

STAFF REPORT

DATE: September 20, 2011

TO: Utilities Commission

FROM: Cari Dale, Water Utilities Director

SUBJECT: **RECOMMEND APPROVAL OF A PURCHASE ORDER IN AN AMOUNT NOT TO EXCEED \$148,977.60 TO HYDRANAUTICS OF OCEANSIDE FOR THE REVERSE OSMOSIS MEMBRANES IN THE MISSION BASIN DESALTING FACILITY**

SYNOPSIS

Staff recommends that Utilities Commission recommend that the City Council approve a purchase order in an amount not to exceed \$148,978 to Hydranautics of Oceanside for reverse osmosis membranes in Train B at the Mission Basin Desalting Facility, and authorize the Financial Services Director, or designee, to execute the purchase order.

BACKGROUND

The City of Oceanside owns and operates the Mission Basin Desalting Facility located at 215 Fireside, Oceanside. The facility treats brackish groundwater to drinking water standards by pumping well water through reverse osmosis membranes. The membranes needing replacement were installed in 2001. The service life expectancy of the membranes is between four and six years. The installation of new membranes will allow the Mission Basin Desalting Facility to continue producing high-quality, safe drinking water for the residents of Oceanside.

ANALYSIS

On August 8, 2011, three bids were received by the Water Utilities Department for this project. In accordance with the City's procedure for the bidding process, staff evaluated the bids. After a thorough review of the bid amounts, staff unanimously recommended that Hydranautics be selected to provide the membranes in Train B. The bids were as follows:

Supplier	Bid Amount
Hydranautics	\$148,978
Toray Membrane USA	\$154,954
King Lee Technologies	\$208,597

Staff estimates that the replacement of the reverse osmosis membranes will take approximately 5 working days.

FISCAL IMPACT

The FY 11-12 approved budget for the Desalter Facility Minor Improvements project fund (908748500712.5702.10600) is \$400,000 and there is an available unspent balance of \$376,711.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission will review staff's recommendation at its regularly scheduled meeting on September 20, 2011.

CITY ATTORNEY'S ANALYSIS

Purchases must comply with bid requirements set forth in Chapter 28A of the City Code. Professional services agreements must be reviewed by the City Attorney and approved as to form.

RECOMMENDATIONS

Staff recommends that Utilities Commission recommend that the City Council approve a purchase order in an amount not to exceed \$148,978 to Hydranautics of Oceanside for reverse osmosis membranes in Train B at the Mission Basin Desalting Facility, and authorize the Financial Services Director, or designee, to execute the purchase order.

PREPARED BY:

Greg Blakely
Administration Manager

STAFF REPORT

DATE: September 20, 2011

TO: Utilities Commission

FROM: Cari Dale, Water Utilities Director

SUBJECT: **RECOMMEND AUTHORIZATION TO AWARD A CONTRACT IN THE AMOUNT OF \$336,396 FOR THE CONSTRUCTION OF THE SAN LUIS REY WASTEWATER TREATMENT FACILITY PRIMARY CLARIFIER INFLUENT CHANNEL REPAIR PROJECT**

SYNOPSIS

Staff recommends that the Utilities Commission recommend that the City Council award a contract in the amount of \$336,396 to Tharsos of La Mesa to construct the San Luis Rey Wastewater Treatment Facility Primary Influent Channel Repair project located at the San Luis Rey Wastewater Treatment Facility; and authorize the City Manager to execute the agreement upon receipt of the supporting documents.

BACKGROUND

The San Luis Rey Wastewater Treatment Plant (SLRWWTP) was initially constructed in the early 1970s (Exhibit A). There have been several expansions and upgrades to the plant over the past 35 years. Currently, a portion of the Primary Clarifier Influent Channel, constructed in the 1970s, has shown severe deterioration and is in need of repair. The channel is approximately 4 feet wide by 8 feet deep and transports raw sewage.

On July 6, 2011, the City Council approved the plans and specification for the construction of the Primary Influent Channel Repair project and authorized the City Engineer to call for bids.

ANALYSIS

On August 23, 2011, four bids were received and opened for the Primary Influent Channel Repair project (Exhibit B). The apparent low bidder was Tharsos of La Mesa with a bid of \$336,396. Staff has reviewed the bid submitted by Tharsos and finds that the bid bond and references are in accordance with City standards.

FISCAL IMPACT

The Fiscal Year 11-12 adopted budget for the San Luis Rey Influent Channel Repair account (909123400722.5702.10600) has a balance of \$349,064. The bid from Tharsos is in the amount of \$336,396. Therefore, adequate funds are available for the project.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission will review staff's recommendation at its regularly scheduled meeting on September 20, 2011.

CITY ATTORNEY'S ANALYSIS

The referenced documents are being reviewed by the City Attorney's office.

RECOMMENDATIONS

Staff recommends that the Utilities Commission recommend that the City Council award a contract in the amount of \$336,396 to Tharsos of La Mesa to construct the San Luis Rey Wastewater Treatment Facility Primary Influent Channel Repair project located at the San Luis Rey Wastewater Treatment Facility; and authorize the City Manager to execute the agreement upon receipt of the supporting documents.

PREPARED BY:

Greg Blakely
Administration Manager

Exhibit A: Site Map
Exhibit B: Bid Results

STAFF REPORT

DATE: September 20, 2011

TO: Utilities Commission

FROM: Cari Dale, Water Utilities Director

SUBJECT: **RECOMMEND APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH INFRASTRUCTURE ENGINEERING CORPORATION OF OCEANSIDE FOR THE RESERVOIR STRUCTURAL ANALYSIS**

SYNOPSIS

Staff recommends that the Utilities Commission recommend that the City Council approve a professional services agreement in an amount not to exceed \$158,904 with Infrastructure Engineering Corporation of Oceanside for the preparation of the Reservoir Structural Analysis; and, authorize the City Manager to execute the agreement.

