



OJAI VALLEY SANITARY DISTRICT

A Public Agency

1072 Tico Road, Ojai, California 93023
(805) 646-5548 • FAX (805) 640-0842
www.ojaisan.org

MEETING OF THE FINANCE COMMITTEE

Date & Time:

March 14, 2011
Monday 3:00 p.m.

Location:

OVSD Board Room

Members:

William D. O'Brien
Peter M. Kaiser
Stan Greene, Chairman

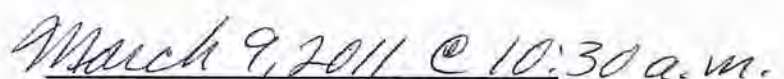
AGENDA

1. **Public Comment - (Items not on the agenda - 3 minute limit)**
2. **Review of Draft District Purchasing Policy**
3. **Discussion**
 - a. Audience
 - b. Committee Members
 - c. General Manager

A staff report providing more detailed information is available for most agenda items, and may be reviewed in the District office during regular business hours. Copies of individual reports may be requested from Brenda Krout (646-5548).

ATTEST TO POSTING:



Brenda Krout – Clerk of the Board


Date & Time Posted At District Office

Memorandum

Ojai Valley Sanitary District

March 9, 2011

To: Finance Committee - William O'Brien, Stan Greene & Peter M. Kaiser
From:  John K. Correa – General Manager
Subject: DRAFT PURCHASING POLICY

In response to your request, attached is a list of contract/projects that staff has identified as falling into the category of repair/maintenance. Repair and maintenance contract/projects are the types of spending most appropriately covered by the General Manager's spending authority.

As you can see there are many contracts/projects that do exceed the General Manager's current \$7,000 spending authority.

Also attached for your information is a copy of the Public Contract Code Section 22030 -22045.

All of this information is aimed at assisting you in determining an appropriate spending authority for the General Manager to be inserted into the draft purchasing policy that was presented to you at your March 3rd meeting.

Mark Zirbel, District Legal Counsel, will be at your March 14th meeting.

Potential Contracts That Could Have Been Done Without Board Approval

2006

<u>Contractor</u>	<u>Purpose of Contract</u>	<u>Contract \$\$</u>
1. VRSD	Protective coatings & Industrial Waste Program assistance	\$11,600
2. Weeks Roofing	Re-roof Tico Road Office	\$14,550

2007

1. VRSD	Protective coatings	\$9,800
2. VRSD	Manhole Rehabilitation	\$34,157
3. Crabtree	Design sewer repair – Vallerio	\$7,500
4. Crabtree	Design sewer repair – Shady Lane	\$7,500
5. RMA	Grant Request Assistance	\$12,880
6. BSN Construction	Subsidence Repairs – Fulton	\$11,109
7. BSN Construction	Subsidence Repairs – Rancho Matilija	\$14,562
8. R. Davis Construction	Baldwin Siphon Trunkline Abandonment	\$7,934
9. R. David Construction	Install MH on Kunkle Street	\$10,004
10. DAVMAR	Compressend replacement	\$10,367
11. Quality Machine Shop	Fine Screen Repairs	\$9,186

2008

1. VRSD	Protective coatings	\$10,108
2. VRSD	Manhole Rehabilitation	\$30,400
3. ADS	Flow monitoring	\$8,972
4. R. Davis	OV/Ojai Trunkline MH Repair	\$12,994
5. BSN Construction	Subsidence Repair – Catalina Drive	\$19,150
6. Dial Construction	Raise 22 MH Ring & Covers	\$18,199
7. Neenah	Purchase 50 MH Ring & covers	\$18,119
8. JWC Environmental	Grinder cartridge replacement	\$28,083
9. Ironbrook Partners	UV Lamps & Sleeves	\$32,900

