

ALAMEDA COUNTY WATER DISTRICT MEMORANDUM

DATE: May 6, 2009
TO: Board of Directors
FROM: Paul Piraino
SUBJECT: STAFF REPORT, ACTION CALENDAR ITEMS FOR May 14, 2009

5.1* AUTHORIZATION OF PURCHASE ORDER FOR PAVING SERVICES

BACKGROUND: As part of the construction and maintenance activities performed by the District, it is necessary to open excavations in city streets for installations or repairs of facilities. In order to comply with city requirements for street work, permanent paving is required to restore street surfaces. This work must be completed in a timely manner to avoid customer complaints and comply with permit requirements. The contract for paving includes an extension clause for up to two years if performance is satisfactory.

DISCUSSION: Requests for bid were sent to seven vendors: El Camino Paving, Inc.; Dun-Rite Excavating, Inc.; Union City Construction; Galeridge Construction, Inc.; O'Grady Paving; Granite Construction Company; and Northern California Excavating, Inc. Seven bids were received. The bid from Northern California Excavating, Inc. was deemed non-responsive because appropriate references could not be obtained from the list provided and they did not meet the insurance requirements. The six responsive bids are summarized below:

<u>Company</u>	<u>Total Amount</u>
Dun-Rite Excavating, Inc.	\$1,182,682.25
El Camino Paving, Inc.	\$1,235,000.00
Galeridge Construction, Inc.	\$1,420,625.00
Union City Construction	\$1,446,000.00
O'Grady Paving	\$1,552,500.00
Granite Construction Company	\$2,183,850.00

Costs for paving services in FY 08/09 were estimated at \$900,000, and it is expected that costs for FY 09/10 will be similar. Sufficient funds have been budgeted for this expenditure.

RECOMMENDATION: By motion, authorize a purchase order to Dun-Rite Excavating, Inc. for paving services for FY09/10 at the prices quoted.

5.2* AUTHORIZATION OF PURCHASE ORDER FOR WELDING SERVICES

BACKGROUND: ACWD relies on a welding service to fulfill pipeline and shop welding needs. These needs include field welding of pipe joints to construct fire lines, service lines, hydrant laterals, meter services, and equipment repairs and fabrication at the shop. Welders must also be available for after-hours emergency work. The contract for welding includes an extension clause for up to two years if performance is satisfactory.

DISCUSSION: Requests for bid were sent out and two vendors responded. Ferguson Welding Service and Monterey Mechanical Company returned bids that were both considered responsive.

<u>Company</u>	<u>Total Amount</u>
Ferguson Welding Service	\$173,512.50
Monterey Mechanical Company	\$257,380.00

Ferguson Welding, located in Hayward, was the low bidder and has provided this service to the District for nearly 25 years. The cost for welding services for FY 08/09 is expected to be under \$100,000. Of this amount 85% is customarily billed to customer jobs for which the District is fully reimbursed. Sufficient funds are budgeted for this expenditure.

RECOMMENDATION: By motion, authorize a purchase order to Ferguson Welding Service for welding services for FY 09/10 at the prices quoted.

5.3* AUTHORIZATION OF PURCHASE ORDER FOR THE TRANSPORT OF WATER TREATMENT PLANT SOLIDS

BACKGROUND: Funds are authorized each year for the hauling of solids removed from the District's two water treatment plants. The solids from Water Treatment Plant No. 2 (WTP2) are created from a mechanical dewatering process (filter press) and are transported on a regular basis to a landfill. The solids from the Mission San Jose Water Treatment Plant (MSJWTP) are created from drying solids in drying beds and are removed and transported on an annual basis to a landfill. Additional contractual services included in the scope of work consist of the mixing and turnover of solids at the MSJWTP drying beds to facilitate the drying of solids and having a vacuum truck available to transport solids from WTP2 during emergencies and plant outages.

The District currently has a solids transportation agreement with Alhambra Environmental Services, Inc., of El Sobrante, California. Alhambra has been satisfactorily providing solids transportation services for the District for the last 12 years.

DISCUSSION: The current agreement was originally authorized by the Board in June 2008 and contained provisions for extending the contract for two additional 12-month periods. Because Alhambra has proposed maintaining its hourly rate for transporting solids at the same rate (\$78 per hour) as it currently charges the District, staff recommends exercising the option for renewing the contract. Adequate funds have been allocated to cover this expense in the FY 09/10 budget.

