NOTICE OF MEETING

OF THE

ENGINEERING, OPERATIONS, AND BIOSOLIDS MANAGEMENT COMMITTEE

OF THE
BOARD OF DIRECTORS
OF THE

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

IS SCHEDULED FOR
WEDNESDAY, MARCH 11, 2015
10:00 A.M.

Or immediately following the
Public, Legislative Affairs, and Water Resources Committee Meeting

AT THE ADMINISTRATION HEADQUARTERS
6075 Kimball Avenue, Building A
Chino, CA 91708
CALL TO ORDER

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form which is available on the table in the Board Room. Comments will be limited to five minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. ACTION ITEMS

A. MINUTES
   The Committee will be asked to approve the Engineering, Operations, and Biosolids Management Committee meeting minutes from the January 14, 2015 meeting.

B. PROCUREMENT ORDINANCE REVISIONS
   It is recommended that the Committee/Board hold a Public Hearing to received comments and, upon conclusion of the Public Hearing, adopt Ordinance No. 101; establishing and setting forth the policies governing Agency authority and dollar limits for procurements and procurement-related activities.
C. **FISCAL YEAR 2015/16 THROUGH 2024/25 TEN-YEAR CAPITAL IMPROVEMENT PLAN**
   
   It is recommended that the Committee/Board approve the proposed Fiscal Year (FY) 2015/16 through 2024/25 Ten-Year Capital Improvement Plan (TYCIP).

D. **DESIGN/BUILD CONTRACT AWARD OF THE COMMUNICATION SYSTEM UPGRADES**
   
   It is recommended that the Committee/Board:
   
   1. Award the construction contract to Sun Wireless for the construction of the Communication System Upgrades, Project No. EN12019, for a not-to-exceed total amount of $826,294; and
   
   2. Authorize the General Manager to execute the construction contract.

E. **CONSTRUCTION CONTRACT AWARD FOR THE RP-1 DIGESTER GAS SYSTEM EVALUATION AND IMPROVEMENTS**
   
   It is recommended that the Committee/Board:
   
   1. Approve the construction contract award to J.R. Filanc Construction Company for the RP-1 Digester Gas System Evaluation and Improvements, Project No. EN15056, in the amount of $407,835; and
   
   2. Authorize the General Manager to execute the construction contract.

F. **ENGINEERING SERVICES CONTRACT AWARD FOR THE CCWRF INSPECTION OF THE 72-INCH MIXED LIQUOR PIPELINE**
   
   It is recommended that the Committee/Board:
   
   1. Approve the award of an engineering services contract for the CCWRF "Mixed" Liquor Pipeline Inspection, Project No. EN15048, to V&A Consulting Engineer, Inc., for a not-to-exceed amount of $158,839; and
   
   2. Authorize the General Manager to execute the consultant contract.

G. **ENGINEERING SERVICES CONTRACT AMENDMENT FOR THE RP-4 DISINFECTION FACILITY IMPROVEMENTS**
   
   It is recommended that the Committee/Board:
   
   1. Approve the amendment to the engineering services contract with IDS Group for the additional consulting services for the RP-4 Disinfection Facility Improvements, Project No. EN14018, for a not-to-exceed amount of $105,110; and
2. Authorize the General Manager to execute the consultant contract amendment.

2. INFORMATION ITEMS

A. INLAND BIOENERGY UPDATE (POWERPOINT)

B. RECYCLED WATER UPDATE (POWERPOINT)

RECEIVE AND FILE INFORMATION ITEM

C. ENGINEERING AND CONSTRUCTION MANAGEMENT FY 2013/14 MONTHLY UPDATE (POWERPOINT)

3. GENERAL MANAGER’S COMMENTS

4. COMMITTEE MEMBER COMMENTS

5. COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

6. ADJOURN

*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909-993-1736), 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: [Signature]

DECLARATION OF POSTING

I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of the agenda has been posted by 5:30 p.m. in the foyer at the Agency’s main office, 6075 Kimball Ave., Building A, Chino, CA on Thursday, March 5, 2015.

April Woodruff
ACTION
ITEM
1A
MINUTES

ENGINEERING, OPERATIONS, AND BIOSOLIDS MANAGEMENT COMMITTEE MEETING
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CA

WEDNESDAY, FEBRUARY 11, 2015
10:00 A.M.

