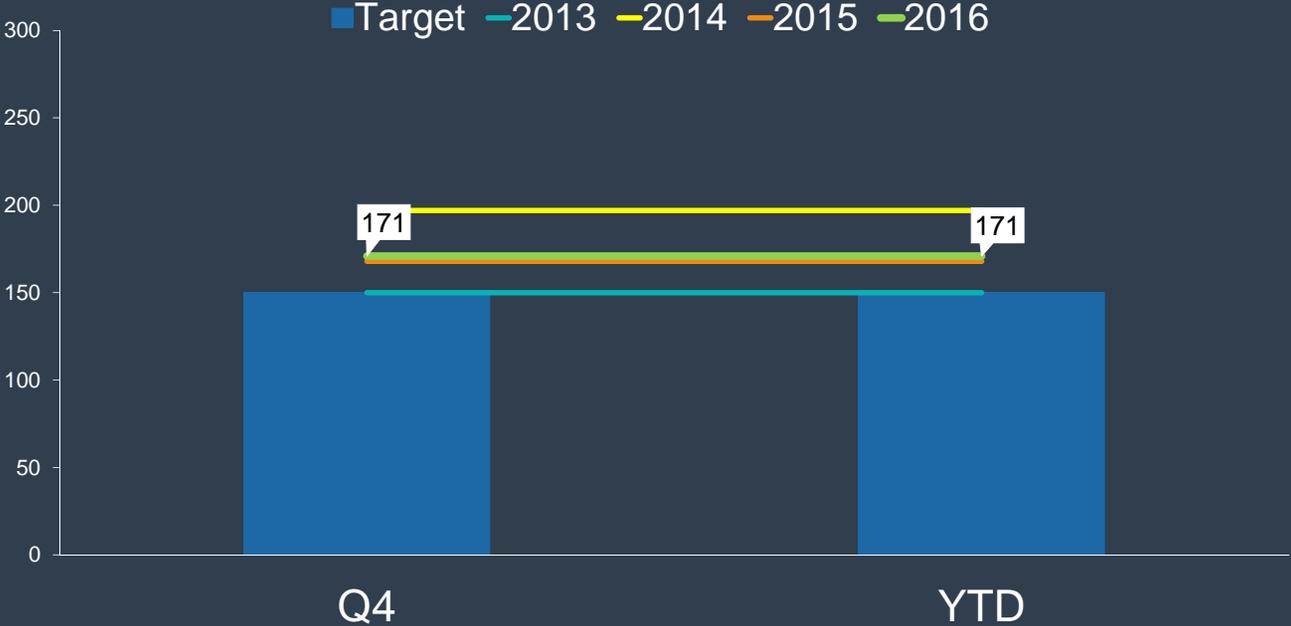
Quarter & YTD Measurement

Otay ranking for the average water bill among CWA member agencies

*FY14 and FY15 Otay rates were 11th lowest
 **FY17 Rates were compared to 22 member agencies (Padre Dam E and Padre Dam W are now counted as one agency)

Debt Coverage Ratio

Target: Above 150% to have sufficient debt coverage
(This is measured at year end)



Q&Y

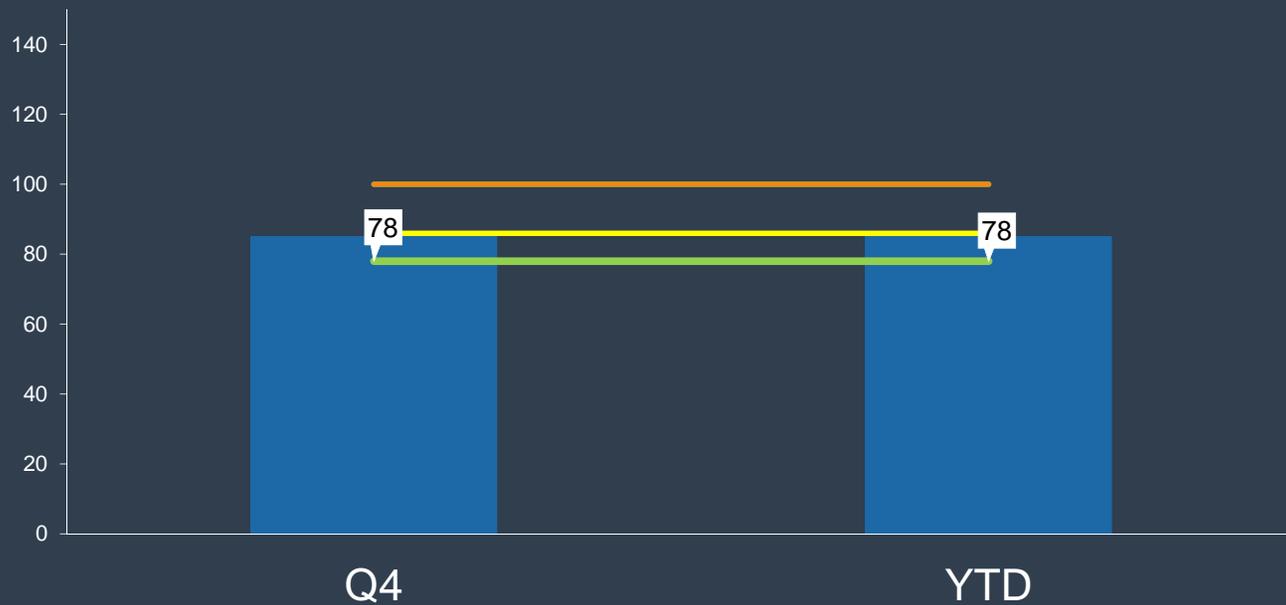
Quarter & YTD Measurement

Qualified net operating revenues/debt service requirements (measured at year end)

Reserve Level

Target: Equal or exceed 85%
(This is measured at year end)

■ Target — 2013 — 2014 — 2015 — 2016



Q&Y

Quarter & YTD Measurement

of reserve funds that meet or exceed fund target levels/ Total # of reserve funds

*FY13 & FY14 results are 85%

Percent of Customers Paying Bills Electronically

Target: In development

(No set targets in FY16; a baseline will be established in FY16 and appropriate targets will be recommended for the FY17-18 Strategic Plan)



Q

Quarter Measurement

of customers paying bills electronically/ Total # of customers

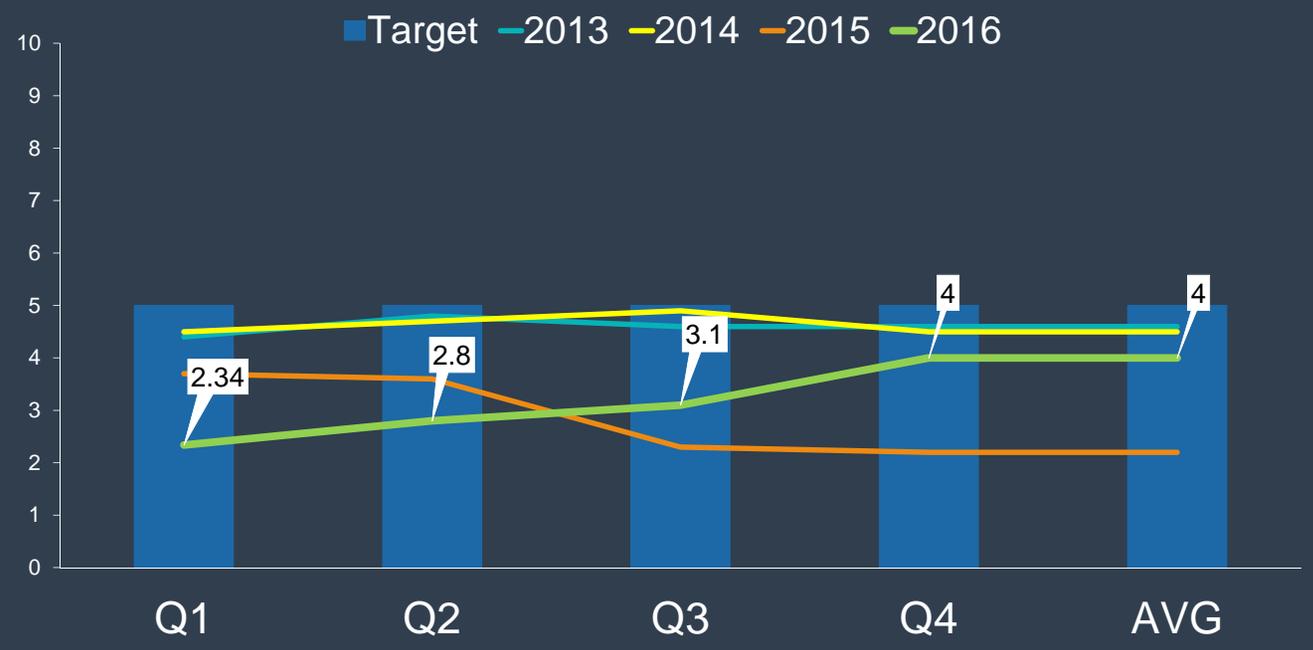
Y

YTD Measurement

YTD # of customers paying bills electronically/
Total # of customers

Distribution System Loss

Target: Less than 5% of unaccounted water loss per quarter in a year



Q&Y

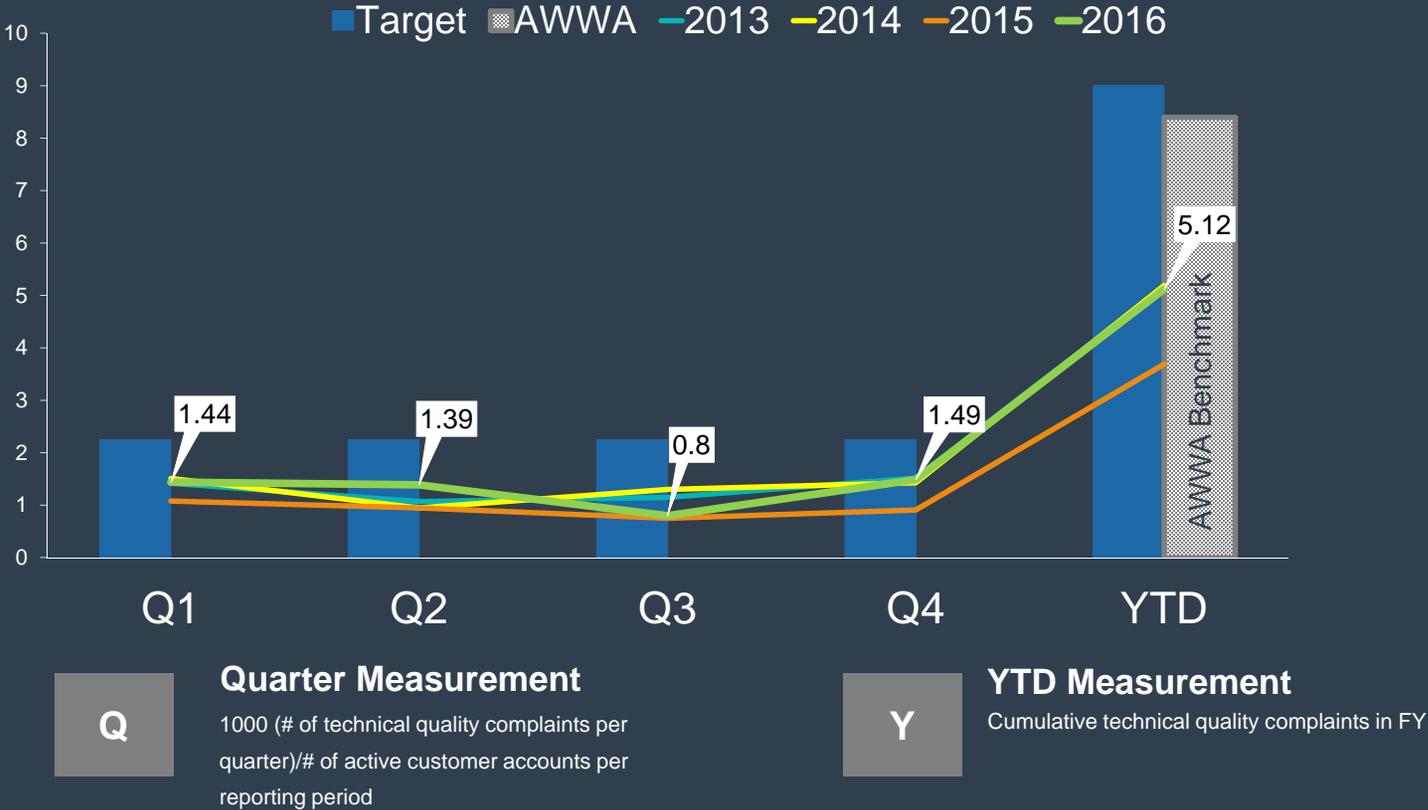
Quarter & YTD Measurement

$100 \frac{[\text{volume purchased (from CWA)} - (\text{volume sold (to customers)} + \text{volume used District usage})]}{\text{volume purchased (from CWA)}}$