BACKGROUND

The City of Oceanside has 12 reservoirs in their potable water distribution system with a storage capacity of 50.5 million gallons. Reservoir age and construction types range from 55 year-old pre-stressed concrete wall with gunite cover, 16 year old pre-stressed concrete tank with a flat roof, and a 21 year old steel structure. There is evidence of coating deterioration and gunite cover spalling, stressing wire corrosion, and surface cracks on several reservoirs. A structural analysis of all reservoirs needs to be performed in order to maintain the water storage capacity at maximum to maintain the structural integrity of the reservoirs.

ANALYSIS

On May 26, 2011, a Request for Proposal was sent to eleven consultant engineering firms, including five Oceanside firms, to prepare the Reservoir Structural Analysis (Exhibit A).

On June 29, 2011, the Water Utilities Department received proposals from four consulting firms. Staff reviewed and evaluated the proposals and unanimously chose Infrastructure Engineering Corporation as the best qualified firm to provide the Reservoir Structural Analysis (Exhibit B & C).

FISCAL IMPACT

The Reservoir Structural Analysis account (908754600712) has a current available balance of \$378,748 in the FY 2011-2012 Water Capital Projects Budget. Therefore, budgeted funds are available.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission will review staff's recommendation at its regularly scheduled meeting on September 20, 2011.

CITY ATTORNEY'S ANALYSIS

The referenced documents are being reviewed by the City Attorney.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

RECOMMENDATION

Staff recommends that the Utilities Commission recommend that the City Council approve a professional services agreement in an amount not to exceed \$158,904 with Infrastructure Engineering Corporation of Oceanside for the preparation of the Reservoir Structural Analysis; and, authorize the City Manager to execute the agreement.

PREPARED BY:

Greg Blakely
Administration Manager

Exhibit A – RFP Mailing List
Exhibit B – Consultant Rating Form
Exhibit C – PSA

STAFF REPORT

DATE: September 20, 2011

TO: Utilities Commission

FROM: Cari Dale, Water Utilities Director

SUBJECT: **RECOMMEND APPROVAL OF AMENDMENT 2 TO THE BIOSOLIDS-HAULING SERVICES AGREEMENT WITH TERRA RENEWAL, EXTENDING THE TERM FOR FIVE YEARS**

SYNOPSIS

Staff recommends that the Utilities Commission recommend that the City Council approve Amendment 2 in an amount not to exceed \$4,414,978 to the agreement with Terra Renewal of Garden Grove (formerly Solid Solutions) for the hauling of biosolids from the San Luis Rey and La Salina Wastewater Treatment Plants to permitted land application sites in Arizona, extending the term from December 2011 to December 2016; and authorization for the City Manager to execute the agreement.

BACKGROUND

On February 13, 2002, Council approved a contract in the amount of \$3,802,660 with Solid Solutions of Garden Grove for biosolids-hauling.

On December 13, 2006, Council approved Amendment 1 in an amount not to exceed \$4,740,992 to the agreement with Solid Solutions of Garden Grove (formerly Irvine) for the hauling of biosolids (or sludge) from the San Luis Rey and La Salina Wastewater Treatment Plants to permitted land application sites in Arizona, extending the term from December 2006 to December 2011. The terms and conditions of the amended agreement remain identical to the terms and conditions of the existing agreement.

On March 12, 2008, Terra Renewal West, LLC, purchased Solid Solutions, LLC, and the name was changed to Terra Renewal.

Because of stricter regulations, it is becoming increasingly difficult to find sludge-hauling companies that have the number and variety of reuse locations in the event one or more of the sites is not accepting sludge. In addition, it is difficult to find a company that can provide this service on the schedule required at both the San Luis Rey and La Salina Wastewater Treatment Plants so staff is requesting a 5-year extension to the agreement with Terra Renewal.

ANALYSIS

Terra Renewal is familiar with the requirements of both plants and has provided excellent service for the past five years. Their proposal for contract rates is \$39.95 per wet ton. To calculate the costs for the next four years, a Consumer Price Index (CPI) adjustment will be used and will not exceed 5 percent each year.

The biosolids-hauling costs as defined in the contract are rate-based and increase incrementally each year for five years. Staff estimates 20,000 tons of biosolids will be produced each year. Below are the annual estimated not-to-exceed costs including a potential variable fuel surcharge:

Contract Year	Not to exceed cost per year
12/11– 12/12	\$799,000
12/12 – 12/13	\$838,950
12/13 – 12/14	\$880,897
12/14 – 12/15	\$924,942
12/15 – 12/16	\$971,189
TOTAL ESTIMATED COST OVER 5 YEARS:	\$4,414,978

The total estimated cost in the table above is a decrease of \$326,014 from the previous 5-year contract.

FISCAL IMPACT

The FY 11-12 approved operating budgets of \$1,000,981 for biosolids-hauling for the San Luis Rey and La Salina Wastewater Treatment Plants (800805721.5355.0003 & 800804721.5355.0003) so there are available funds. The biosolids-hauling expenditure will be included in the department budget for Council's review during the annual budget process.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission approved staff's recommendation at its meeting on September 20, 2011.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATIONS:

Staff recommends that the Utilities Commission recommend that the City Council approve Amendment 2 in an amount not to exceed \$4,414,978 to the agreement with Terra Renewal of Garden Grove (formerly Solid Solutions) for the hauling of biosolids from the San Luis Rey and La Salina Wastewater Treatment Plants to permitted land application sites in Arizona, extending the term from December 2011 to December 2016; and authorization for the City Manager to execute the agreement.

PREPARED BY:

Greg Blakely
Water Utilities Division Manager

Exhibit A – Amendment 2