RECOMMENDATION: By motion, authorize a purchase order to Alhambra Environmental Services, Inc., for the transport of solids from the District's two water treatment plants for FY 09/10.

5.4* AUTHORIZATION OF PURCHASE ORDER FOR THE REUSE OF WATER TREATMENT PLANT SOLIDS

BACKGROUND: Funds are authorized each year for the disposal and reuse of solids removed from the District's two water treatment plants. The factors for determining which landfill to utilize include: 1) the cost for disposing of solids (price per ton); 2) landfill availability during adverse

weather conditions; 3) the cost of testing solids for regulatory environmental compliance; 4) regulatory permit fees; and 5) transportation costs.

The District currently has a contract with Republic Services, Inc., of Livermore, California, for the disposal of solids at its Vasco Road Landfill. The District has utilized the Vasco Road Landfill for the last 16 years and the current agreement with Republic Services will expire on June 30, 2009.

DISCUSSION: The current agreement was bid and subsequently authorized by the Board in June 2008. Republic Services charges the District \$22 per ton of solids delivered at the Vasco Road Landfill for reuse as an “alternative daily cover.” For FY 9/10, staff negotiated a price for solids disposal with Republic Services at \$23.50 per ton. This change in rate is a 6.8% increase over last year’s unit price and represents an approximate increase of \$2,700 in the annual cost for disposing solids at the Vasco Road Landfill. The total estimated cost for FY 09/10 is \$42,300 based on 1,800 tons of solids. There are adequate funds in the FY 09/10 budget for this expenditure.

RECOMMENDATION: By motion, authorize a purchase order to Republic Services, Inc., for the disposal and reuse of solids from the District’s two water treatment plants for FY 09/10.

5.5* AUTHORIZATION OF PURCHASE ORDER FOR FERRIC CHLORIDE

BACKGROUND: In December 2008, the Board authorized purchase orders for ten water treatment chemicals of varying durations (i.e., 6-month and 12-month), depending on the least cost to the District. A 6-month contract to provide ferric chloride was bid and awarded to Kemira Water Solutions, Inc. This purchase agreement ends on June 30, 2009.

Ferric chloride is used at the District’s two surface water treatment plants, (Water Treatment Plant No. 2 and the Mission San Jose Water Treatment Plant). Ferric chloride is used as a coagulant to help fine particles clump together into larger particles which can then be separated from the water and removed.

DISCUSSION: The current purchase agreement allows for extensions (up to three renewals) if conditions and service are satisfactory to both the District and the chemical supplier. In March, the District requested Kemira to submit a priced proposal to furnish ferric chloride for the next six months until December 31, 2009. Kemira submitted the same unit price as in the existing purchase agreement, \$705 per ton of active ingredient. Based on an estimated 6-month quantity of 293 tons, the total value of the new agreement would be approximately \$207,000. Because Kemira has not increased its unit price for supplying ferric chloride to the District, and has consistently provided satisfactory service and has been compliant with the contract documents, staff recommends the agreement with Kemira be extended. There are adequate funds in the budget for this expenditure.

RECOMMENDATION: By motion, authorize a purchase order to Kemira Water Solutions, Inc., to furnish and deliver ferric chloride to the District as described above.

5.6* AUTHORIZATION OF PURCHASE ORDER FOR JANITORIAL SERVICE

BACKGROUND: The current janitorial services contract for the District headquarters, treatment plants, the desalination facility and the blending facility will expire on June 30, 2009.

DISCUSSION: The District's janitorial services contractor is Diversified Maintenance Services, Inc. They have performed satisfactorily on all aspects of the specifications. The current contract allows for a second twelve month extension. Diversified Maintenance Services is requesting an increase of 6% over last year's costs. The total amount for the twelve month service is \$52,747.92. Sufficient funds have been budgeted for this expenditure.

RECOMMENDATION: By motion, authorize a purchase order to Diversified Maintenance Services, Inc. for janitorial services in amount of \$52,747.92.

5.7* AUTHORIZATION OF CHANGE ORDER NO. 1 FOR THE ARP WELLS TO DESAL PIPELINES, PHASE 2

BACKGROUND: On October 9, 2008, the construction contract for the ARP Wells to Desal Pipelines, Phase 2 Project was awarded to R.J. Gordon Construction, Inc. in the amount of \$3,756,925.75. The scope of work included the installation of approximately 5,900 linear feet of 22-inch and 3,200 linear feet of 16-inch diameter high density polyethylene pipe within the cities of Fremont and Newark. Construction began in January and the work is approximately 50% complete.

