

ALAMEDA COUNTY WATER DISTRICT

MEMORANDUM

DATE: December 4, 2008
TO: Board of Directors
FROM: Paul Piraino
SUBJECT: STAFF REPORT, ACTION CALENDAR ITEMS FOR December 11, 2008

5.1 REORGANIZATION OF BOARD OF DIRECTORS

BACKGROUND: Section 30520 of the California Water Code provides that the Directors shall elect one of their number President and may elect one of their number Vice President.

DISCUSSION: Pursuant to Resolution 1871, adopted December 10, 1970, this election is held at the first regular Board meeting in December each year. The Directors who are elected President and Vice President assume office at the close of the meeting at which they are elected.

RECOMMENDATION: By motion, adopt resolutions electing a President and Vice President of the Board.

5.2 AUTHORIZATION OF PURCHASE ORDERS FOR NEGOTIATED AND BID WATER TREATMENT CHEMICAL PROPOSALS

BACKGROUND: In June 2008, the Board authorized purchase orders to furnish and deliver twelve water treatment chemicals. Two of the chemical supply agreements (for caustic soda at 50% NaOH and sodium hypochlorite), have 18-month contract periods extending to December 2009 and were not included in this round of new bid and negotiated priced proposals. The other ten chemical supply agreements were evaluated to determine whether or not they should be renewed and are the subject of this staff report.

DISCUSSION: Staff determined that the most cost effective approach was to renegotiate two of the ten chemical supply contracts and bid the remaining eight. Renegotiation was determined to be most cost effective for the cationic polymer (Item A below) because the proposed price increase was reasonable (i.e., 4.5%), and would save significant amounts of staff time necessary to test and evaluate the performance of a different cationic polymer on the treatment process at Water Treatment Plant No 2. The contract for the nonionic polymer (Item B below) was renegotiated primarily because only small amounts of this chemical are used annually and the overall cost (i.e., \$1,530) is relatively low. Additionally, the chemical suppliers of these two chemicals, SNF Polydyne and Ashland, have consistently provided a high level of service and have been compliant with the contract documents. The two chemical suppliers were requested to submit formal pricing for six-month and twelve-month contract periods. SNF Polydyne furnished pricing for only a six-month period and Ashland, submitted the same unit pricing for both six and twelve-month contract periods as shown in the table below.

Item	Vendor	Chemical	Per-iod	Est. Qty	Unit Price	Previous Unit Price
A	SNF Polydyne	Cationic Polymer	6 mo	26 wet tons	\$1,400.00 per wet ton	\$1,340.00 per wet ton
B	Ashland Inc.	Nonionic Polymer (4-55 gal drums)	12 mo	4 drums	\$382.50 per drum	\$315.00 per drum

For the eight water treatment chemicals that were bid, the District received and opened eleven bids on November 19, 2008. A summary of the bids is attached. All bids were checked arithmetically and for compliance with the bidding requirements. There were multiple irregularities in several of the proposals and all of these irregularities were subsequently corrected following the bid opening. These irregularities are described below and are considered minor and may be waived.

Two bidders, Brenntag and Linde, failed to submit material safety data sheets (MSDS) with their proposals. The three bidders for anti-scalant, King Lee, Avista and Nalco, failed to submit a letter of material compatibility for the RO membranes installed at the Newark Desalination Facility. Additionally, King Lee and Avista failed to submit the required anti-scalant dosage rates with their proposals. One bidder, Linde, included exceptions to the terms and conditions in its proposal for carbon dioxide. The exceptions were specifically associated with the insurance and liability terms. Staff worked with legal counsel and Linde to reach a tentative agreement on all of the areas of concern. The agreement with Linde will be finalized prior to the issuance of a purchase order.

Bidders for the eight chemical contracts were requested to submit prices for six-month and twelve-month periods. For each chemical, the lowest unit price was selected whether it corresponded to a six-month or a twelve-month contract period. The lowest bids for each chemical are shown in the table below.

Item No.	Vendor	Chemical	Per-iod	Est. Qty	Unit Price	Previous Unit Price
1	Hill Brothers Chemical Co.	Aqua Ammonia (113 bulk tons, 19% NH ₃)	6 mo	21 dry tons	\$1,457.93 per dry ton	\$1,090.23 per dry ton
2	Solvay Fluorides	Hydrofluorsilicic Acid (255 bulk tons, 23% H ₂ SiF ₆)	12 mo	59 dry tons	\$2,800.00 per dry ton	\$2,630.43 per dry ton
3	Univar USA Inc.	Calcium Hypochlorite (tablets)	12 mo	2,000 pounds	\$2.89 per pound	\$2.73 per pound
4	Linde Inc.	Carbon Dioxide	12 mo	383 tons	\$198.00 per ton	\$187.00 per ton
5	Brenntag Pacific Inc.	Liquid Caustic Soda (70 bulk tons, 25% NaOH)	12 mo	17 dry tons	\$845.00 per dry ton	\$729.77 per dry ton
6	Brenntag Pacific Inc.	Citric Acid (5-275 gal. totes)	12 mo	1,400 gal	\$6.15 per gal	\$5.68 per gal