Operations

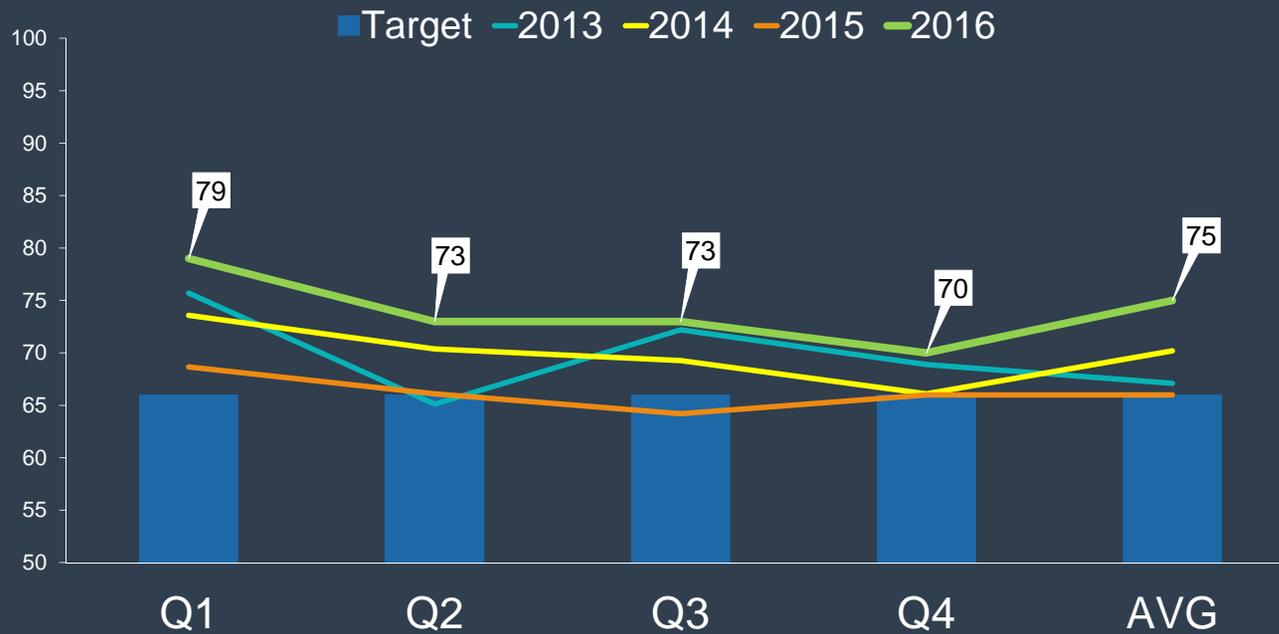
Technical Quality Complaint (AWWA)

Target: No more than 9 complaints per 1000 customer accounts in a year



Planned Potable Water Maintenance Ratio in \$

Target: No less than 66% of all labor dollars spent on preventative maintenance per quarter in a year



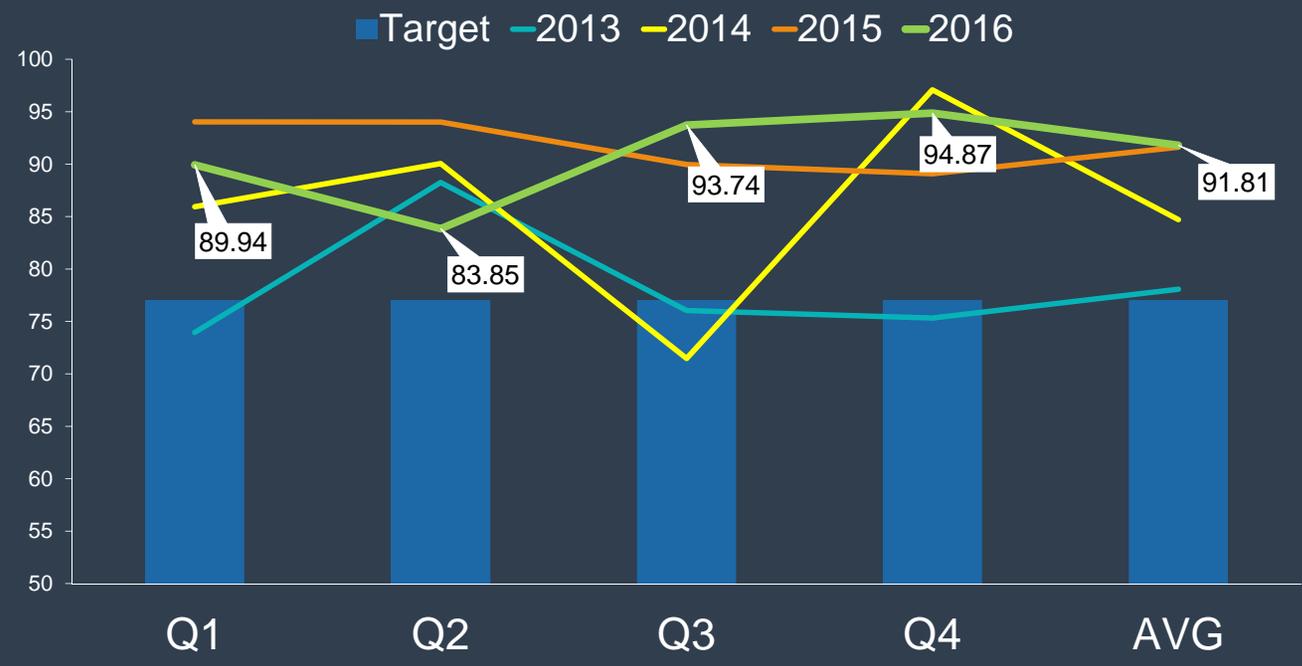
Q&Y

Quarter & YTD Measurement

Total planned maintenance cost/ Total maintenance cost

Planned Wastewater Maintenance Ratio in \$

Target: No less than 77% of all labor dollars spent on preventative maintenance per quarter in a year

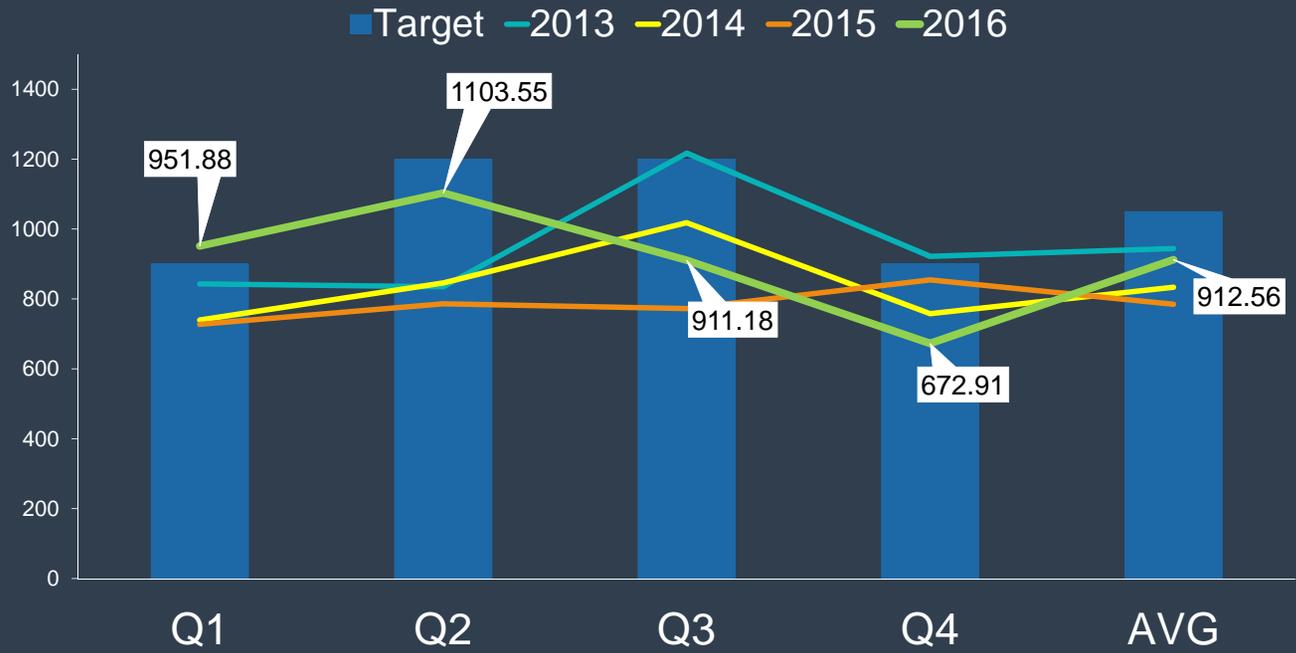


Q&Y

Quarter & YTD Measurement
Total planned maintenance cost/Total maintenance cost

Direct Cost of Treatment Per MGD

Target: No more than \$1050 per MG spent on wastewater treatment per quarter in a single year
(Targets each quarter will vary based on high and low demand times)



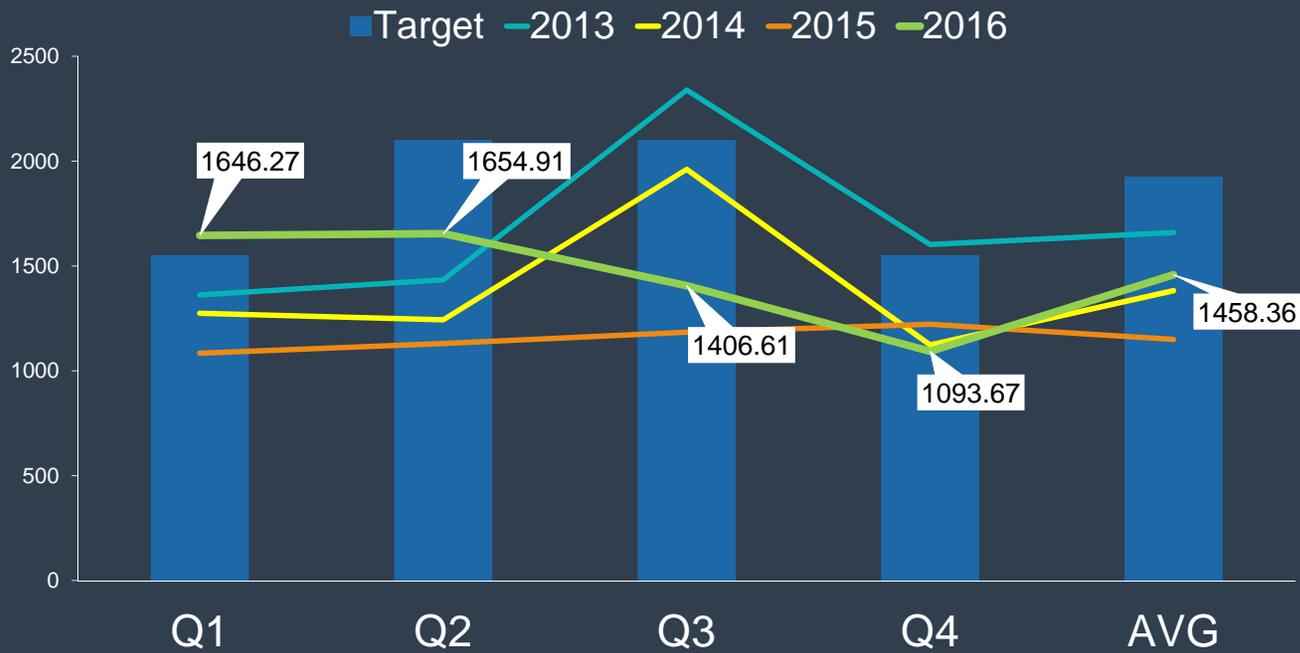
Q&Y

Quarter & YTD Measurement

Total O&M costs directly attributable to sewer treatment/ Total volume in MG

O&M Cost Per MG Processed of Wastewater

Target: No more than \$1925 per MG spent on O&M for wastewater treatment in a year
 (Targets each quarter will vary based on high and low demand times)



Q **Quarter Measurement**
 Total O&M cost/ MGP
 $FYTD\ O\&M\ Cost = (Power\ Cost) + (Staff\ Cost) + (Equipment\ Cost) / FYTP\ MGP$

Y **YTD Measurement**
 $FYTD\ O\&M\ Cost\ MGP / FYTD\ Total\ MGP$

Leak Detection Program

Target: Perform leak detection on 20% of potable distribution system



Q&Y

Quarter & YTD Measurement

% of potable distribution pipelines surveyed. The calculation is miles of pipe surveyed divided by total miles of pipe times 100.