COMMITTEE MEMBERS PRESENT
Michael Camacho, Chair
Terry Catlin

STAFF PRESENT
P. Joseph Grindstaff, General Manager
Christina Valencia, Chief Financial Officer/Assistant General Manager
Chris Berch, Executive Manager of Engineering/Assistant General Manager
Ernest Yeboah, Executive Manager of Operations/Assistant General Manager
Kathryn Besser, Manager of External Affairs
Pietro Cambiaso, Senior Engineer
Francis Concemino, Deputy Manager of Maintenance Planning
Nel Groenveld, Manager of Laboratories
Majid Karim, Acting Manager of Engineering
Craig Proctor, Pretreatment and Source Control Supervisor
Teresa Velarde, Manager of Internal Audit
Jamal Zughbi, Senior Engineer
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT
Jean Cihigoyenetche, Cihigoyenetche, Grossberg, and Clouse

The meeting was called to order at 10:03 a.m. There were no public comments received or additions to the agenda.

ACTION ITEMS
The Committee:

♢ Approved the Engineering, Operations, and Biosolids Management Committee meeting minutes of December 10, 2014.

♢ Recommended that the Board:

1. Approve a Fiscal Year (FY) 2014/15 budget appropriation in the amount of $15,000,000; and

2. Authorize the General Manager to execute the budget appropriation;

as a Consent Item on the February 18, 2015 Board meeting agenda.
Recommended that the Board:

1. Approve an agreement amendment with SAWPA to extend the Temporary Brine Line connection to March 2017;

2. Approve an agreement amendment with Chino Development Corporation (CDC), Chino Preserve Development Corporation, and Chino Holding Company for the extension of the temporary Brine Line Connection to March 2017;

3. Approve an agreement amendment with the City of Chino to extend the temporary Brine Line connection to March 2017; and

4. Authorize the General Manager to execute the amendments;
as a Consent Calendar Item on the February 18, 2015 Board meeting agenda.

Recommended that the Board:

1. Award the services contract (Contract No. 46000001816) to clean Digester No. 2 at Regional Plant No. 2 (RP-2) to Synagro-WWT, Inc., for a not-to-exceed amount of $449,667; and

2. Authorize the General Manager to execute the contract;
as a Consent Calendar Item on the February 18, 2015, Board meeting agenda.

Recommended that the Board:

1. Approve the Agency-wide memberships and affiliations for FY 2015/16, in the amount of $178,718 as detailed in the Agency-wide membership listing; and

2. Adopt Resolution No. 2015-2-2, authorizing Agency organizational memberships and affiliations;
as a Consent Calendar Item on the February 18, 2015, Board meeting agenda.

INFORMATION ITEMS
The following information items were presented or received and filed by the Committee:

- Engineering Strategic Planning
- Laboratory Semi-Annual Update
- Mid-Year Building Activity Report
- Planning and Environmental Compliance Update
- Engineering and Construction Management Monthly Update

GENERAL MANAGER'S COMMENTS
None.
COMMITEE MEMBER COMMENTS

None.

COMMITEE MEMBER REQUESTED FUTURE AGENDA ITEMS

None.

With no further business, the meeting adjourned at 10:53 a.m.

Respectfully submitted,

April Woodruff  
Board Secretary/Office Manager  

*A Municipal Water District

APPROVED: MARCH 11, 2015
Engineering, Operations, and Biosolids Management Committee

ACTION ITEM 1B
Date: March 18, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (03/11/15)
Engineering, Operations, and Biosolids Management Committee (03/11/15)
Finance, Legal, and Administration Committee (03/11/15)

From: P. Joseph Grindstaff
General Manager

Submitted by: Christina Valencia
Chief Financial Officer/Assistant General Manager

Warren T. Green
Manager of Contracts and Facilities Services

Subject: Procurement Ordinance Revisions

RECOMMENDATION

It is recommended that the Board of Directors hold a public hearing to receive comments and, upon conclusion of the public hearing, adopt Ordinance No. 101; establishing and setting forth the policies governing Agency authority and dollar limits for procurement and procurement-related activities.

BACKGROUND

The Agency’s current Procurement Ordinance No. 95, was adopted by the Board of Directors on August 21, 2013. That Ordinance has served the Agency well through its established procurement thresholds, expenditure (approval) limits, delegated authority, solicitation requirements and protocols.