DISCUSSION: Change Order No. 1 has been prepared in the amount of \$16,345.50 for the following work requested by the District: 1) additional excavation of the jacking pit to accommodate lowering the 16-inch pipeline and 30-inch steel casing approximately one foot to avoid conflict with the future SFPUC Bay Division Pipeline No. 5 in the City of Fremont (\$9,358.00); and 2) approximately 475 square feet of repair to existing AC pavement damaged by construction vehicular traffic (\$6,987.50). R.J. Gordon Construction, Inc. also submitted a request for a time extension of one (1) calendar day due to the additional excavation work. Staff has reviewed the time extension request and costs associated with the extra work and have determined that they are fair and reasonable. There are adequate funds in the budget to cover this expenditure.

RECOMMENDATION: By motion, 1) approve Change Order No. 1 in the amount of \$16,345.50; and 2) grant a time extension of one (1) calendar day to R.J. Gordon Construction, Inc. for the ARP Wells to Desal Pipelines, Phase 2 Project, Job 6349.

5.8* RESOLUTION DECLARING MONTH OF MAY AS WATER AWARENESS MONTH

BACKGROUND: The Governor of California has proclaimed the month of May as Water Awareness Month. For the past 19 years, the District has been a campaign sponsor of Water Awareness Month, which focuses on educating Californians about the importance of water in all facets of their lives by encouraging involvement in water awareness activities on both a local and regional level.

DISCUSSION: The campaign headquarters sponsors statewide activities, such as distributing public service announcements to radio and television stations in California, providing water awareness materials to public libraries and providing water information to legislators. The theme of the campaign continues to emphasize conservation and water quality, as well as other aspects about water in the environment, agriculture, and industry. Local service area activities related to Water Awareness Month will include: presentation of the school Water Conservation Poster and Slogan Contest awards at the May 14 Board meeting; newspaper display ads stressing the Water Awareness

Month campaign theme that will run through the month; and distribution of Water Conservation Calendars to teachers in the ACWD service area.

RECOMMENDATION: By motion, adopt a resolution proclaiming the month of May as Water Awareness Month.

5.9* RESOLUTION APPROVING AND ADOPTING AN IDENTITY THEFT PREVENTION PROGRAM

BACKGROUND: In response to the growing problem of identity theft, the Federal Trade Commission (FTC) issued regulations (“Red Flags Rule”) under the Fair and Accurate Credit Transaction Act of 2003. The Red Flags Rule requires financial institutions and creditors to implement a written program that provides for identification, detection, and response to Red Flags. A Red Flag is defined as a pattern, practice or specific activity that could indicate the possible existence of identity theft.

DISCUSSION: The Alameda County Water District (District) must comply with the Red Flags Rule because the District maintains utility accounts and receives payment for water service after the service is rendered. Such accounts and deferred payments fall within the meaning of Covered Accounts and Creditor of the FTC regulations. A Covered Account includes any account that is used primarily for personal, family, or household purposes, that involves or is designed for multiple payments or transactions such as credit card accounts, utility accounts, and checking or savings accounts. The regulations define Creditor as any person or entity that regularly extends, renews, or continues Credit, including utility service providers. Credit means the right granted to a customer by a Creditor to defer payment of debt, or to incur debts and defer their payment, or to purchase services on a deferred payment basis.

Staff has developed an Identity Theft Prevention Program (Program) that is appropriate for the size, complexity, nature and scope of the District’s activities. The proposed Program addresses the required components of the regulations and contains reasonable policies and procedures to:

- Identify relevant Red Flags for new and existing covered accounts and incorporates them into the Program;
- Detect Red Flags;
- Respond appropriately to Red Flags to prevent and mitigate identity theft;
- Ensure the Program is updated periodically to reflect changes in risks to customers and to the safety of the District from identity theft;
- Include a process for continued administration and oversight of the Program.

The proposed Identity Theft Prevention Program is attached to the Board resolution as Exhibit A.

RECOMMENDATION: By motion, adopt a resolution approving and adopting an Identity Theft Prevention Program.

Attachments

cc: Executive Staff