*FY15 – FY16 results are 20%

**Measure was created in FY15

Percent of PMs Completed – Fleet Maintenance

Target: No less than 90% of scheduled PM's completed per quarter in a year



Q&Y

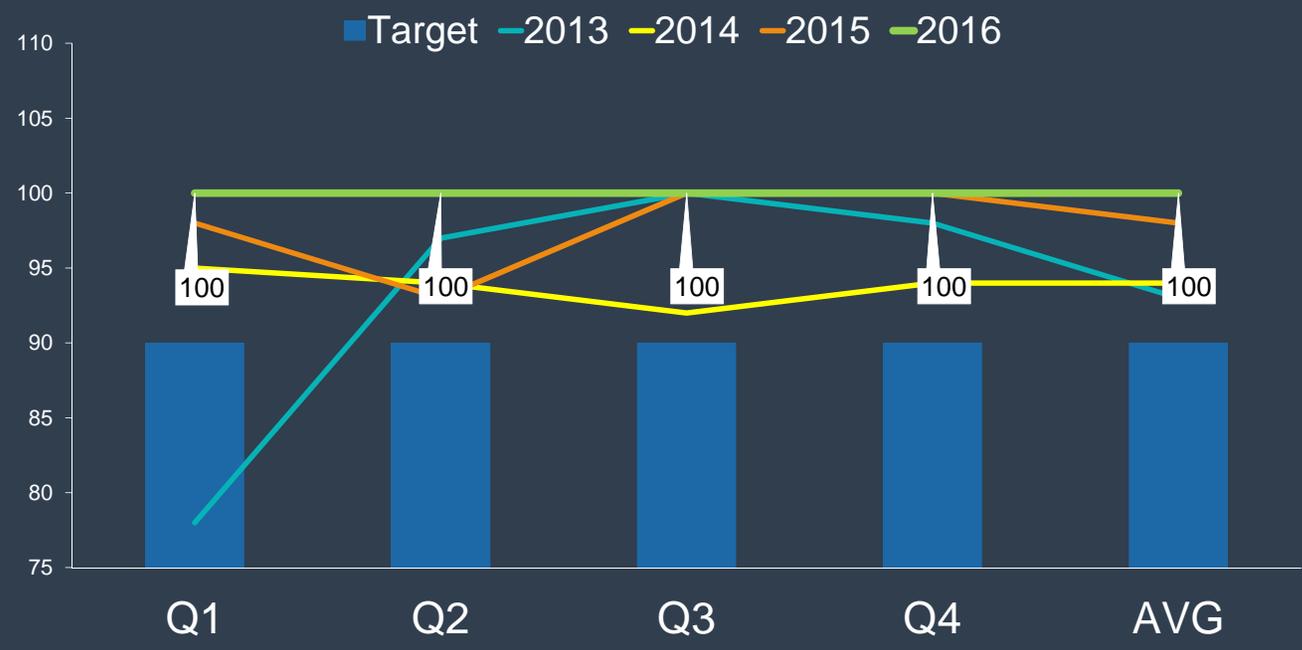
Quarter & YTD Measurement

of PM's completed/ # of PM's scheduled to be completed

*FY14 & FY16 results are 100%

Percent of PMs Completed – Reclamation Plant

Target: No less than 90% of scheduled PM's completed per quarter in a year



Q&Y

Quarter & YTD Measurement

of PM's completed/ # of PM's scheduled to be completed in a reporting period

Percent of PMs Completed – Pump/Electric Section

Target: No less than 90% of scheduled PM's completed per quarter in a year



Q&Y

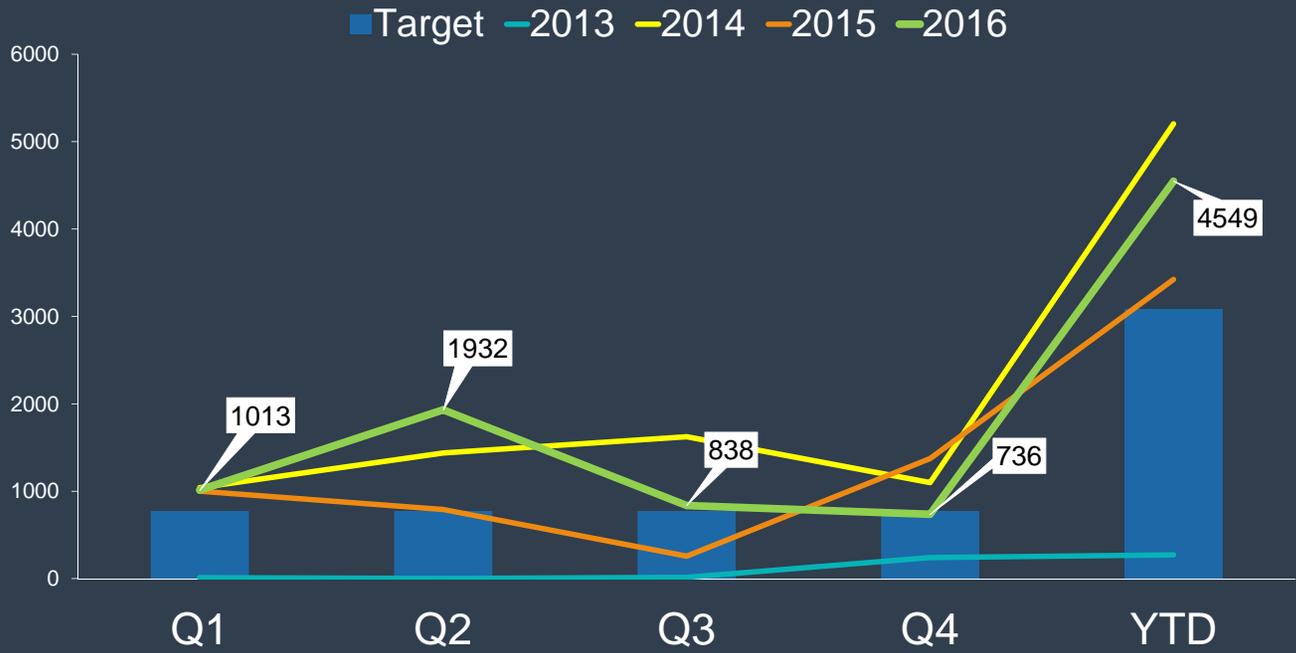
Quarter & YTD Measurement

of PM's completed/ # of PM's scheduled to be completed in a reporting period

*FY13 – FY16 results are 100%

System Valve Exercising Program

Target: Exercise 770 valves per quarter or 3080 valves by the end of fiscal year

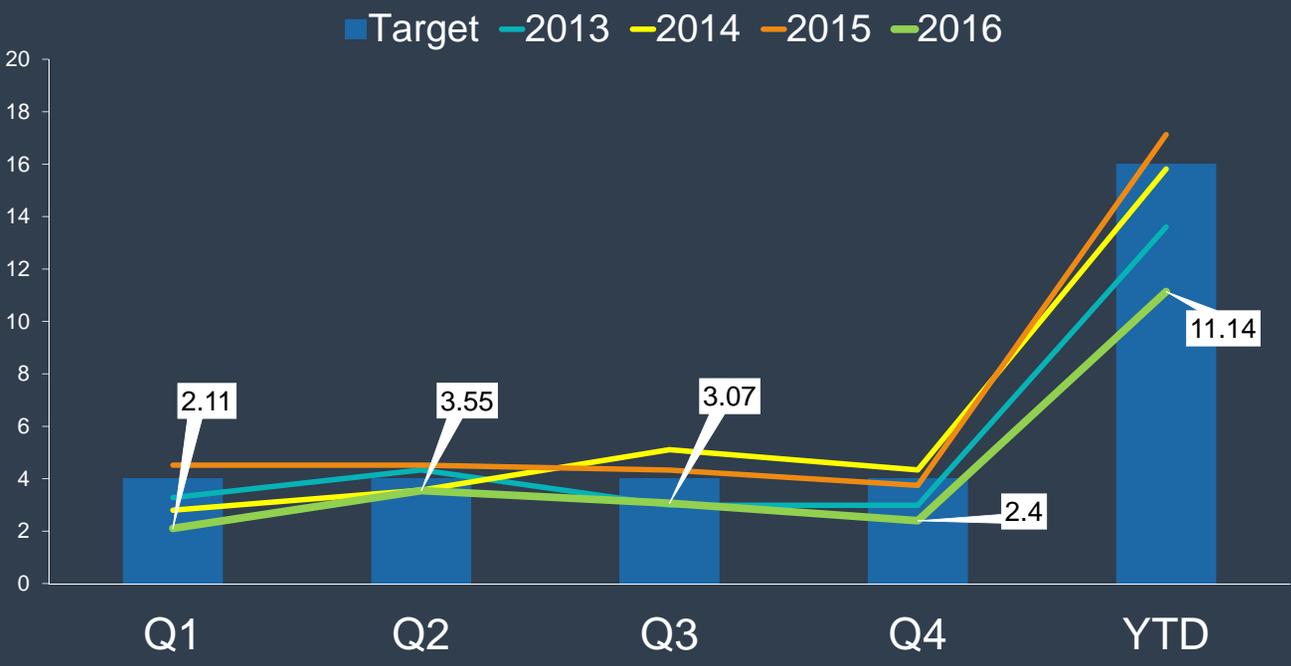


Q&Y

Quarter & YTD Measurement
Actual number of valves exercised in the reporting period

Potable Water Distribution System Integrity

Target: No more than 16 leaks and breaks per 100 miles of distribution piping in a year



Q Quarter Measurement
100 (annual total number of leaks + annual total number of breaks) / total miles of distribution piping

Y YTD Measurement
Cumulative number of leaks and breaks per quarter in a FY

Potable Water Compliance Rate (AWWA)

Target: No less than 100% of all health related drinking water standards each quarter in a year



Q&Y

Quarter Measurement
100 (# of days the primary health regulations are met) / # of days in the reporting period

*FY13 – FY16 results are 100%

Collection System Integrity (AWWA)

Target: No more than 3.6 system failures per 100 miles of collection system pipeline in a year



Q **Quarter Measurement**
 $100 \text{ (total number of collection system failures during the year) / total miles of collection system piping}$

Y **YTD Measurement**
 Cumulative number of failures per quarter in a FY

*FY 13 – FY 16 results are 0 failures

Sewer Overflow Rate (AWWA)

Target: 0 overflows per quarter in a year



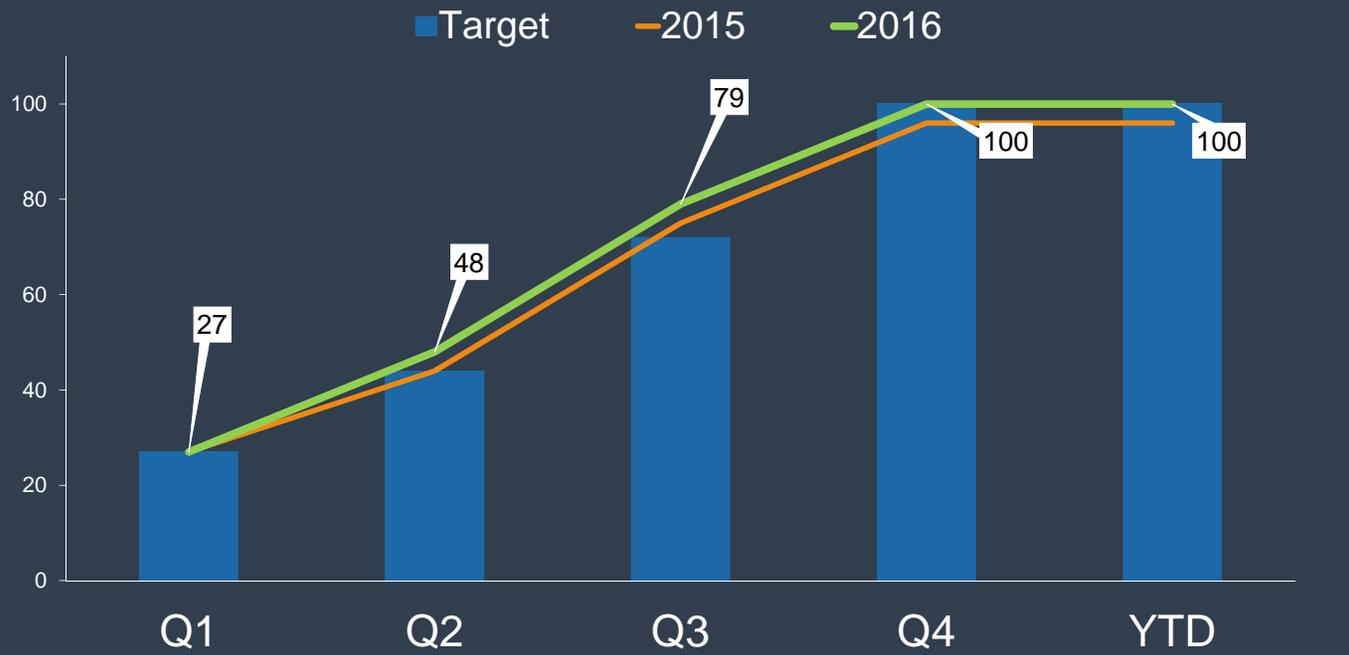
Q **Quarter Measurement**
100 (total number of sewer overflows during the reporting period) / total miles of pipe in the sewage collection system