The proposed Procurement Ordinance provides for a number of key changes that will improve the Agency’s ability to conduct routine business, while ensuring adequate fiscal controls and transparency of expenditures. Most of these changes were prompted by discussions between key stakeholders; i.e., Maintenance, Operations, Engineering, Construction Management, and Executive Management, as well as the Internal Auditor. Additionally, with the merging of the Contracts and Procurement Department with Risk, Facilities Services and Records Management,
the new department name was changed to Contracts and Facilities Services. The proposed changes include:

- **Definitions:** Adds definitions for; “Negotiated Procurements,” “Pre-Qualification,” and, “Surplus Personal Property.” Broadens definition for “Emergency Procurement.”

- **Single/Sole Source Threshold:** Change the threshold for single/sole source purchases from $50,000 to $100,000.

- **Informal Solicitations:** Adds clarification for how on-sites services shall be solicited to address requirements related to prevailing wage, contractor registration with the Department of Industrial Relations (DIR), certified payroll, insurance and bonding.

- **Pre-qualification Process:** Adds in the process for projects under and over the two million dollar thresholds.

- **Rejection of Offers:** Increases the threshold from $250,000 to $500,000 for the General Manager to reject offers and move forward to rebid a project.

The proposed Procurement Ordinance will provide for reduced cycle time, thereby streamlining the procurement and contracting processes. These changes continue to support a central procurement and contracting initiative, which focuses on best value procurements, leveraging technology, improving efficiency and customer service; while continuing to provide defensible procurement tools to protect and preserve the public trust.

These changes in the ordinance are consistent with the Agency’s Business Goals under *Fiscal Responsibility and Business Practices*, as they support the Agency and internal customers in the completion of their tasks and projects through sound fiscal spending and efficient processes.

**PRIOR BOARD ACTION**

On August 21, 2013, The Board of Directors adopted Procurement Ordinance No. 95.

**IMPACT ON BUDGET**

None.

Attachment:
Ordinance No. 101
ORDINANCE NO. 101

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY* (AGENCY) ESTABLISHING AND SETTING FORTH THE POLICIES GOVERNING AGENCY AUTHORITY AND DOLLAR LIMITS FOR BEST VALUE PROCUREMENTS AND PROCUREMENT-RELATED ACTIVITIES

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY* (AGENCY) AS FOLLOWS:

SECTION 1 - PROCUREMENT DEFINITION AND INSTRUMENTS
SECTION 2 - EXPENDITURE APPROVALS & REQUIREMENTS
SECTION 3 - SOLICITATIONS AND TERM LIMITS
SECTION 4 - TRADES AND EXCHANGES
SECTION 5 - REAL PROPERTY ACQUISITION
SECTION 6 - DISPOSAL OF SURPLUS
SECTION 7 - POLICIES AND PROCEDURES
SECTION 8 - PROHIBITION OF UNAUTHORIZED PROCUREMENT AND REQUIREMENTS FOR PROCUREMENT FUNDING
SECTION 9 - DEPARTMENT COOPERATION
SECTION 10 - EXCEPTION TO THIS ORDINANCE
SECTION 11 - VOIDABLE
SECTION 12 - SEVERABILITY
SECTION 13 - REPEAL
SECTION 14 - EFFECTIVE DATE AND EXECUTION

SECTION 1: PROCUREMENT DEFINITIONS AND INSTRUMENTS

1. Definitions: The following definitions shall apply to this Ordinance:

A. “Appropriated Funding” shall mean that funding which has been authorized by the Board as part of the fiscal year budget, or as a respective augmentation thereto.

B. “Authority to Approve” shall mean authority to designate appropriated funding for a specific procurement.

C. “Authority to commit” shall mean authority to effect and bind a procurement commitment, including contractual document execution, for a specific designated procurement.

D. “Best Value Procurements” for procurements other than public works, shall mean an award based on the best overall value to the Agency including, but not limited to: acquisition cost; lifetime cost of ownership;
ability, capability, and skills (e.g., experience, value-added services, etc.) of supplier/contractor; ability of supplier/contractor to meet the project schedule; character, integrity, reputation and judgment of supplier/contractor (e.g., from reference checks, site visits, and background checks); quality of previous work with Agency or other public entities; warranty or other documented considerations of value (e.g., discounted spare parts) offered to the Agency.

E. “Budgeted Procurements” shall mean capital projects and operations and maintenance items that have been specifically included as part of the fiscal year budget, or as a respective augmentation thereof, and authorized by the Board.

F. “Change Order” and “Amendment” shall mean any respective modification to an existing procurement or respective contractual document.

G. “Competition” shall mean any award whereby a solicitation has been directed to multiple sources and where at least one response is received.

