SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-E**

FROM: Steve Mack, General Manager

Meeting Date : April 1, 2010

SUBJECT: DISCUSSION/ACTION RE APPROVAL OF CONTRACT TO REPLACE FILTER MEDIA IN MONTE RIO GREEN SAND FILTER

RECOMMENDED ACTION: Approve Resolution 10-08 which waives Policy 3700.20 requiring a competitive bid process for work and improvements where the work and improvement are estimated to cost more than $25,000, and authorizes the General Manager to approve a contract with ERS Industrial Services (ERS) for an amount not to exceed $27,983.64 to replace the filter media in the Monte Rio green sand filter with an amount of $5,000 for extra services, and adds $32,983.64 to line item 6235 Treatment Supplies/Well Repairs of the FY10 Operating Budget.

FISCAL IMPACT: $27,983.64 plus extra services up to $5,000.

DISCUSSION:

The Monte Rio green sand filter is located at the Monte Rio well field site and filters all water pumped at that site to remove iron and manganese, as required by the California Department of Public Health. The current media has been in use for eight years, the filter gets inspected on an annual basis, and an inspection in November 2009 by ERS determined that the media needed replacement. ERS gave a quote of $27,983.64 to do the work.

As noted above filtration is required by the Department of Public Health to remove iron and manganese from District well water for the Monte Rio system. The District has a similar requirement for the Guerneville system and for that system we use a filter using pyrolucite media. The pyrolucite media has a longer media life expectancy and is easier to keep in service. This filter technology would be expensive to install at the Monte Rio site.

In the 4 months since the ERS inspection report, staff have investigated options to the maintenance recommended by ERS and have attempted to get quotes and opinions for the media replacement work, and have looked into the cost and process for replacing the green sand filter with a pyrolucite filter similar to what is being done for the Guerneville system. Staff was able to get one firm to give a cost quote for the work – that came in at $32,704. The cost of replacing the green sand filter with a pyrolucite filter was estimated to cost approximately $200,000 and would involved considerable reengineering of the Monte Rio filter site.

Through all this investigation staff have determined that keeping with the green sand filter technology is the reasonable approach at this time and the ERS quote is the lowest cost responsible quote we are likely to get. District Policy 3700.20 states that for work of this kind shall be let pursuant to competitive bids and states a process that includes advertising the bids, opening sealed bids, and awarding the contract to the lowest responsible bidder. Such a process is not reasonable in this circumstance because of the specialized nature of the work. There are only a few contractors who replace media in green sand filters, staff made a concerted effort over the past 3 months to get price quotes from contractors other than the firm that does the annual inspection on the Monte Rio filter, and only one firm gave a price quote and that was higher than the price quoted by ERS.

The staff recommendation includes a provision for an additional $5,000 for extra services. The ERS price quote was given based on known conditions. It is possible that once the work proceeds a situation may occur that requires work beyond what is expected based on the initial investigation.

This work was not included in the revised FY10 Budget. The end of year projection shows a surplus of $41,888. Staff recommends and Resolution 10-08 includes a budget revision adding $32,983.64 to line item 6235 Treatment Supplies/Well Repairs.

Staff request that the procedure in Policy 3700.20 be waived for this contract as following this procedure would not result in lower costs for the District and that a contract be awarded to ERS to replace the green sand filter media in the Monte Rio filter. This should last for approximately 8-10 more years. Replacement of the Monte Rio filter with a new filter using pyrolucite technology, or something similar, should be included in a future capital improvement program so that it can be done with appropriate assessment and be ready to go when this filter next needs a major overhaul.

Resolution No. 10-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT WAIVING POLICY 3700.20 AND APPROVING A CONTRACT FOR THE REPLACEMENT OF FILTER MEDIA FOR THE MONTE RIO FILTER

WHEREAS, the filter media in the Monte Rio filter is in need of replacement, based on an inspection in November 2009 by ERS Industrial Services (ERS), a firm that specializes in green sand filter maintenance, including replacement of filter media; and

WHEREAS, filter media replacement is specialized with few contractors available and qualified to do this type of work; and

WHEREAS, staff have spent the months of December 2009, and January and February 2010 looking for contractors who are able and willing to provide these services and to get confirming opinions that the work needs to be done; and

WHEREAS, staff have determined, based on recommendations by experts, that the work does need to be done without delays that would result from a from a formal bidding procedure; and

WHEREAS, staff solicited informal bids from 3 contractors to do this specialized work and two informal bids were received in response to the solicitation; and

WHEREAS, the price quote given by ERS ($27,983.64) is lower than the one other price quote that staff was able to attain; and

WHEREAS, changing the filter technology to one similar to what is used for the Guerneville system would not be timely and would cost much more; and

WHEREAS, the price quote given by ERS is higher than the $25,000 threshold of the District purchasing policy that directs for advertised competitive bids; and

WHEREAS, staff have determined that that process would not work for a contract for work of this specialized nature and that considerable effort beyond the advertising process has been expended searching out possible competitive bids; and

WHEREAS, funds for this contract exist in the projected FY10 Budget in the projected Operating Budget surplus; and

WHEREAS, the District Board of Directors hereby finds that it is in the best interest of the District to waive the bidding procedures of District Policy No. 3700.20 and to proceed instead in accordance with the informal quotation procedures described in District Policy No. 3700.70;

NOW, THEREFORE BE IT RESOLVED, that the District Board of Directors hereby:

1. Waives the bidding procedures of Policy 3700.20 et sequitur based on the research and solicitation efforts undertaken by staff and instead approves the informal quotation procedures described in District Policy No. 3700.70 for this transaction.

2. Authorizes and directs the General Manager to execute a contract with ERS in the amount of $27,983.64 to replace the filter media at the Monte Rio filter.

3. Authorizes an additional amount of $5,000 for contract contingencies.

4. Approves a FY 2010 budget amendment in the amount of $32,983.64 for Operating Budget line item 6235 Treatment Supplies/Well Repairs to cover the expenditure for this contract.

I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on April 1, 2010, by the following vote.

Director	**Aye**	**No**
Sukey Robb-Wilder	_____	_____
Jim Quigley	_____	_____
Wanda Smith	_____	_____
Gaylord Schaap	_____	_____
Victoria Wikle	_____	_____

_____
Jim Quigley
President of the Board of Directors

_____
Attest: Julie A. Kenny
Clerk of the Board of Directors