Y **YTD Measurement**
Cumulative number of overflows per quarter in a FY

*FY 13 – FY 16 results are 0 overflows

Emergency Facility Power Testing

Target: 100% of the District's facilities tested per year
(The District currently has 29 powered ready facilities)

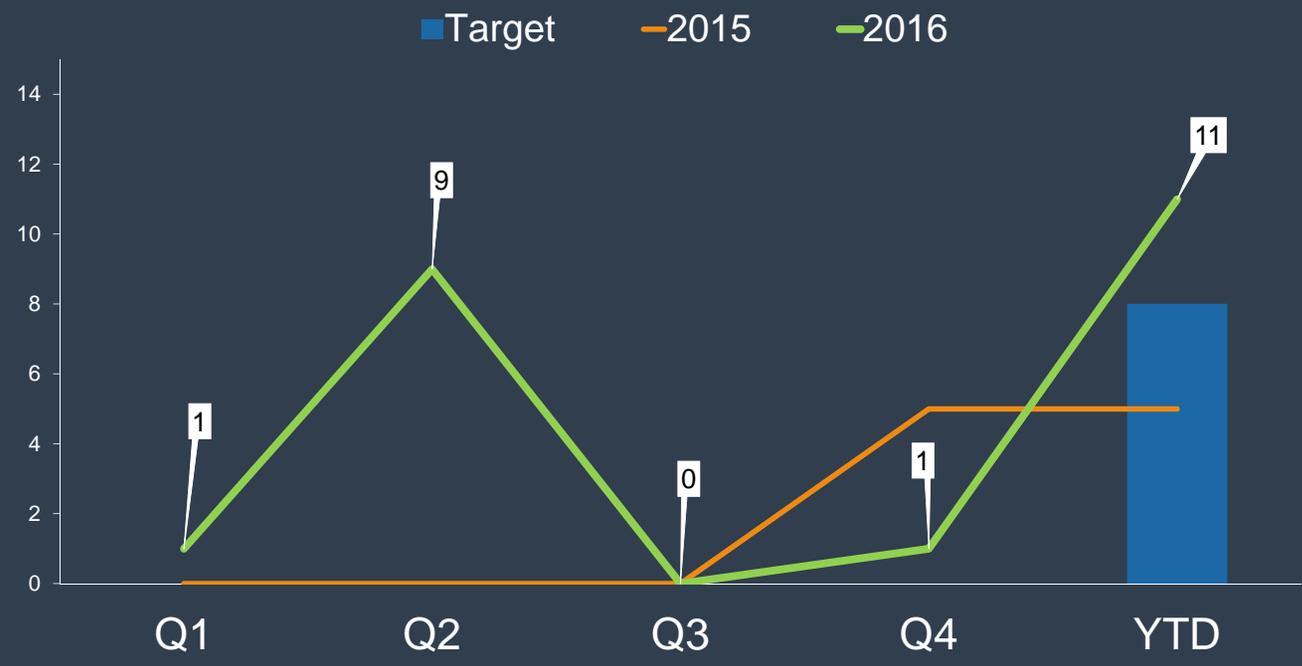


Q Quarter Measurement
Number of facilities tested / total facilities

Y YTD Measurement
YTD number of facilities tested / total facilities

Tank Inspection and Cleaning

Annual Target: Clean and inspect 8 tanks or more per year

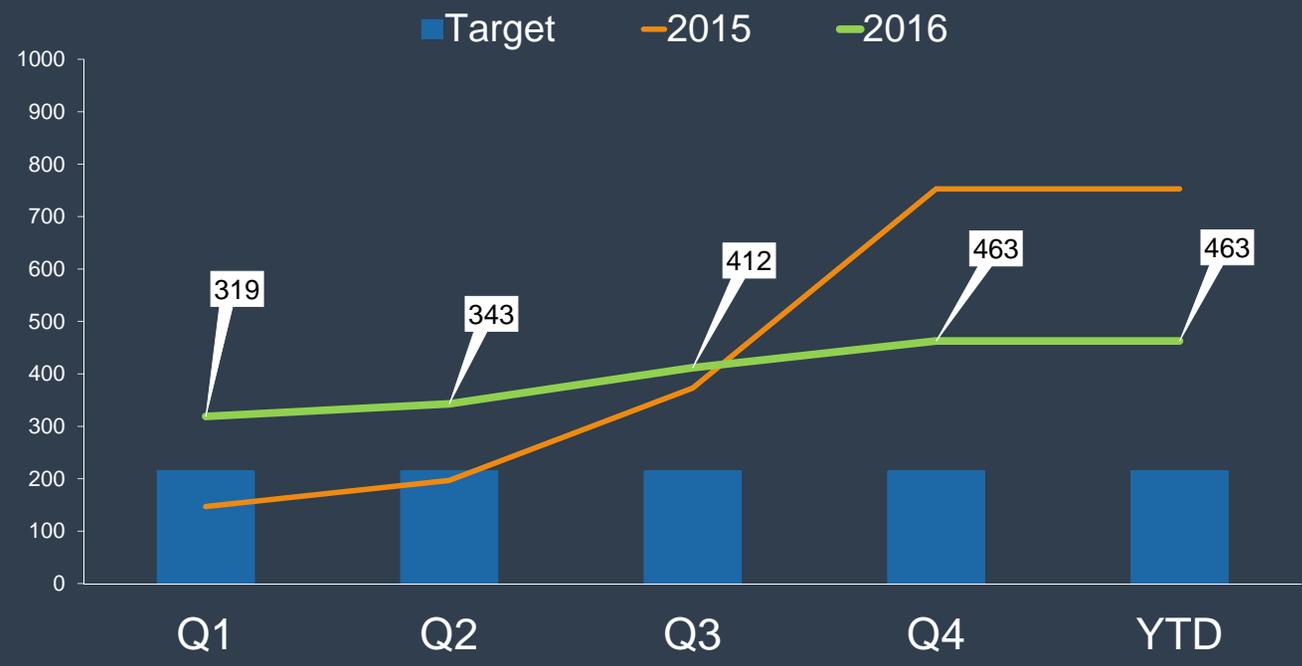


Q&Y Quarter & YTD Measurement
Number of tanks cleaned and inspected in a reporting period

*Measure was created in FY15

Main Flushing and Fire Hydrant Maintenance

Target: 215 or more mains flushed and fire hydrants maintained in a single year
(The target of 215 is comprised of 165 hydrants and 50 mains)

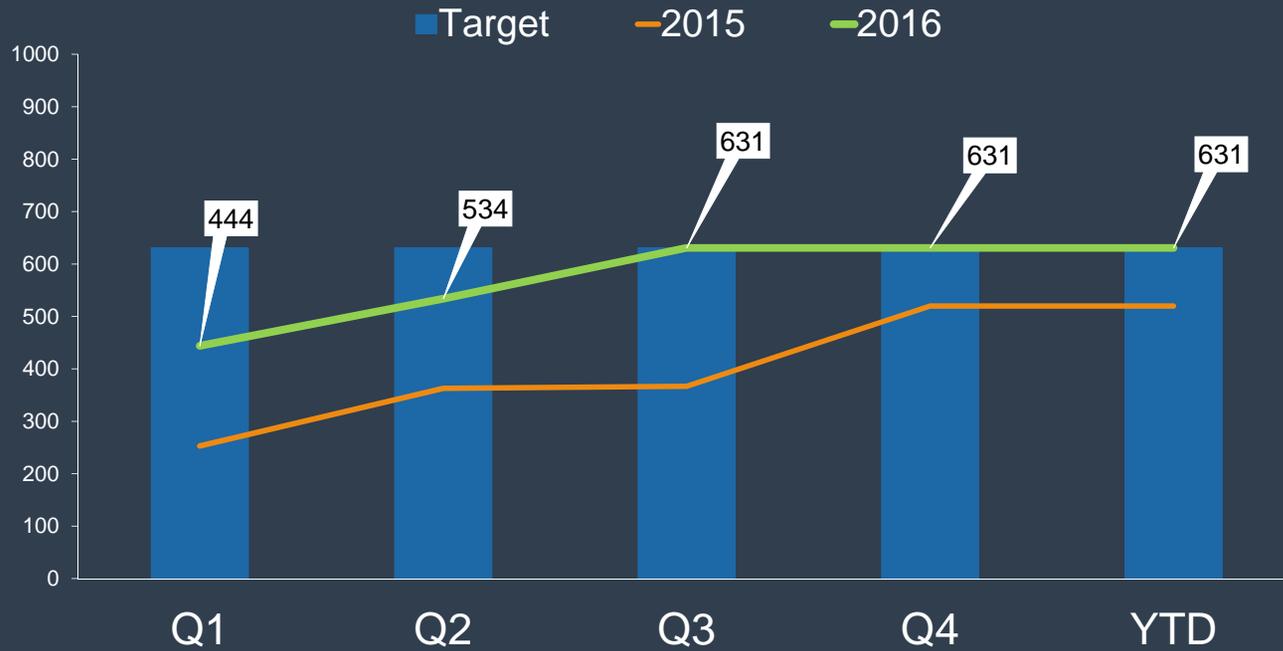


Q&Y Quarter & YTD Measurement
Number of mains flushed and hydrants maintained in a reporting period

*Measure was created in FY15

Critical Valve Exercising

Target: No less than 631 identified critical valves exercised in a year



Q&Y

Quarter & YTD Measurement
of critical valves exercised in a reporting period

*Measure was created in FY15

Next Steps

- 1 Monitor Deliverables from Project Plans
- 2 Utilize Updated Systems to Collect Performance Data
- 3 Begin to Analyze Performance-Based Data
- 4 Set New Targets Based on Data Collected



AGENDA ITEM 7

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
SUBMITTED BY:	Dan Martin Engineering Manager	PROJECT:	VARIOUS DIV. NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief of Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Informational Item - Fourth Quarter Fiscal Year 2016 Capital Improvement Program Report		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To update the Board about the status of all CIP project expenditures and to highlight significant issues, progress, and milestones on major projects.

ANALYSIS:

To keep up with growth and to meet our ratepayers' expectations to adequately deliver safe, reliable, cost-effective, and quality water, each year the District staff prepares a Six-Year CIP Plan that identifies the District's infrastructure needs. The CIP is comprised of four categories consisting of backbone capital facilities, replacement/renewal projects, capital purchases, and developer's reimbursement projects.



ATTACHMENT A

SUBJECT/PROJECT:	Informational Item - Fourth Quarter Fiscal Year 2016 Capital Improvement Program Report
VARIOUS	

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a Committee Meeting held on August 22, 2016. The Committee supported Staff's recommendation.

NOTE:

The "Committee Action" is written in anticipation of the Committee moving the item forward for Board approval. This report will be sent to the Board as a Committee approved item, or modified to reflect any discussion or changes as directed from the Committee prior to presentation to the full Board.