H. “Contracts and Facilities Services” (CFS) shall refer to the department charged with the responsibility and authority to manage all aspects of the solicitation, negotiation, award, acquisition, contract administration, and surplus/disposal processes for goods, services, property and minor construction (excludes major public works and emergency procurements awarded through and administered by the Engineering and Construction Management Department).

I. “Contractual Document” shall mean the document which binds Agency commitment of a procurement; such as a contract, agreement, lease, purchase order, change order, or amendment thereto.

J. “Cooperative Procurement” shall mean a procurement (i.e., combining of requirements) conducted on behalf of two or more public procurement units in order to obtain the benefit of volume purchasing, economies of scale, and/or reduction in administrative expenses.

K. “Delegate Authority” shall mean authority to assign authority, at specified limits, to respective subordinate staff.

L. “Electronic Procurement” or “e-Procurement” shall mean electronic implementation of the procurement cycle.

M. “Electronic Sourcing” or “e-Sourcing” shall mean an internet-based acquisition process that allows for electronically posting the requirement and electronic or hardcopy receipt of quotes, proposals, or bids in order to make a best-value acquisition.
N. "Emergency Procurement" shall mean any procurement required for the prevention against imminent danger, or to mitigate the loss or impairment of: life, health, or safety of the public, Agency employees, suppliers, contractors; public or private property; compliance with critical permit and regulatory requirements; or any other condition which cannot reasonably be foreseen and would have a significant effect on the public’s health/safety or that could have a significant adverse financial impact on the Agency.

O. "Formal Solicitation" shall mean the issuance of a written request for sealed bids, proposals, or quotations.

P. "Informal Solicitation" shall mean the verbal or written request for a verbal or written bid, proposal, or quotation.

Q. "In the absence of . . ." shall mean a reasonable amount of time away from the office, exceeding 24 hours.

R. "Master Contracts" shall mean competitively-let contracts issued to one or more qualified suppliers/contractors where work shall be performed by task orders. Task orders under the master contract have a Board approved expenditure limit, unless specifically approved otherwise by the Board of Directors.

S. "Negotiated Procurement" shall mean a documented procurement whereby competitive practices may not be practical; due to a unique circumstance such as special pricing, limited time offer, complex contractual terms (e.g., power purchase agreements, energy, specialized technology) and discussions and bargaining are used to finalize the procurement.

T. "Non-Fiscal" shall mean having no direct impact on appropriated budgets, or otherwise requiring financial commitment of the Agency.

U. "Piggyback Procurement" shall mean utilizing another public agency’s contract or agreement to obtain more advantageous prices and terms than can be otherwise obtained on the open market.

V. "Pre-Qualification" shall mean the process (Request for Qualification – RFQ) conducted by the Engineering and Construction Management (E&CM) Department to identify Prime Contractors that are capable and responsible to bid on public works projects.
W. "Procurement" shall mean the purchase or otherwise compensatory securing of materials, supplies, services, leases, and equipment, real property, or public works services.

X. "Procurement Aggregate" shall mean the total of the initial procurement and all respective change orders or amendments thereto.

Y. "Professional Services" shall mean any specially-trained and experienced individual, firm or corporation, providing services and advice in financial, economic, accounting, engineering, information services, technical, architectural, or other administrative/professional matters.

Z. "Public Works" shall mean the erection, construction, alteration, repair, maintenance or improvement of any public structure, building, road, or other improvement as specified in the California Public Contract Code; specifically, Article 40, Sections 20640-20644, and Article 72, Sections 21050-21051.

AA. "Reverse Auction" shall mean a competitive electronic solicitation process for equipment, materials, supplies, and services in which bidders compete against each other in real time in an open and interactive web environment.

AB. "Single Source" shall mean a procurement action where there is a compelling reason for selection of a preferred brand: such as standardization; time/schedule constraints; technical expertise; follow-on work to an existing contract to be procured; etc.

AC. "Sole Source" shall mean a procurement action where only one viable source exists. This is usually due to legal restrictions of patent rights, a proprietary process, warranty issues, original equipment manufacturer, and copyrights.

AD. "Surplus Personal Property" shall mean items having no further use to the Agency; scrap, broken, obsolete, abandoned, or unusable materials or equipment.

AE. "Trades and Exchanges" shall mean authorized surplus items used for the acquisition of materials, supplies, services, leases, and/or equipment.