2009

1. VRSD	Protective coatings	\$15,000
2. VRSD	Manhole Rehabilitation	\$70,000
3. Dudek	SSMP Completion	\$14,000
4. 3-Waters	Develop Hydra Hydraulic Model	\$15,060
5. Dial Construction	Raise 25 MH ring & covers	\$12,500
6. Neenah	Purchase 50 MH Ring & covers	\$17,075
7. Dial Construction	Raise 47 MH ring & covers	\$24,250
8. Flo-System Inc.	Replace Grit Classifier	\$52,864

2010

1. VRSD	Protective coatings	\$15,000
2. VRSD	Manhole Rehabilitation	\$54,000
3. Dial Construction	Raise 14 ring & covers	\$7,000
4. BSN Construction	Subsidence Repair – La Luna	\$9,009
5. Clark Engineering	Rebuild Wildcat Skid Frame	\$10,700

CALIFORNIA CODES
PUBLIC CONTRACT CODE
SECTION 22030-22045

22030. This article applies only to a public agency whose governing board has by resolution elected to become subject to the uniform construction cost accounting procedures set forth in Article 2 (commencing with Section 22010) and which has notified the Controller of that election. In the event of a conflict with any other provision of law relative to bidding procedures, this article shall apply to any public agency which has adopted a resolution and so notified the Controller.

22031. Nothing in this article shall prohibit a board of supervisors or a county road commissioner from utilizing, as an alternative to the procedures set forth in this article, the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1.

22032. (a) Public projects of thirty thousand dollars (\$30,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.

(b) Public projects of one hundred twenty-five thousand dollars (\$125,000) or less may be let to contract by informal procedures as set forth in this article.

(c) Public projects of more than one hundred twenty-five thousand dollars (\$125,000) shall, except as otherwise provided in this article, be let to contract by formal bidding procedure.

22033. 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.

22034. Each public agency that elects to become subject to the uniform construction accounting procedures set forth in Article 2 (commencing with Section 22010) shall enact an informal bidding ordinance to govern the selection of contractors to perform public projects pursuant to subdivision (b) of Section 22032. The ordinance shall include all of the following:

(a) The public agency shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission.

(b) All contractors on the list for the category of work being bid or all construction trade journals specified in Section 22036, or both all contractors on the list for the category of work being bid and all construction trade journals specified in Section 22036, shall be mailed a notice inviting informal bids unless the product or service is proprietary.

(c) All mailing of notices to contractors and construction trade journals pursuant to subdivision (b) shall be completed not less than 10 calendar days before bids are due.

(d) 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 and place for the submission of bids.

(e) The governing body of the public agency may delegate the authority to award informal contracts to the public works director, general manager, purchasing agent, or other appropriate person.

(f) If all bids received are in excess of one hundred twenty-five thousand dollars (\$125,000), the governing body of the public agency may, by adoption of a resolution by a four-fifths vote, award the contract, at one hundred thirty-seven thousand five hundred dollars (\$137,500) or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable.

22035. (a) 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.

(b) In case of an emergency, if notice for bids to let contracts will not be given, the public agency shall comply with Chapter 2.5 (commencing with Section 22050).

22035.5. In counties that are under court order to relieve justice facility overcrowding, the procedures and restrictions specified in Section 20134 shall apply to all contracts issued under this chapter.

22036. The commission shall determine, on a county-by-county basis, the appropriate construction trade journals which shall receive mailed notice of all informal and formal construction contracts being bid for work within the specified county.

22037. Notice inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project. The notice shall be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the jurisdiction of the public agency; or, if there is no newspaper printed and published within the jurisdiction of the public agency, in a newspaper of general circulation which is circulated within the jurisdiction of the public agency, or, if there is no newspaper which is circulated within the jurisdiction of the public agency, publication shall be by posting the notice in at least three places within the jurisdiction of the public agency as have been designated by ordinance or regulation of the public agency as places for the posting of its notices. The notice inviting formal bids shall also be sent electronically, if available, by either facsimile or electronic mail and mailed to all construction trade journals specified in Section 22036. The notice shall be sent at least 15 calendar days before the date of opening the bids. In addition to notice required by this section, the public agency may give such other notice as it deems proper.