FISCAL YEAR 2016
4th QUARTER REPORT
(Expenditures through 06/30/2016)
(\$000)

Attachment B

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 06/30/16				LIFE-TO-DATE, 06/30/16				Comments
			FY 2016 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %	
CAPITAL FACILITY PROJECTS											
P2040	Res - 1655-1 Reservoir 0.5 MG	Cameron	\$ 25	\$ 6	\$ 19	24%	\$ 2,200	\$ 484	\$ 1,716	22%	Project was delayed one year during the FY 2017 budget process.
P2083	PS - 870-2 Pump Station Replacement	Marchioro	350	345	5	99%	15,000	1,664	13,336	11%	On target.
P2267	36-Inch Main Pumpouts and Air/Vacuum Ventilation Installations	Marchioro	50	49	1	98%	735	459	276	62%	On target.
P2325	PL-10" to 12" Oversize, 1296 Zone, PB Road-Rolling Hills Hydro PS/PB Bndy	Beppler	1	19	(18)	1900%	22	19	3	86%	Developer reimbursement request approved. Request came in earlier than anticipated. Overall project is complete and under budget.
P2451	Otay Mesa Desalination Conveyance and Disinfection System	Kennedy	350	310	40	89%	30,000	3,570	26,430	12%	Spending more than expected, but less than budgeted.
P2466	Regional Training Facility	Coburn-Boyd	8	1	7	13%	300	288	12	96%	There was minimal work/reporting on this project in FY 2016.
P2469	Information Technology Network and Hardware	Kerr	175	174	1	99%	1,684	2,061	(377)	122%	No further expenditures on this project.
P2470	Financial System Enhancements	Kerr	100	40	60	40%	1,765	1,707	58	97%	Spent \$5K for reporting services for CityWorks.
P2486	Asset Management Plan Condition Assessment and Data Acquisition	Zhao	75	20	55	27%	1,015	879	136	87%	We negotiated \$20K initial service contract for infoMaster Pilot Study towards final implementation.
P2511	Otay Interconnect Pipeline	Marchioro	420	450	(30)	107%	2,601	2,535	66	97%	On target.
P2537	Operations Yard Property Acquisition Improvements	Beppler	450	562	(112)	125%	775	728	47	94%	Construction contract accepted within this fiscal year. FY 2016 expenses exceeded FY 2016 budget, but not overall project budget.
P2540	Work Order Management System Replacement	Kerr	60	169	(109)	282%	500	466	34	93%	No further expenditures for this CIP.
P2541	624 Pressure Zone PRSs	Marchioro	525	518	7	99%	750	742	8	99%	Construction contract accepted. On target.
P2547	District Administration Vehicle Charging Stations	Beppler	1	9	(8)	900%	60	20	40	33%	Overall budget increased to \$125,000 for FY 2017 to reflect design cost estimate. Design accelerated and included with P2555. Cost to date well within project budget.
P2549	Fuel System Upgrade	Payne	30	29	1	97%	30	29	1	97%	Complete.
P2551	Blossom Lane Helix WD and Otay WD Interconnection	Beppler	150	161	(11)	107%	193	168	25	87%	Construction mostly complete at end of this fiscal year. Billing from Helix WD received, exceeded this fiscal year budget, but remains under the overall project budget.
P2552	South Barcelona Helix WD and Otay WD Interconnection	Beppler	150	157	(7)	105%	200	165	35	83%	Construction mostly complete at end of this fiscal year. Billing from Helix WD received, exceeded this fiscal year budget, but remains under the overall project budget.
P2554	640/340 PRS at Energy Way and Nirvana Avenue	Marchioro	1	1	-	100%	400	1	399	0%	On target.
P2555	Administration and Operations Parking Lot Improvements	Cameron	10	48	(38)	480%	500	48	452	10%	Project has been accelerated. Design began in Q3.
P2561	Res - 711-3 Reservoir Cover/Liner Replacement	Marchioro	5	1	4	20%	1,800	1	1,799	0%	No progress anticipated in FY 2016.
P2562	Res - 571-1 Reservoir Cover/Liner Replacement	Marchioro	1	-	1	0%	2,600	-	2,600	0%	On target.
P2563	Res - 870-1 Reservoir Cover/Liner Replacement	Marchioro	1	-	1	0%	1,000	-	1,000	0%	On target.
P2568	Technology Business Processes Improvement	Kerr	40	25	15	63%	115	25	90	22%	No expenditure for 4th quarter 2016.
P2569	Metro Ethernet Implementation/ District Facilities - Pilot	Kerr	100	106	(6)	106%	100	106	(6)	106%	On target. Project budget increased to \$145K for FY 2017.
P2570	SCADA Equipment & Infrastructure Enhancement	Kerr	-	-	-	0%	300	-	300	0%	No expenditures anticipated in FY 2016.
P2571	Datacenter Network Enhancement & Replacement of Infrastructure Componets	Kerr	-	-	-	0%	200	-	200	0%	No expenditures anticipated in FY 2016.
P2572	Enterprise Resource Planning (ERP) Replacement	Kerr	-	-	-	0%	250	-	250	0%	No expenditures anticipated in FY 2016.
R2077	RecPL - 24-Inch, 860 Zone, Alta Road - Alta Gate/Airway	Beppler	5	2	3	40%	2,850	2,811	39	99%	Project on hold during temporary moratorium.
R2107	RWCWRF Screening Compactor and Chlorine Injectors Enclosure	Vaclavek	7	3	4	43%	215	180	35	84%	Project is complete.
R2108	Res - 927-1 Reservoir Cover Replacement	Marchioro	10	4	6	40%	1,090	1,086	4	100%	Final warranty inspection completed FY 2016. Project will be closed out.
R2110	RecPS - 944-1 Optimization and Pressure Zone Modifications	Marchioro	25	46	(21)	184%	200	130	70	65%	Construction contract completed FY 2016. Overall project within budget.
R2114	Large Recycle Pump Replacement at the RWCWRF 927-1 Pump Station	Anderson	40	-	40	0%	120	89	31	74%	Project is complete.
R2117	RWCWRF Disinfection System Improvements	Beppler	110	7	103	6%	2,500	111	2,389	4%	Waiting on results of IPR/DPR study, WRF Master Plan, and force main condition assessment before determining the next step. No additional costs this fiscal year.

FISCAL YEAR 2016
4th QUARTER REPORT
(Expenditures through 06/30/2016)
(\$000)

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 06/30/16				LIFE-TO-DATE, 06/30/16				Comments	
			FY 2016 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %		
R2118	Steele Canyon Sewer PS Chopper Pump	Beppler	40	5	35	13%	40	5	35	13%	Change to scope of work required structural design. This necessitated waiting for the new as-needed engineering design contract to be awarded as not enough budget remained in previous one.	
R2119	Treatment Plant Automation & Security Upgrades	Beppler	50	33	17	66%	200	33	167	17%	Master Plan scope not anticipated during budgeting of the project, accelerated the spending on this. Project remains within overall budget.	
R2121	Res - 944-1 Reservoir Cover/Liner Replacement	Marchioro	25	19	6	76%	1,400	19	1,381	1%	Final design of replacement cover/liner postponed until FY 2017 since inspection diver suggested replacement might be postponed a few years.	
R2122	Emergency Recycled Water Fire Hydrant Installations	Cameron	75	32	43	43%	75	32	43	43%	Project is on schedule. Construction to be completed in Q4. Approval for use will be received in FY 2017.	
S2043	RWCWRF Sludge Handling System	Beppler	1	-	1	0%	47	40	7	85%	No spending on this project during the past fiscal year. Budget allowance was for any unexpected activity.	
Total Capital Facility Projects			Total:	3,466	3,351	115	97%	73,832	20,701	53,131	28%	
REPLACEMENT/RENEWAL PROJECTS												
P2382	Safety and Security Improvements	Ramirez	300	315	(15)	105%	2,667	2,573	94	96%	Facility security and access enhancements on schedule; unanticipated trenching expenses pushed over FY 2016 budget.	
P2453	SR-11 Utility Relocations	Marchioro	5	180	(175)	3600%	2,250	1,598	652	71%	Construction contract not completed in FY 2015 as anticipated; however, two construction contracts completed FY 2016. Overall project within budget.	
P2485	SCADA Communication System and Software Replacement	Segura	75	257	(182)	343%	2,014	1,667	347	83%	Project on schedule for FY 2016. Accelerating project increased spending for FY 2016.	
P2493	624-2 Reservoir Interior/Exterior Coating	Cameron	55	6	49	11%	1,675	1,543	132	92%	Warranty inspection was rescheduled for FY 2017 to group it with another inspection. This helped reduce cost. Expenditures will be done FY 2017 Q1.	
P2494	Multiple Species Conservation Plan	Coburn-Boyd	87	7	80	8%	950	853	97	90%	Will not use any additional budget this FY, project was delayed waiting for information from WFMP.	
P2495	San Miguel Habitat Management/Mitigation Area	Coburn-Boyd	120	102	18	85%	2,100	1,241	859	59%	On track; will not use 15% of budget.	
P2496	Otay Lakes Road Utility Relocations	Martin	20	1	19	5%	325	283	42	87%	Contract accepted in June 2016. Phase II work complete.	
P2504	Regulatory Site Access Road and Pipeline Relocation	Cameron	50	-	50	0%	900	330	570	37%	Project is driven by County Fire. Awaiting Punch List items to be completed.	
P2507	East Palomar Street Utility Relocation	Cameron	25	23	2	92%	940	717	223	76%	Request for reimbursement to be requested in FY 2017.	
P2508	Pipeline Cathodic Protection Replacement Program	Marchioro	150	65	85	43%	725	249	476	34%	Pace slowed. Limited activity for the remainder of FY 2016.	
P2515	870-1 Reservoir Paving	Beppler	15	4	11	27%	510	510	-	100%	Project warranty inspection performed in February 2016. Project is complete.	
P2518	803-3 Reservoir Interior/Exterior Coating	Cameron	20	7	13	35%	700	645	55	92%	Project is in the warranty period, dive inspection performed in Q3. Warranty repairs to be executed in FY 2017.	
P2519	832-2 Reservoir Interior/Exterior Coating	Cameron	20	8	12	40%	750	670	80	89%	Project is in the warranty period, dive inspection performed in Q3. Warranty repairs to be executed in FY 2017.	
P2520	Motorola Mobile Radio Upgrade	Martinez	30	2	28	7%	135	79	56	59%	Project on target. Anticipate the balance to be spent as per the FY 2017 budget plan.	
P2529	711-2 Reservoir Interior & Exterior Coating	Cameron	600	344	256	57%	790	360	430	46%	Project construction began in Q2. Project was delayed due to unforeseen necessary structural upgrades. Project scheduled to complete in FY 2017 Q1.	
P2530	711-1 Reservoir Interior & Exterior Coating	Cameron	800	889	(89)	111%	1,040	905	135	87%	Reservoir placed into service in May 2016. Project on schedule.	

FISCAL YEAR 2016
4th QUARTER REPORT
 (Expenditures through 06/30/2016)
 (\$000)