AF. "Unauthorized Procurements" shall mean work initiated by staff without the prior approval of the Board of Directors (Board), General Manager ("GM"), Chief Financial Officer (CFO), or the Manager of CFS, based upon authorization thresholds identified herein; followed by an approved purchase requisition and procurement instrument. Should it be necessary to interpret what is or is not an unauthorized procurement, General
Counsel shall provide the interpretation on behalf of the Board of Directors.

AG. “Where possible and practical” shall mean CFS’s discretion to make a documented decision in the best interest of the Agency.

2. **Procurement Instruments:** All procurement actions, shall be effected by and at the discretion of the Board, the GM, the CFO, the Manager of CFS, or as authorized by one of the aforementioned, as authorized designees, using one of the following respective instruments:

   A. Petty Cash – for limited amount cash advance or reimbursement; or,

   B. Agency Check – A draft drawn on an Agency bank account for the procurement of goods and services; or,

   C. Blanket Purchase Agreement (BPA) – Simplified acquisition method to fill anticipated repetitive needs for supplies or services; or

   D. Contractual Document – (See Section 1.1 above); or,

   E. Credit/Procurement Card – for procurements under $5,000 in accordance with the individual Credit/Procurement Card restrictions and as set forth in administrative policy (see Section 3.7 for exceptions).

**SECTION 2: EXPENDITURE APPROVALS AND REQUIREMENTS**

1. All purchases, agreements, services, leases, and/or contracts including construction contracts, for materials, supplies, equipment, and other personal property shall be made in accordance with this Ordinance.

2. Splitting or separating of material, supply, service, lease, and equipment orders or projects for the expressed purpose of evading the requirements of this Ordinance is strictly prohibited. Splitting is defined as a series or more than one purchase request transaction for the same project requested separately in order to evade either the solicitation requirements or the higher approval thresholds. Discrete subsequent amendments or change orders that are for separate subprojects or disciplines (e.g., structural or electrical design of a larger project) under the same contract do not apply to this provision. Subsequent follow-on requests, at the discretion of the Manager of CFS, may require inclusion in the GM Report to the Board. Construction contracts may have subsequent change orders in accordance with the requirements of the Public Contract Code. Task Orders under the Master Contract Program do not fall under the provision of this requirement.

3. Procurement authorization parameters and limits are as follows:
A. Approval and execution of original procurements as indicated in the following table and as delegated below.

<table>
<thead>
<tr>
<th>Approver</th>
<th>Emergency</th>
<th>Competitively-Let</th>
<th>Single or Sole Source</th>
<th>Public Works Change Order &amp; Amendments</th>
<th>Non Public Works Change Order &amp; Amendments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td></td>
<td>&gt;$100K</td>
<td>&gt;$100K</td>
<td>&gt;$100K</td>
<td>&gt;$40K</td>
</tr>
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<td>≤$40K</td>
</tr>
<tr>
<td>CFO</td>
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<td>≤$100K</td>
<td>≤$100K</td>
<td>≤$40K</td>
</tr>
<tr>
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<td>As delegated</td>
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<td>≤$100K</td>
<td>≤$100K</td>
<td>≤$40K</td>
</tr>
</tbody>
</table>

1. Board approval is required for competitively-let procurements greater than $100,000, unless the procurement is a competitively-let “budgeted procurement” under $250,000, specifically identified as a detailed line item in the fiscal year adopted budget.

2. Board approval is required for single or sole source procurements greater than $100,000.

3. The GM is authorized to approve and execute competitively-let procurements less than or equal to $100,000, and single or sole source procurements less than or equal to $100,000, respectively.

4. The GM is authorized to delegate authority to approve and execute procurements less than or equal to the limits established for the GM.

5. In the absence of the GM, the CFO is authorized to approve and execute procurements less than or equal to $100,000, and single or sole source procurements less than or equal to $100,000, respectively.

6. The CFO is authorized to delegate that authority to approve and execute procurements, less than or equal to that limit which has been established for the CFO.

7. In the absence of the GM, the CFO, the Manager of CFS is authorized to approve and execute procurements less than or equal to $100,000, and single or sole source procurements less than or equal to $100,000, respectively.

B. Change order and amendment authorization parameters and limits are as follows:
1. Board approval is required for any single change order or amendment greater than $40,000. However, for public works project change orders, Board approval and execution is required for requests exceeding $100,000.

2. The GM is authorized to approve and execute respective change orders and amendments less than or equal to $40,000, or less than or equal to $100,000, for public works projects. The GM may delegate this authority up to the limits established for the GM.