7	Kemira Water Solutions Inc.	Ferric Chloride (681 bulk tons)	6 mo	293 dry tons	\$705.00 per dry ton	\$585.00 per dry ton
8	King Lee	Anti-Scalant (Pretreat Plus Y2K)	12 mo	19,287 pounds	\$1.08 per pound	\$ 1.57 per pound

The total composite cost of the ten chemicals listed in the two tables above for the six-month period between January 1 and June 30, 2009, is \$408,179 based on the estimated usage rate. The forecasted remaining funding in the current budget for these water treatment chemicals is \$423,100. Therefore, there is adequate funding in the budget to cover the costs of water treatment chemicals for the balance of current fiscal year.

RECOMMENDATION: By motion, authorize the purchase orders to furnish and deliver the various treatment chemicals as described above.

5.3* RESOLUTION AWARDING CONTRACT FOR THE INLAND SALTWATER INTRUSION MONITORING WELLS PROJECT

BACKGROUND: On December 13, 2007, the Board authorized the General Manager to file an application and enter into an agreement to receive a FY 07/08 Local Groundwater Management Assistance Program grant from the California Department of Water Resources (DWR) for the Inland Saltwater Intrusion Monitoring Wells project. This project proposed the installation of seven groundwater monitoring wells which will allow the District to better understand the hydrogeology in the central section of the Niles Cone Groundwater Basin. On June 26, 2008, DWR notified the District that the project was selected for \$250,000 in grant funding, and an agreement with DWR was executed on November 14, 2008.

DISCUSSION: Bid documents were mailed to nine drilling contractors and four bids ranging from a low of \$177,200 to a high of \$509,100 were opened on October 16, 2008. The engineer's estimate for the work was \$267,600. A bid summary is attached.

All bids were checked arithmetically and for compliance with bidding requirements. Precision Sampling, Inc. of Stockton, California was the low bidder. The firm has been in the drilling business for more than eighteen years. References were checked and are satisfactory. There is adequate funding in the budget to cover costs (e.g., District staff labor) which are not reimbursed by DWR's grant.

Due to the planned drilling depths and local geologic conditions, the bid documents required the drilling contractor to have experience with at least three monitoring well construction projects via direct rotary drilling to a minimum depth of 400 feet in the last five years within the Counties of Alameda, Santa Clara, or San Mateo. None of the drilling contractors who responded to the request for bids satisfied this requirement. However, all of the bidders have demonstrated proficiency in performing similar work in other locations with similar geologic conditions in California. The project bid documents state that the District reserves the right to waive the requirement for strict conformity with the specified requirements in proposals received. Based on staff's review of the references, Precision Sampling, Inc. has adequate qualifications and experience to perform the work.

RECOMMENDATION: By motion, 1) waive the requirement for strict conformity with the specifications for the irregularity identified above; and 2) adopt a resolution accepting the proposal and awarding the contract for the Inland Saltwater Intrusion Monitoring Wells Project to Precision Sampling, Inc. in the amount of \$177,200, which is the total of the unit price and lump sum payment items, Job 6367.

5.4 AUTHORIZATION OF ENGINEERING SERVICES FOR MISSION SAN JOSE WATER TREATMENT PLANT MODIFICATIONS

BACKGROUND: The District's Capital Improvement Program includes modifications to the Mission San Jose Water Treatment Plant to improve the production reliability of the facility. An engineering consultant will be used to perform the design.

The scope of engineering services includes the following elements: 1) evaluate the treatment process alternatives, 2) design the required modifications to the facility, 3) prepare preliminary design drawings, 4) prepare a basis of design report, and 5) address the California Environmental Quality Act (CEQA) requirements.

DISCUSSION: Staff prepared and sent letters requesting expressions of interest to seven (7) qualified consulting firms that have designed and/or retrofitted similar water treatment plants. Of the seven firms, one quickly rescinded their expression of interest when their proposed project manager separated from the firm. Of the six remaining firms, five firms indicated they either did not have the necessary resources available to commit to the project or believed that they could not competitively compete, given the project scope requirements.

Only one firm, Camp Dresser & McKee Inc. (CDM), of Walnut Creek, California submitted a proposal in the amount of \$1,414,700 which includes \$284,900 for optional services. The optional services, which consist of potholing, subsurface geotechnical investigation, topographic survey, and additional design services, will only be performed if needed, based on the consultant's review of available data and upon written authorization by the District.

All work will be performed on a time and expense basis. Staff has reviewed CDM's proposal and cost estimate and has found this approach to be the most cost-effective manner to complete the work required. There is adequate funding in the budget for this expenditure.

RECOMMENDATION: By motion, 1) authorize a purchase order to Camp Dresser & McKee Inc. for engineering services in an amount not to exceed \$1,414,700 for the Mission San Jose Water Treatment Plant Modifications, Job 6355; and 2) authorize the General Manager to execute a professional services agreement with Camp Dresser & McKee Inc. for this work.

Attachments

cc: Executive Staff