Attachment B

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 06/30/16				LIFE-TO-DATE, 06/30/16				Comments
			FY 2016 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %	
P2531	944-1 Reservoir Interior & Exterior Coating	Cameron	205	300	(95)	146%	390	311	79	80%	Contract accepted in April 2016. Close out of project pending release of Stop Payment Notices filed against project.
P2532	944-2 Reservoir Interior & Exterior Coating	Cameron	101	50	51	50%	946	937	9	99%	Contract accepted in April 2016. Close out of project pending release of Stop Payment Notices filed against project.
P2533	1200-1 Reservoir Interior & Exterior Coating	Cameron	5	-	5	0%	565	-	565	0%	Project rescheduled for FY 2018.
P2534	978-1 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	325	-	325	0%	No expenditures for FY 2016.
P2535	458-2 Reservoir Interior & Exterior Coating & Upgrades	Cameron	294	400	(106)	136%	839	774	65	92%	Contract accepted in April 2016. Close out of project pending release of Stop Payment Notices filed against project.
P2538	Administration and Operations Building Fire Sprinkler Replacement Program	Cameron	5	25	(20)	500%	110	89	21	81%	Project is complete and in the 1 year warranty period.
P2539	South Bay Bus Rapid Transit (BRT) Utility Relocations	Cameron	100	49	51	49%	940	879	61	94%	SANDAG driven project. SANDAG has notified the District that they are behind schedule and expenditures are not expected until FY 2017.
P2542	850-3 Reservoir Interior Coating	Cameron	230	382	(152)	166%	530	527	3	99%	Construction Contract accepted in Q2. Project is in the 2 yr. warranty period.
P2543	850-1 Reservoir Interior/Exterior Coating	Cameron	-	-	-	0%	575	-	575	0%	No expenditures for FY 2016.
P2544	850-2 Reservoir Interior/Exterior Reservoir Coating	Cameron	5	-	5	0%	940	-	940	0%	Inspection work was rescheduled for FY 2017 to group it with other work and reduce cost.
P2545	980-1 Reservoir Interior Exterior Coating	Cameron	950	997	(47)	105%	1,495	997	498	67%	Project is on schedule. Construction began in the 3rd Qtr FY 2016. Project completion anticipated in FY 2017 Q1.
P2546	980-2 Reservoir Interior/Exterior Coating	Cameron	-	-	-	0%	1,450	-	1,450	0%	No expenditures for FY 2016.
P2550	Fuel Island Upgrade	Payne	75	-	75	0%	75	-	75	0%	Contract issued; permit application and construction pending. Estimated completion beginning of FY 2017 Q2.
P2553	Heritage Road Bridge Replacement and Utility Relocation	Cameron	10	5	5	50%	1,200	5	1,195	0%	City of Chula Vista driven project.
P2557	520 Res Recirculation Pipeline Chemical Supply and Analyzer Feed Replacement Project	Beppler	1	9	(8)	900%	100	9	91	9%	Spending exceeded fiscal year budget in response to operations request. Upon determining an action plan, design was delayed until FY 2017.
P2558	Additional Pump Station Fuel Storage	Rahders	25	5	20	20%	25	5	20	20%	\$15K savings. Unable to retrofit one site due to power requirements. No further activity in this area for Fiscal Year 2016.
P2559	Pressure Vessel Repair and Replacement Program	Marchioro	50	47	3	94%	300	47	253	16%	On target.
P2564	Administration Carpet Replacement Program	Payne	65	-	65	0%	215	-	215	0%	Project pushed to FY 2018 due to budget constraints.
P2565	803-2 Reservoir Interior/Exterior Coating & Upgrades	Cameron	-	-	-	0%	725	-	725	0%	No expenditures for FY 2016.
P2566	520-2 Reservoir Interior/Exterior Coating & Upgrades	Cameron	-	-	-	0%	1,790	-	1,790	0%	No expenditures for FY 2016.
P2567	1004-2 Reservoir Interior/Exterior Coating & Upgrades	Cameron	-	-	-	0%	565	-	565	0%	No expenditures for FY 2016.
R2109	Sweetwater River Wooden Trestle Improvement for the Recycled Water Forcemain	Beppler	400	233	167	58%	516	353	163	68%	Project construction is complete. Warranty work is budgeted for next fiscal year. Project is under budget.
R2111	RWCWRF - RAS Pump Replacement	Beppler	250	406	(156)	162%	600	555	45	93%	Project construction is complete. Warranty work is budgeted for next fiscal year. Project is under budget.
R2112	450-1 Disinfection Facility Rehabilitation	Cameron	40	62	(22)	155%	265	213	52	80%	Project is in the warranty period.
R2116	RecPL - 14-Inch, 927 Zone, Forcemain Assessment and Repair	Marchioro	225	290	(65)	129%	1,750	656	1,094	37%	Pace accelerated; however, overall project within budget.
R2120	RWCWRF Filtered Water Storage Tank Improvements	Beppler	10	-	10	0%	500	-	500	0%	Scope of work requires structural design, necessitating waiting for the new as-needed engineering design contract to be awarded as not enough budget remained in previous one.
S2012	San Diego County Sanitation District Outfall and RSD Outfall Replacement	Beppler	50	-	50	0%	1,935	1,020	915	53%	County design project, costs are as invoiced by them. Project is within overall budget.
S2024	Campo Road Sewer Main Replacement	Beppler	500	512	(12)	102%	5,500	1,115	4,385	20%	Design is complete. Easement acquisition will be in next fiscal year. Project is within overall budget.
S2027	Rancho San Diego Pump Station Rehabilitation	Beppler	320	226	94	71%	3,500	300	3,200	9%	County design project costs are as invoiced by them. Project is within overall budget.

**FISCAL YEAR 2016
4th QUARTER REPORT**
(Expenditures through 06/30/2016)
(\$000)

Attachment B

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 06/30/16				LIFE-TO-DATE, 06/30/16				Comments
			FY 2016 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %	
S2033	Sewer System Rehabilitation	Beppler	900	430	470	48%	6,000	2,000	4,000	33%	Construction of the RSD Sewer Phase 1 is behind schedule due to contractor's delay in starting. Pushing much of the unspent budget into FY 2017. Construction completion anticipated in FY 2017 Q2.
Total Replacement/Renewal Projects		Total:	7,188	6,638	550	92%	53,137	25,015	28,122	47%	
CAPITAL PURCHASE PROJECTS											
P2282	Vehicle Capital Purchases	Rahders	556	529	27	95%	5,191	3,635	1,556	70%	No further activity in this area for FY 2016.
P2285	Office Equipment and Furniture Capital Purchases	Payne	15	15	-	100%	589	551	38	94%	FY 2016 complete.
P2286	Field Equipment Capital Purchases	Rahders	50	56	(6)	112%	1,808	1,359	449	75%	Overage due to \$26.2K non-budgeted purchase of a replacement forklift to the Warehouse. No further activity in this area for FY 2016.
P2366	APCD Engine Replacements and Retrofits	Rahders	535	16	519	3%	3,835	2,551	1,284	67%	No further activity in this area for FY 2016.
Total Capital Purchase Projects		Total:	1,156	616	540	53%	11,423	8,096	3,327	71%	
DEVELOPER REIMBURSEMENT PROJECTS											
P2556	HWY 94 Upsized Utility Relocations at Melody Lane	Beppler	1	-	1	0%	250	-	250	0%	No activity this fiscal year.
Total Developer Reimbursement Projects		Total:	1	-	1	0%	250	-	250	0%	
89			\$ 11,811	\$ 10,605	\$ 1,206	90%	\$ 138,642	\$ 53,812	\$ 84,830	39%	

Otay Water District Capital Improvement Program

Fiscal Year 2016
Fourth Quarter
(through June 30, 2016)



Operations Yard Property Acquisition Improvements - Parking Lot

Background

The approved CIP Budget for Fiscal Year 2016 consists of 80 projects that total \$11.8 million. These projects are broken down into four categories.

1. Capital Facilities \$ 3.5 million
2. Replacement/Renewal \$ 7.2 million
3. Capital Purchases \$ 1.1 million
4. Developer Reimbursement \$ 1.0 thousand

Overall expenditures through the Fourth Quarter of Fiscal Year 2016 totaled \$10.6 million, which is approximately 90% of the Fiscal Year budget.

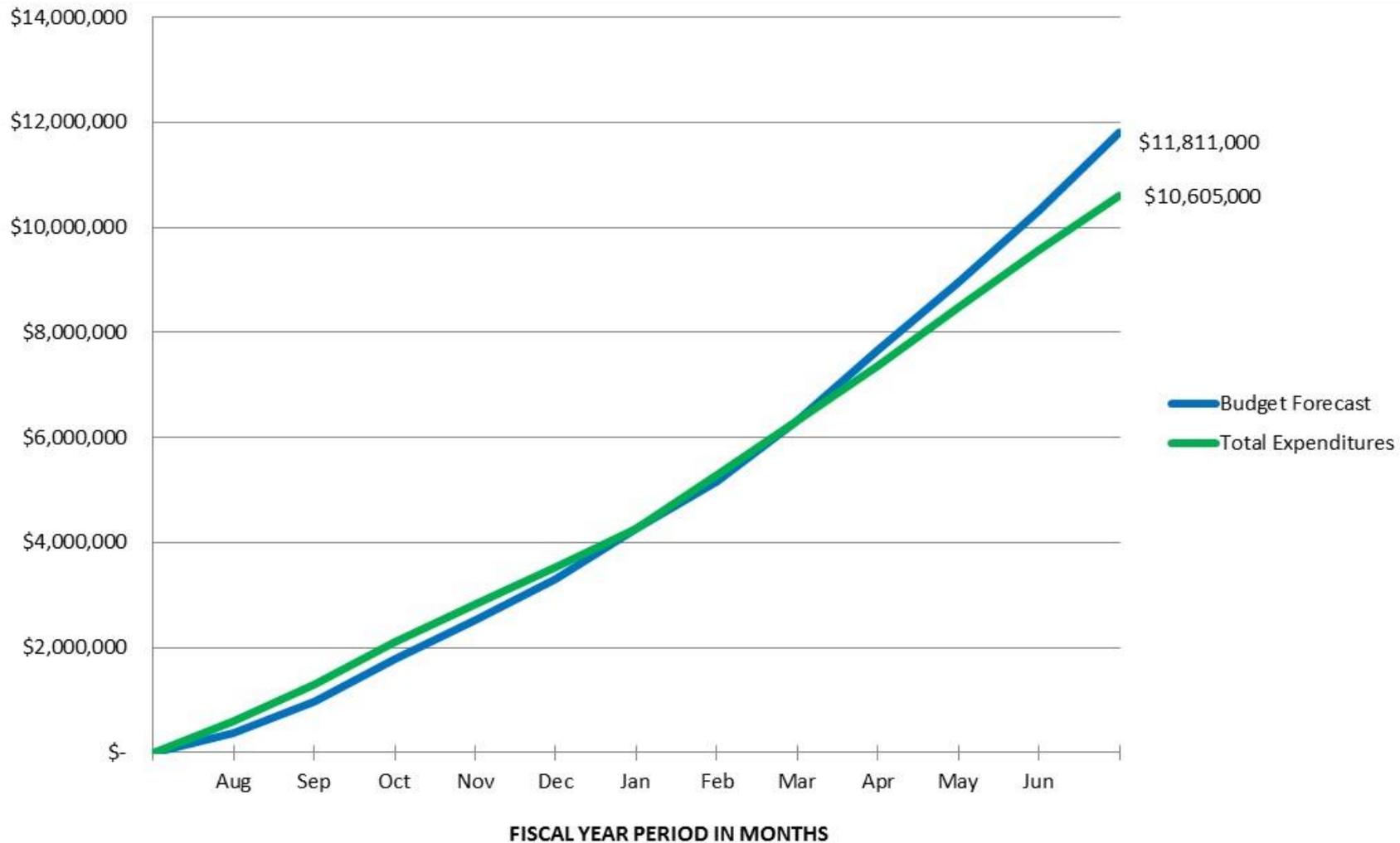
Fiscal Year 2016

Fourth Quarter Update

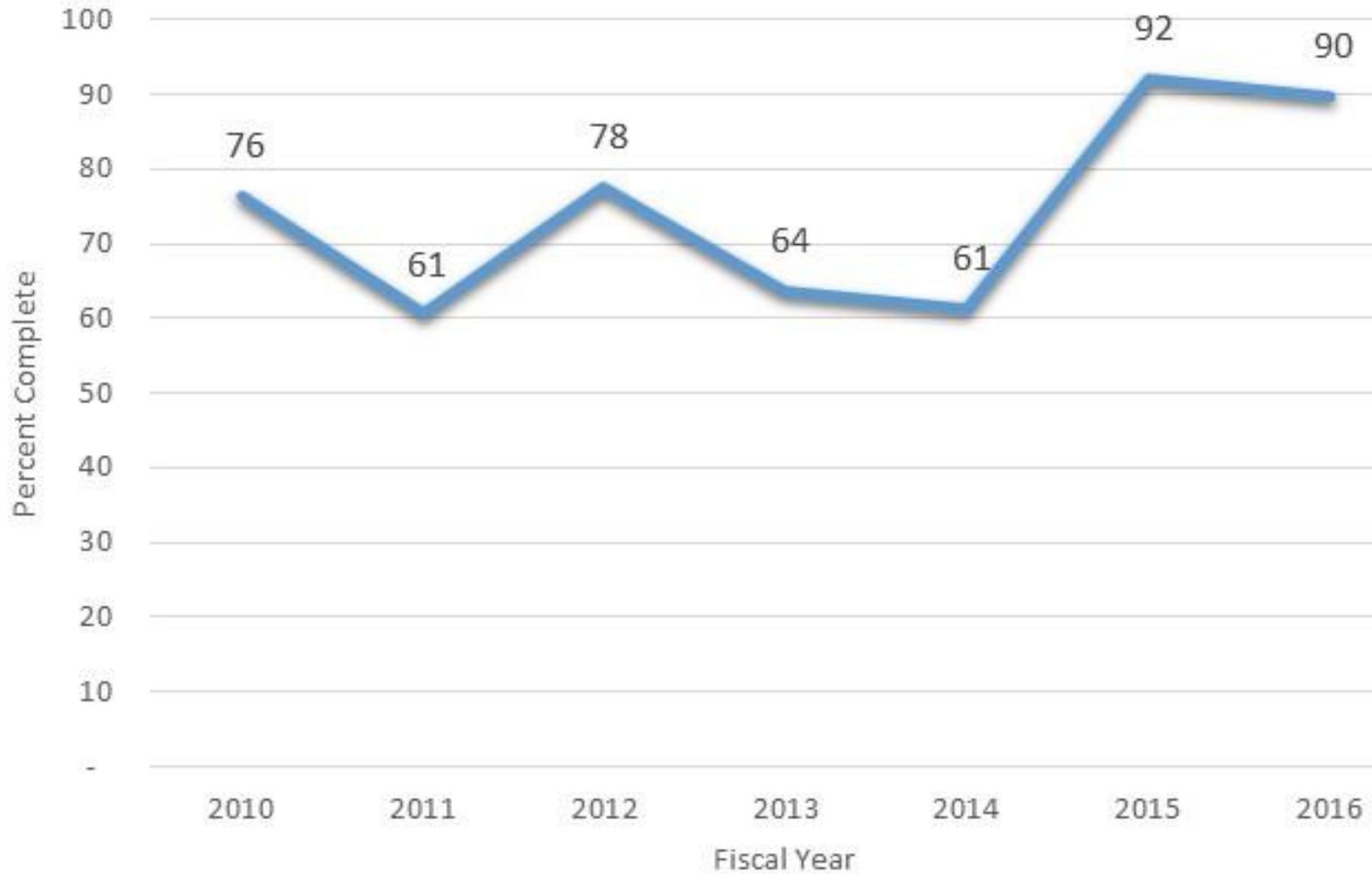
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CIP CAT	Description	FY 2016 Budget	FY 2016 Expenditures	% FY 2016 Budget Spent	Total Life-to- Date Budget	Total Life-to-Date Expenditures	% Life-to- Date Budget Spent
1	Capital Facilities	\$3,466	\$3,351	97%	\$73,832	\$20,701	28%
2	Replacement/ Renewal	\$7,188	\$6,638	92%	\$53,137	\$25,015	47%
3	Capital Purchases	\$1,156	\$616	53%	\$11,423	\$8,096	71%
4	Developer Reimbursement	\$1	\$0	0%	\$250	\$0	0%
	Total:	\$11,811	\$10,605	90%	\$138,642	\$53,812	39%

