




Costa Mesa Sanitary District

...an Independent Special District

Memorandum

To: Board of Directors

Via: Scott Carroll, General Manager 

From: Wendy H. Davis, Finance Manager 

Date: February 9, 2016

Subject: Budget Appropriation – Closed Circuit Televising (CCTV) Contract

Summary

At the January 28, 2016 Board of Directors meeting, Professional Pipe Services was awarded a two contract to CCTV the District's entire wastewater system for \$625,553.28. The budget for CCTV is \$140,000 over the next two years, therefore an additional appropriation of \$486,000 is being requested from Retained Earnings.

Staff Recommendation

That the Board of Directors approves the appropriation of funds as follows:

<u>Account</u>	<u>Account Number</u>	<u>Increase</u>	<u>Decrease</u>
Sewer Maint-Sewer Line Televising	20-200000-4795	\$486,000	
Retained Earnings	20-200000-2990		\$486,000

Analysis

At the January 28, 2016 Board of Directors meeting, Professional Pipe Services was awarded a two contract to CCTV the District's entire wastewater system for \$625,553.28. The budget for CCTV is \$140,000 over the next two years, therefore an additional appropriation of \$486,000 is being requested from Retained Earnings.

Strategic Plan Element & Goal

This item supports achieving the objective and strategy of Strategic Element No. 7.0, *Finance*, which states:

“Objective: To ensure the short and long-term fiscal health of the District.



Protecting our community's health and the environment by providing solid waste and sewer collection services.

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Strategy: *The District will forecast and plan revenue and expenditures and maintain appropriate reserves and investment to provide financial resources to fund current and planned operations and projects."*

Legal Review

Not applicable.

Environmental Review

Subject activity is exempt from the requirements of the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000 et. seq.). Section 15300.4 of CEQA allows an agency while establishing its own procedures "to list those specific activities which fall within each of the exempt classes", and the District has adopted "CEQA Guidelines and Implementing Procedures" that state on page 6 "'Projects" does not include C. Continuing administrative or maintenance activities."

Financial Review

Sufficient funds are available in the Wastewater Retained Earnings account.

Public Notice Process

Copies of this report are on file and will be included with the entire agenda packet for the February 9, 2016 Board of Directors study session meeting at District Headquarters and on District website at www.cmsdca.gov.

Alternative Actions

1. Refer the matter back to staff for additional information.

Attachments:

Project No. 02-15 Closed Circuit Televising (CCTV) Services Award Contract Staff Report




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Memorandum

To: Board of Directors

From: Scott Carroll, General Manager 

Date: January 28, 2016

Subject: **Project No. 02-15 Closed Circuit Televising (CCTV) Services Award Contract**

Summary

Closed circuit television (CCTV) allows District staff to evaluate the condition of wastewater pipes and can help determine when rehabilitation of said pipes are needed before failure occurs. 2006 through 2009 was the last time the District CCTV the entire wastewater system.

Staff Recommendation

That the Board of Directors award the contract to Professional Pipe Services, in the amount of \$625,553.28.

Analysis

The 2006-2009 CCTV allowed staff to identify 255 Grade 5 pipe sections, which means imminent failure by the National Association of Sewer Service Companies (NASSCO), an industry standard for assessing underground infrastructure. All 255 Grade 5 pipe sections have been successfully rehabilitated.

The 2006-2009 CCTV also identified 1,600 Grade 4 pipe sections, which means a significant defect has been detected. It's now time to CCTV the entire system again to determine how many of the Grade 4 sections are now Grade 5 so staff can take immediate action before pipe failure.

Staff prepared a request for proposal document to CCTV the District's entire wastewater system and requested qualified vendors to submit their proposal by December 21, 2015. Staff requested proposals to CCTV the entire system in one, two and three years.



Staff received four proposals, which are identified below.

	<u>1-Year</u>	<u>2-Years</u>	<u>3-Years</u>
Professional Pipe Services	\$625,553.28	\$625,553.28	\$625,553.28
Houston & Harris PCS, Inc.	\$817,852.99	Non-responsive	Non-responsive
Nor-Cal Pipeline Services	\$868,824.00	\$868,824.00	\$868,824.00
National Plant Services, Inc.	\$973,082.88	\$949,914.24	\$984,667.20

Houston & Harris PCS miscalculated their proposal for years two and three and so staff deemed the two cost proposals as non-responsive.

After evaluating all the proposals the preliminary “best value” proposal is from Professional Pipe Services. On Wednesday, January 13th staff interviewed officials from Professional Pipe Services to further evaluate their qualifications and experience. After the interview staff is very satisfied with Professional Pipe Services experience, equipment used, videos, and compatibility with GIS.

Professional Pipe Services has a fleet of 45 CCTV trucks in Southern California and they are ready to begin work in February 2016. All of their technicians are certified from NASSCO’s Pipeline Assessment & Certification Program (PACP) and they use the latest pipeline inspection software (Wincan or Pipelogix) with PACP coding. They are currently televising 500 miles of wastewater pipeline for the City of Los Angeles and they recently completed CCTV inspection of 250 miles of wastewater lines for Los Angeles County Sanitation District.

Strategic Plan Element & Goal

This item complies with Strategic Element No.1, *Sewer Infrastructure* and Strategic Goal No. 1.5, *Sewer Line Cleaning and CCTV Program*.

Legal Review

District Counsel has reviewed and approved the attached contract.

Environmental Review

The proposed CCTV program is categorically exempt under the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000 et. seq.) under **Section 15309 Inspections** as a “Class 9” activity described as: ***Class 9 consists of activities limited entirely to inspections, to check for performance of an operation, or quality, health, or safety of a project, including related activities such as inspection for possible mislabeling, misrepresentation, or adulteration of products***

Financial Review

Staff is recommending this program be completed in two years, which will cost the District **\$312,776.64** annually. Currently, there is \$70,000 budgeted for this program in the FY 2015-16 and FY 2016-17 Budgets, so an additional **\$242,776.64** for each fiscal year will have to be appropriated from the Facilities Revolving Fund which has approximately \$570,000.

Board of Directors

January 28, 2016

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Public Notice Process

Copies of this report are on file and will be included with the complete agenda packet for the January 28, 2016 Board of Directors meeting at District Headquarters and posted on the District's website.

Reviewed by:

A handwritten signature in blue ink, appearing to read "Wendy Hooper Davis".

Wendy Hooper Davis
Finance Manager

Attachment A: Professional Pipe Services Contract