C. The Manager of CFS is authorized to execute all approved and budgeted procurements made by Purchase Orders and Change Orders; as well as Contracts and Contract Amendments up to the Manager's internal approval limit or as otherwise delegated.

D. The Manager of CFS is authorized to establish and approve all BPAs, in the best interest of the Agency.

E. The Manager of CFS is authorized to request an interpretation for any procurement from General Counsel pertaining to this Ordinance. General Counsel's opinion shall be conclusive.

F. The GM is authorized to terminate any procurement or contractual obligation less than or equal to $500,000, in the best interest of the Agency.

SECTION 3: SOLICITATIONS AND TERM LIMITS

1. Solicitations for best value to the Agency and their parameters and limits (subject to other provisions of this section) are as follows:

A. Formal Competitive Solicitations:

1. Shall be required for Agency procurements estimated to be greater than $50,000, or for Public Works Projects, as set forth and adjusted by applicable Public Contract Code (PCC) (i.e., PCC 20642 – Bidding Requirements). The use of e-sourcing, the online solicitation system, is acceptable for issuance of formal solicitations; as well as the receipt of proposals or bids (unless specifically stated otherwise within the solicitation documents). Public works construction may be advertised in the Green Sheet, on the Agency’s website or through the online solicitation system.

2. Shall, at a minimum, be advertised in one general circulation newspaper within the Agency’s geographic boundaries and/or
advertised on either the Agency’s website and/or a regional purchasing website as determined by the Manager of CFS.

3. Shall, whenever possible and practical, provide a minimum of 14 calendar days for response.

4. Shall require the receipt of a minimum of one competitive response; or, have been directed to a minimum of five qualified potential respondents, when available.

5. Public Work bids shall be publicly unsealed, and respective dollar amount(s) announced. This may be electronically facilitated at the discretion of the Manager of CFS.

6. Proposals and quotations may be publicly unsealed, and respective dollar amount(s) announced.

7. For procurements funded by a Federal grant, no award shall be permitted to any vendor for any contract or sub-contract at any tier level for a vendor which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, “Debarment and Suspension.

8. Award details shall be made available following approval of the award; either on the Agency’s website, the e-sourcing website, or delivered upon specific request.

9. The formal competitive solicitation process may be waived at the discretion of the GM or his/her designated representative, when there is a compelling reason (e.g., public safety, prevent loss of life, imminent danger, or other valid reason). The GM shall document the reason and inform the Board at the next regularly-scheduled meeting.

B. Informal Competitive Solicitations:

1. For procurements estimated to be greater than $10,000 and less than or equal to $50,000, solicitations shall be posted on the electronic solicitation system or sent and documented via email to a pre-qualified list (e.g., Master or Pre-qualified Contractors) with a minimum of two competitive written or electronic responses received by CFS, where possible and practical.

2. For procurements estimated to be greater than $5,000 and less than or equal to $10,000, shall be either posted on the electronic
solicitation system or sent and documented via email or fax transmission to a minimum of two prospective suppliers.

3. For procurements less than $5,000, one written quote is sufficient. The quote may be within an electronic sourcing and procurement process, which identifies pricing and electronically submits purchase orders, after approval, to the suppliers.

4. For procurement of on-site services, solicitations shall be conducted through CFS to address relevant terms and conditions related to prevailing wage, risk mitigation, insurance and bonding requirements, unless designated an emergency.

C. Requests for Information:

In order to facilitate the budgetary and planning processes, Agency staff other than CFS, may request informal pricing and related information for the express purpose of obtaining estimates for services, materials, equipment and supplies, identify availability of materials and supplies and identify lead-times, as provided for by policy. The requestor shall declare that the request is for "budgetary and informational purposes only" and is not to be construed as an offer or commitment to procure any product or service. Requests for Information shall not be used in lieu of the informal and formal solicitation processes provided for herein. Exceptions shall be at the sole discretion of the Manager of CFS, CFO, or GM.

D. Reverse Auctions:

1. Reverse auctions may be utilized for the acquisition of equipment, materials, supplies, and services when it is advantageous to do so (i.e., by materially-reducing the cost of goods, while increasing the efficiency of the acquisition function through effective use of technology).

2. Reverse auctions may be hosted by a third party vendor under contract with the Agency.

3. Bidders shall be required to register and pre-qualify, prior to the reverse auction date and time, and agree to any terms and conditions specified.