22038. (a) In its discretion, the public agency may reject any bids presented, if the agency, prior to rejecting all bids and declaring that the project can be more economically performed by employees of the agency, furnishes a written notice to an apparent low bidder. The notice shall inform the bidder of the agency's intention to reject the bid and shall be mailed at least two business days prior to the hearing at which the agency intends to reject the bid. If after the first invitation of bids all bids are rejected, after reevaluating its cost estimates of the project, the public agency shall have the option of either of the following:

(1) Abandoning the project or readvertising for bids in the manner described by this article.

(2) By passage of a resolution by a four-fifths vote of its governing body declaring that the project can be performed more economically by the employees of the public agency, may have the project done by force account without further complying with this article.

(b) If a contract is awarded, it shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the public agency may accept the one it chooses.

(c) If no bids are received through the formal or informal procedure, the project may be performed by the employees of the public agency by force account, or negotiated contract without further complying with this article.

22039. The governing body of the public agency shall adopt plans, specifications, and working details for all public projects exceeding the amount specified in subdivision (c) of Section 22032.

22040. Any person may examine the plans, specifications, or working details, or all of these, adopted by the public agency for any project.

22041. This article does not apply to the construction of any public building used for facilities of juvenile forestry camps or juvenile homes, ranches, or camps established under Article 15 (commencing with Section 880) of Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code, if a major portion of the construction work is to be performed by wards of the juvenile court assigned to those camps, ranches, or homes.

22042. The commission shall review the accounting procedures of any participating public agency where an interested party presents evidence that the work undertaken by the public agency falls within any of the following categories:

(a) Is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.

(b) Exceeded the force account limits.

(c) Has been improperly classified as maintenance.

22043. (a) In those circumstances set forth in subdivision (a) of Section 22042, a request for commission review shall be in writing, sent by certified or registered mail received by the commission

postmarked not later than eight business days from the date the public agency has rejected all bids.

(b) In those circumstances set forth in subdivision (b) or (c) of Section 22042, a request for commission review shall be by letter received by the commission not later than eight days from the date an interested party formally complains to the public agency.

(c) The commission review shall commence immediately and conclude within the following number of days from the receipt of the request for commission review:

(1) Forty-five days for a review that falls within subdivision (a) of Section 22042.

(2) Ninety days for a review that falls within subdivision (b) or (c) of Section 22042.

(d) During the review of a project that falls within subdivision (a) of Section 22042, the agency shall not proceed on the project until a final decision is received by the commission.

22044. The commission shall prepare written findings. Should the commission find that the provisions of this chapter or of the uniform cost accounting procedures provided for in this chapter were not complied with by the public agency, the following steps shall be implemented by that agency:

(a) On those projects set forth in subdivision (a) of Section 22042, the public agency has the option of either (1) abandoning the project, or (2) awarding the project to the lowest responsible bidder.

(b) On those projects set forth in subdivision (b) or (c) of Section 22042, the public agency shall present the commission's findings to its governing body and that governing body shall conduct a public hearing with regard to the commission's findings within 30 days of receipt of the findings.

22044.5. If the commission makes a finding, in accordance with Section 22043, on three separate occasions within a 10-year period, that the work undertaken by a public agency falls within any of the categories described in Section 22042, the commission shall notify the public agency of that finding in writing by certified mail and the public agency shall not use the bidding procedures provided by this article for five years from the date of the commission's findings.

22045. (a) No later than January 1, 1985, the commission shall recommend, for adoption by the Controller, written procedures implementing the accounting procedures review provided for in this article.

(b) The Controller shall, upon receipt of the commission's recommendation, review and evaluate the recommended procedures and either formally adopt or reject the recommended procedures within 90 days of submission of the commission.