Fiscal Year 2016 Fourth Quarter CIP Budget Forecast vs. Expenditures

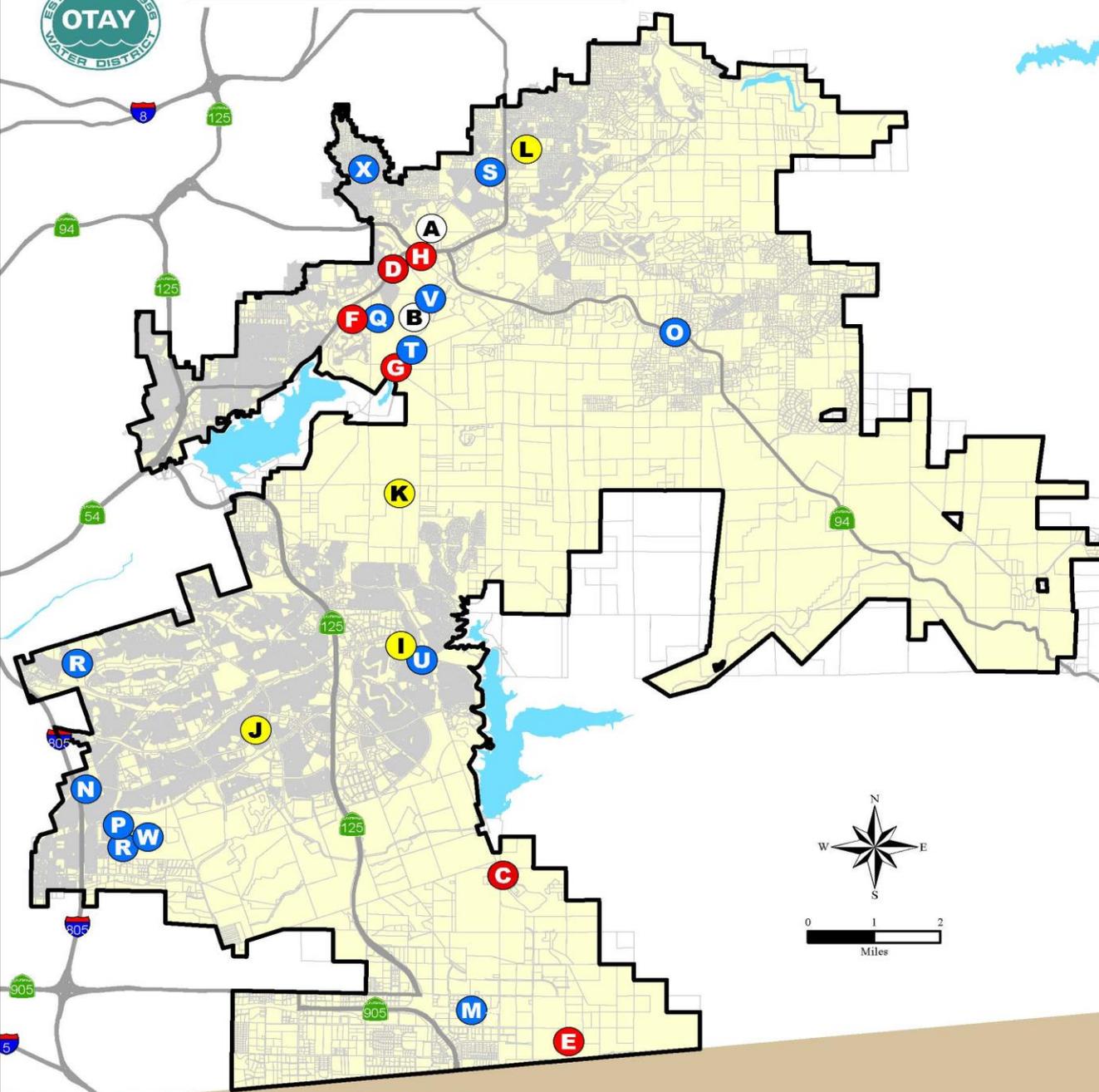


Annual CIP Expenditures vs. Budget





MAJOR CIP PROJECTS Fiscal Year 2016 - 4th Quarter



PLANNING - 2

- A** P2504 - Regulatory Site Access Road & Pipeline Relocation
- B** R2117 - RWCWRF Contact Basin Expansion

DESIGN - 6

- C** P2083 - 870-2 Pump Station Replacement
- D** P2267 - 36-Inch Main Pumpouts and Air/Vac Installations
- E** P2451 - Otay Mesa Conveyance and Disinfection System
- F** P2547 - District Administration Vehicle Charging Stations
- G** R2116 - 14-Inch Forcemain Assessment and Repair
- H** S2024 - Campo Road Sewer Main Replacement

CONSTRUCTION - 4

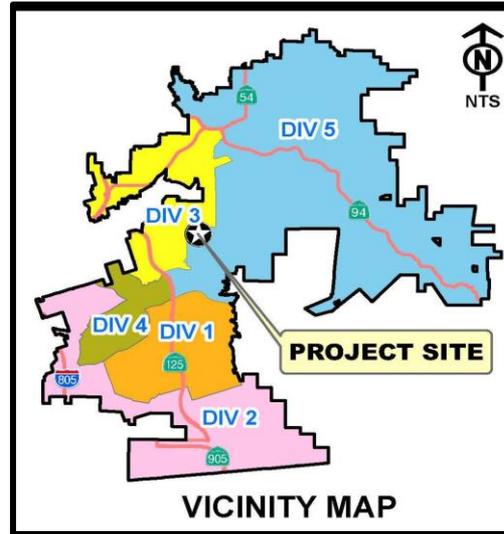
- I** P2530/P2529 - 711-1 & 711-2 Reservoir Interior/Exterior Coating
- J** P2539 - South Bay Bus Rapid Transit (BRT) Utility Relocations
- K** P2545 - 980-1 Reservoir Interior/Exterior Coating
- L** S2033 - Rancho San Diego Basin Sewer Rehab - Phase 1

COMPLETED - 12

- M** P2453 - SR-11 Utility Relocations
- N** P2507 - East Palomar Street Utility Relocation
- O** P2531/P2532 - 944-1 & 944-2 Reservoir Interior/Exterior Coating
- P** P2535 - 458-2 Reservoir Interior/Exterior Coating
- Q** P2537 - Operations Yard Property Acquisition Improvements
- R** P2541 - 624 PZ Pressure Reducing Stations
- S** P2542 - 850-3 Reservoir Interior Coating
- T** R2109 - Sweetwater River Trestle Improvements
- U** R2110 - 944-1 Optimization and Pressure Zone Modifications
- V** R2111 - RAS Pump Replacement
- W** R2112 - 450-1 Disinfection Facility Rehabilitation
- X** S2033 - Calavo Basin Sewer Rehab - Phase 1

CIP Projects in Construction

- 980-I Reservoir Interior/Exterior Coating & Upgrades (P2545)
- Remove and Replace Deteriorating Reservoir Coatings.
- Structural Modifications to Increase Service Life.
- \$1.50M Budget
- Start: February 2016
- Estimated Completion: August 2016



Division No. 5

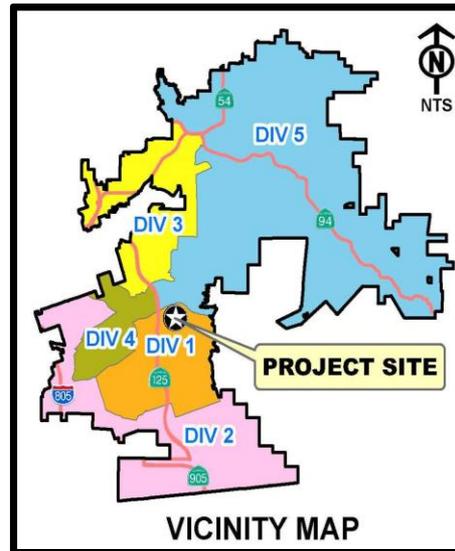
Location:
North End of
Salt Creek Golf
Course, Hunte
Parkway, Chula
Vista



980-I Reservoir (5.0 MG) – Exterior
Containment and Sandblasting

CIP Projects in Construction

- 711-1 & 711-2 Reservoirs Interior/Exterior Coating & Upgrades (P2530, P2529)
- Remove and Replace Deteriorating Reservoir Coatings.
- Structural Modifications to Increase Service Life.
- \$1.88M Budget
- Start: November 2015
- Estimated Completion: September 2016



Division No. 1

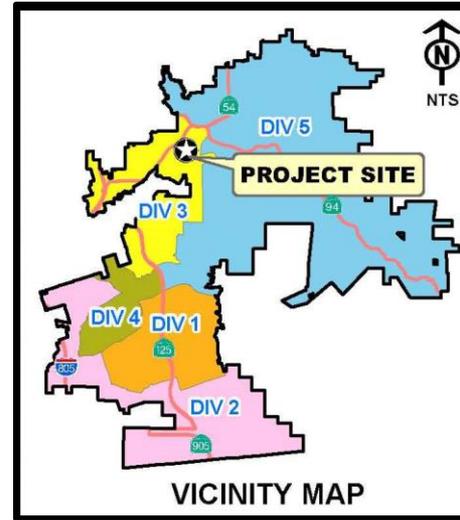
Location:
Park Meadows
Road, Chula
Vista. Adjacent
to East Lake
County Club
Golf Course



711-2 Reservoir (2.3 MG) – Exterior Scaffold Installation

CIP Projects in Construction

- Operations Yard Property Acquisition Improvements (P2537)
- Provide parking to separate employee vehicles from District equipment.
- Will serve as Emergency staging area.
- \$0.78M Budget
- Start: January 2016
- Completed: June 2016



Division No. 3

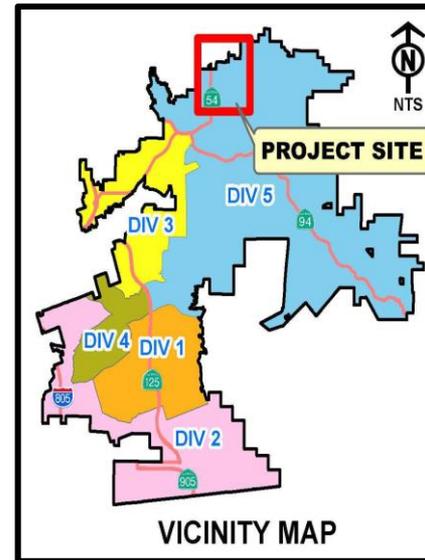
Location:
Sweetwater
Springs
Boulevard, Spring
Valley. Adjacent
to District
Operations Yard



Operations Yard Property Acquisition Improvements – Asphalt Concrete Paving

CIP Projects in Construction

- Rancho San Diego Basin Sewer Rehabilitation – Phase I (S2033-003103)
- Sewer system repairs at 14 locations
- 3,250 LF of 8-inch sewer
- 4 new sewer manholes
- \$3.00M Budget
- Start: March 2016
- Estimated Completion: November 2016



Division No. 5

Locations:
14 locations including Hillsdale Road, Donahue Drive, Juliana Street Vista Grande Road, and Sundale Road.