4. Reserve auctions shall not be used for Public Works projects.

5. At the discretion of the Manager of CFS, reverse auctions may be conducted in lieu of the formal or informal competitive solicitation processes.
E. Pre-qualification Process:

1. A pre-qualification process to identify qualified construction contractors may be used for public works projects.

2. The pre-qualification process will include a Request-for-Qualification to establish a list of contractors that may be used for projects valued less than $2,000,000.

3. The list of contractors will be valid for a period of up to five years.

4. For public works projects estimated to be valued at or greater than $2,000,000, a Request-for-Qualification process will be announced for each individual project, prior to the release of the solicitation.

5. The award of a public works contract using the pre-qualification process shall be made to the lowest-priced, pre-qualified bidder.

2. Multi-year procurement terms and extension limits are as follows:

A. The term for initial procurements may not exceed five years.

B. The aggregate term of all extensions for initial procurements may not exceed two years, as determined by the GM.

C. Exceptions to the term limits, as determined by the GM, shall be compelling, in the best interest of the Agency, and documented accordingly.

3. Negotiated procurement parameters and term limits (subject to other provisions of this Ordinance) are as follows:

A. Negotiated procurements shall be authorized in writing by the respective Department Manager, and approved by the Manager of CFS for documented circumstances where there exists a single or sole-source supplier, or unusual time or other constraint (e.g., power and energy, emergency communications, insurance carrier, specialized materials, services or equipment, information technology equipment, limited-time discount opportunities, other unique opportunities, etc.).

B. Negotiated procurements shall not require any formal or informal solicitation. However, for single or sole source negotiated procurements exceeding $50,000, Board approval is required.
C. The aggregate term, including all extensions thereof, of any negotiated procurement may not exceed seven years.

D. Exceptions to the term limits shall be compelling, in the best interest of the Agency, and documented accordingly in the GM Report to the Board.

4. Cooperative and “piggyback” procurement parameters and limits (subject to other provisions of this Ordinance) are as follows:

A. Single-occurrence cooperative and “piggyback” procurements shall not require formal solicitations. However, procurements exceeding $100,000 that result from single or sole source cooperative or “piggyback” contracts require Board approval. Procurements exceeding $100,000 that result from competitively-let cooperative and “piggyback” contracts also require Board approval.

B. The aggregate term, including all extensions, of any cooperative or piggyback procurement, may not exceed seven years.

C. Exceptions to the term limits, as determined by the Manager of CFS, shall be compelling, in the best interest of the Agency, and documented accordingly.

5. Government procurement parameters and limits (subject to other provisions of this section) are as follows:

A. Materials, supplies, services, leases, and equipment, may be procured from other government agencies, when doing so would be in the best interest of the Agency, as determined by the GM.

B. When government agency procurement is greater than $50,000, formal and competitive bids, proposals, or quotations, may be solicited from open market sources, as determined by the GM.

C. Professional services may be procured from other government agencies, when doing so would be in the best interest of the Agency, as determined by the GM.

6. Petty Cash procurement parameters and limits are as follows:

A. A fund of sufficient amount shall be established by Resolution of the Board, to support petty cash disbursements for authorized advances and reimbursements.

7. Procurement Card requirements and limits are as follows:
A. Procurement Cards may be used for single transactions to acquire materials, supplies, and equipment (e.g., online purchases, with businesses that will not accept purchase orders, etc.) less than or equal to $5,000, unless otherwise authorized by the Manager of CFS, CFO, or GM.

B. Procurement Cards shall not be used for engaging services unless expressly authorized by the Manager of CFS, CFO, or GM.

8. Board approval is required for rejection of offers, where the lowest bid, proposal, or quotation, is greater than $500,000.

A. The GM is authorized to reject offers, where the lowest bid, proposal, or quotation, is less than or equal to $500,000.

B. The GM is authorized to delegate authority to reject any and all bids, proposals, and quotations, less than or equal to the limit established for the GM.

9. Emergency procurements of materials, supplies, services, rentals, leases, equipment, and public works services may be effected, notwithstanding respective provisions of this Ordinance.

A. The GM is authorized to approve and execute emergency procurements, for any amount.

B. The GM is authorized to delegate authority to approve and execute emergency procurements up to any amount.

C. The GM or designee shall report emergency procurements, including details of the circumstances, respective dollar amounts expended, and cause of the emergency at the next regularly scheduled Board meeting.