Trench Restoration in Singing Hills Mobile Estates Easement

Construction Contract Status

FY 2016 CIP CONSTRUCTION PROJECTS

CIP NO.	PROJECT TITLE	CONTRACTOR	BASE BID AMOUNT	CONTRACT AMOUNT W/ ALLOWANCES	NET CHANGE ORDERS LTD*		CURRENT CONTRACT AMOUNT	TOTAL EARNED TO DATE	% CHANGE ORDERS W/ ALLOWANCE CREDIT**	% COMPLETE	EST. COMP. DATE
					PROJECT TOTAL	%					
P2453-002103	SR-11 Potable Water Utility Relocations - Sequence 1	Coffman Specialties, Inc.	\$947,380	\$992,380	\$29,480	3.1%	\$976,860	\$976,860	-1.6%	100.0%	Completed June 2016
P2531 P2532 P2535	944-1, 944-2, & 458-2 Reservoirs Interior/Exterior Coating & Upgrades	Olympus and Associates Inc.	\$1,146,008	\$1,206,008	\$88,738	7.7%	\$1,294,746	\$1,286,355	7.4%	99.4%	Completed April 2016
R2111	RWCWRF RAS Pumps Replacement	Cora Constructors Inc.	\$295,315	\$315,315	\$0	0.0%	\$300,087	\$300,087	-4.8%	100.0%	Completed February 2016
R2112	450-1 Disinfection Facility Rehabilitation	Fordyce Construction, Inc.	\$108,350	\$128,350	(\$360)	-0.3%	\$107,990	\$107,990	-15.9%	100.0%	Completed August 2015
S2033	Calavo Basin Sewer Rehabilitation Phase 1	Arrieta Construction Inc.	\$521,890	\$529,490	(\$34,531)	-6.6%	\$494,959	\$494,959	-6.5%	100.0%	Completed August 2015
P2542	850-3 Reservoir Interior Coating	Abhe & Svoboda Inc.	\$336,720	\$366,720	\$22,533	6.7%	\$389,253	\$389,253	6.1%	100.0%	Completed November 2015

Construction Contract Status

FY 2016 CIP CONSTRUCTION PROJECTS

CIP NO.	PROJECT TITLE	CONTRACTOR	BASE BID AMOUNT	CONTRACT AMOUNT W/ ALLOWANCES	NET CHANGE ORDERS LTD*		CURRENT CONTRACT AMOUNT	TOTAL EARNED TO DATE	% CHANGE ORDERS W/ ALLOWANCE CREDIT**	% COMPLETE	EST. COMP. DATE
					PROJECT TOTAL	%					
R2109	Sweetwater River Trestle Improvements	Fordyce Construction, Inc.	\$153,740	\$173,740	\$0	0.0%	\$157,047	\$157,047	-9.6%	100.0%	Completed January 2016
P2537	Operations Yard Property Acquisition Improvements	Montgomery Construction Services, Inc.	\$401,456	\$449,611	\$2,319	0.6%	\$422,668	\$406,033	-6.0%	96.1%	Completed June 2016
P2529 P2530	711-1 & 711-2 Reservoir Interior/Exterior Coating & Upgrades	Advanced Industrial Services, Inc.	\$1,103,715	\$1,195,695	\$0	0.0%	\$1,120,535	\$863,220	-6.3%	77.0%	September 2016
P2545	980-1 Reservoir Interior/Exterior Coating & Upgrades	Advanced Industrial Services, Inc.	\$769,000	\$876,500	\$8,000	1.0%	\$882,600	\$819,100	0.7%	92.8%	August 2016
S2033	Rancho San Diego Basin Sewer Rehabilitation - Phase 1	Transtar	\$951,470	\$970,970	\$0	0.0%	\$951,470	\$211,154	-2.0%	22.2%	November 2016
P2541 R2110	624 Zone PRSs & 944-R PRS Improvements	CCL Contracting Inc.	\$445,209	\$455,209	\$15,777	3.5%	\$460,986	\$460,986	1.3%	100.0%	Completed May 2016
		TOTALS:	\$7,180,253	\$7,659,988	\$131,957	1.8%	\$7,559,201	\$6,473,043	-1.3%		

*NET CHANGE ORDERS DO NOT INCLUDE ALLOWANCE ITEM CREDITS. IT'S A TRUE CHANGE ORDER PERCENTAGE FOR THE PROJECT

**THIS CHANGE ORDER RATE INCLUDES THE CREDIT FOR UNUSED ALLOWANCES

Consultant Contract Status

PM	Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
PLANNING											
BK	ATKINS	Varies	2015 WATER FACILITIES MASTER PLAN UPDATE	\$ 434,731.00	\$ -	\$ 434,731.00	\$ 355,261.69	0.0%	81.7%	1/28/2014	12/31/2016
SB	CAROLLO ENGINEERS, INC.	VARIES	2015 INTEGRATED WATER RESOURCES PLAN UPDATE	\$ 99,993.00	\$ 6,300.00	\$ 106,293.00	\$ 69,823.37	6.3%	65.7%	11/17/2014	6/30/2016
	CH2M HILL ENGINEERS INC	Varies	2015 URBAN WATER MANAGEMENT PLAN UPDATE	\$ 49,839.00		\$ 49,839.00	\$ 45,697.77	0.0%	91.7%	9/10/2015	6/30/2018
SB	WATER SYSTEMS CONSULTING INC	VARIES	AS-NEEDED HYDRAULIC MODELING FY15/16	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 93,789.00	0.0%	53.6%	7/15/2014	6/30/2017
DESIGN											
BK	AECOM	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (DESIGN ENGINEER)	\$ 3,910,297.00	\$ (109,434.00)	\$ 3,800,863.00	\$ 1,356,484.17	-2.8%	35.7%	1/6/2011	6/30/2018
BK	ARCADIS U.S., INC.	P2434, P2511	VALUE ENGINEERING AND CONSTRUCTIBILITY REVIEW	\$ 153,628.00	\$ -	\$ 153,628.00	\$ 70,208.73	0.0%	45.7%	1/24/2012	6/30/2016 COMPLETED
SB	ARCADIS U.S. INC	VARIES	AS-NEEDED DESIGN FY 15-16	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 211,336.02	0.0%	70.4%	9/11/2014	6/30/2017
JM	ATKINS	Varies	AS-NEEDED ENGINEERING DESIGN SERVICES FY12-13	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 173,861.56	0.0%	99.3%	10/26/2011	6/30/2016 COMPLETED
SC	BROWNSTEIN HYATT FARBER SCHRECK	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 47,609.50	0.0%	47.6%	7/1/2015	6/30/2017
KC	BSE ENGINEERING INC	Varies	AS-NEEDED ELECTRICAL SERVICES	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 56,829.87	0.0%	56.8%	7/1/2012	6/30/2017
JM	CAROLLO ENGINEERS INC	P2083	DESIGN/CONSTRUCTION FOR 870-2 PS	\$ 624,910.00	\$ 135,500.00	\$ 760,410.00	\$ 508,823.29	21.7%	66.9%	10/11/2013	12/31/2017
JM	HDR ENGINEERING INC	Varies	CORROSION SERVICES FY14-FY16	\$ 684,750.00	\$ 45,000.00	\$ 729,750.00	\$ 637,525.69	6.6%	87.4%	11/22/2013	12/31/2016
BK	LATITUDE 33	P1210	SALT CREEK GOLF COURSE STUDY	\$ 9,000.00		\$ 9,000.00	\$ 9,000.00	0.0%	100.0%	4/20/2016	12/31/2016
JM	LEE & RO INC	P2511	OTAY INTERCONNECT PIPELINE	\$ 2,769,119.00	\$ -	\$ 2,769,119.00	\$ 1,112,174.73	0.0%	40.2%	11/4/2010	12/31/2015 COMPLETED



Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
MICHAEL D.KEAGY REAL ESTATE	Varies	AS-NEEDED APPRAISAL SERVICES FY13-14	\$ 45,000.00	\$ -	\$ 45,000.00	\$ 43,000.00	0.0%	95.6%	9/17/2012	6/30/2016 COMPLETED
NINYO & MOORE	Varies	GEOTECHNICAL SERVICES	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 63,382.25	0.0%	36.2%	4/9/2015	6/30/2018
PIPELINE INSPECTION & CONDITION ANALYSIS CORPORATION	R2116	INSPECTION AND CONDITION ASSESSMENT OF THE RALPH W. CHAPMAN WATER RECYCLING FACILITY 14-INCH FORCE MAIN	\$ 302,092.00	\$ 18,000.00	\$ 320,092.00	\$ 105,500.00	6.0%	33.0%	12/18/2014	4/30/2017
PSOMAS	VARIES	AS-NEEDED DESIGN FY 15-16	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 37,916.83	0.0%	12.6%	9/11/2014	6/30/2017
RFYEAGER	Varies	AS-NEEDED CORROSION ENGINEERING AND RESERVOIR COATING INSPECTION	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 161,636.50	0.0%	92.4%	2/9/2015	12/31/2016
RICK ENGINEERING COMPANY	S2024	CAMPO ROAD SEWER MAIN REPLACEMENT PROJECT	\$ 805,705.00	\$ -	\$ 805,705.00	\$ 687,231.45	0.0%	85.3%	5/27/2014	12/31/2017
RICK ENGINEERING COMPANY	Varies	TRAFFIC ENGINEERING SERVICES FY 16-18	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 5,878.88	0.0%	3.4%	7/1/2015	6/30/2018
SILVA SILVA CONSULTING	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 115,000.00	\$ -	\$ 115,000.00	\$ 72,289.05	0.0%	62.9%	5/1/2014	6/30/2016 COMPLETED
CONSTRUCTION SERVICES										
AIRX UTILITY SURVEYORS	Varies	AS-NEEDED SURVEYING SERVICES FY 14-15	\$ 175,000.00	\$ 45,000.00	\$ 220,000.00	\$ 219,933.00	25.7%	100.0%	9/18/2013	6/30/2016 COMPLETED
AIRX UTILITY SURVEYORS	Varies	UTILITY LOCATING SERVICES FY 16-18	\$ 350,000.00		\$ 350,000.00	\$ 54,222.00	0.0%	15.5%	10/12/2015	6/30/2018
ALYSON CONSULTING	Varies	CONSTRUCTION MGMT/INSPECTION FY 13-15	\$ 350,000.00	\$ 41,820.00	\$ 391,820.00	\$ 391,706.25	11.9%	100.0%	10/24/2012	6/30/2016 COMPLETED
ALYSON CONSULTING	Varies	CONSTRUCTION MGMT/INSPECTION FY 16-17	\$ 350,000.00	\$ (6,820.00)	\$ 343,180.00	\$ 138,400.00	-1.9%	40.3%	7/1/2015	6/30/2017
CORRPRO COMPANIES INC	Varies	COATING INSPECTION FY 2016-2018	\$ 175,000.00		\$ 175,000.00	\$ 55,598.25	0.0%	31.8%	1/7/2016	6/30/2018
HUNSAKER & ASSOCIATES	Varies	LAND SURVEYING FY16-18	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 20,298.00	0.0%	11.6%	1/20/2016	6/3/2018
MICHAEL BAKER INT'L INC	P2083	870-2 PS CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES	\$ 853,457.00	\$ -	\$ 853,457.00	\$ 27,220.50	0.0%	3.2%	7/30/2014	12/31/2017



Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
ENVIRONMENTAL										
HELIX ENVIRONMENTAL	VARIES	MAINTENANCE AND MONITORING OF THE SAN MIGUEL HABITAT MANAGEMENT AREA AND CIP ASSOCIATED MITIGATION PROJECTS	\$ 476,173.00	\$ -	\$ 476,173.00	\$ 185,954.54	0.0%	39.1%	12/19/2014	12/31/2017
ICF INTERNATIONAL JONES & STOKES INC	VARIES	AS-NEEDED ENVIRONMENTAL SERVICES FY 15/16/17	\$ 375,000.00	\$ -	\$ 375,000.00	\$ 180,822.81	0.0%	48.2%	7/18/2014	6/30/2017
RECON	P2494	PREPARATION OF THE SUBAREA PLAN	\$ 270,853.00	\$ -	\$ 270,853.00	\$ 220,133.36	0.0%	81.3%	3/28/2008	6/30/2018
WATER RESOURCES										
MICHAEL R. WELCH	Varies	ENGINEERING PLANNING SVCS.	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 16,800.00	0.0%	16.8%	4/9/2014	6/30/2019
PUBLIC SERVICES										
AEGIS	Varies	AS-NEEDED DEVELOPER PROJECTS FY 15-16	\$ 400,000.00	\$ -	\$ 400,000.00	\$ 188,703.01	0.0%	47.2%	2/12/2015	6/30/2017
TOTALS:			\$ 15,729,547.00	\$ 175,366.00	\$ 15,904,913.00	\$ 7,625,052.07	1.1%			



QUESTIONS?