SECTION 4: TRADES AND EXCHANGES

1. Acquisition of materials, supplies, services, leases, and equipment, may be made by trade or exchange.

2. Only authorized surplus items may be used for trade and exchange acquisitions.

3. Acquisition items must be of same or similar-type to respective surplus items.

4. Board approval is required for trade and exchange acquisitions with a current market value greater than $100,000.
5. The GM is authorized to approve trade and exchange acquisitions with a current market value less than or equal to $100,000.

6. The GM is authorized to delegate authority to approve trade and exchange acquisitions less than or equal to the limit established for the GM.

SECTION 5: REAL PROPERTY

1. Board approval and authority to execute contractual documents is required for the sale, procurement, trade, exchange, surplus or otherwise acquisition, of any and all real property with a value greater than $100,000. The Board may delegate this authority when it is in the best interest of the Agency.

2. The GM is authorized to execute contractual documents, including sale, purchase agreements and escrow instruments, for the authorized sale, procurement, trade, exchange, or otherwise acquisition, of real property with a value less than or equal to $100,000.

3. The GM is authorized to delegate authority to execute contractual documents, including purchase agreements and escrow instruments, for authorized sale, procurement, trade, exchange, or otherwise acquisition, of real property less than or equal to the limit established for the GM.

SECTION 6: DISPOSAL OF SURPLUS PROPERTY/EQUIPMENT

1. Board approval is required for the disposal of single-item surplus personal property or equipment with a current market value greater than $100,000.

2. Board approval is required for the disposal of any multiple-items (lot) of surplus personal property or equipment with a current market value greater than $200,000.

3. Professional or contract services may be used for the disposal of surplus items, and a formal solicitation shall not be required for said services. Fees for said services shall be paid from respective surplus disposal proceeds.

4. Any surplus item(s) may be:
   
   A. Sold for cash.
   
   B. Used for trade or exchange.
   
   C. Sold for a nominal sum to a non-profit charitable organization, school, or other government agency.
5. Board approval is required to declare any and all real property as surplus and/or to sell any and all surplus real property, as provided for under California law (i.e., Government Code Section 54221 et. Seq.).

6. Board approval is required to authorize the GM to negotiate any and all sale prices and terms for the sale of surplus real property.

7. All net proceeds received from surplus activities shall be deposited in the appropriate Agency Fund Reserves.

SECTION 7: POLICIES AND PROCEDURES

The GM is authorized to establish, develop, and/or revise any and all Agency policies and procedures necessary to implement and administer the provisions of this Ordinance.

SECTION 8: PROHIBITION OF UNAUTHORIZED PROCUREMENT COMMITMENTS AND REQUIREMENTS FOR PROCUREMENT FUNDING

1. No work or services, except in emergency situations, shall be authorized or accepted, until an appropriate and approved procurement instrument has been fully secured or executed, as required pursuant to this Ordinance. If work or services are procured in violation of this provision, and the value of the procurement is $10,000 or less, then the employee securing the unauthorized procurement shall obtain the written approval of the Manager of CFS to secure the purchase requisition documents necessary to generate the appropriate purchase order or contract for payment. Unauthorized procurements with a value in excess of $10,000 shall require approval from the Board. Public works field change orders do not fall under the provision of this section. A violation of this provision shall be cause for disciplinary action against the violator. The Manager of CFS shall retain the discretion to refer any violation of this provision to the Department of Internal Audit for investigation.

2. No procurement instrument, except in emergency situations, shall be used, which commits Agency funds or other financial obligations thereof, unless and until such unencumbered funding has been identified, authorized, and appropriated for said procurement.

SECTION 9: DEPARTMENT COOPERATION

All Agency employees shall comply with the provisions of this Ordinance to ensure the responsible and prudent expenditure of public funds, and to maintain the preservation of the public trust.
SECTION 10: EXCEPTION TO THIS ORDINANCE

The Board may authorize the GM to effect procurements or other respective activities free of this Ordinance, when the Board has determined that such would be in the best interest of the Agency, and when such is not in conflict with applicable State or Federal law(s).

SECTION 11: VOIDABLE

The Board may void any and all transactions not consistent with the provisions of this Ordinance.

SECTION 12: SEVERABILITY

If any section, subsection, sentence, clause, or phrase of this ordinance shall, for any reason, be declared unconstitutional or otherwise invalid, such adjudication shall in no manner affect any other section, subsection, sentence, clause, or phrase of this ordinance, or portions thereof. The Board hereby declares that they would have approved this Ordinance, and each section, subsection, sentence, clause, and phrase hereof, irrespective of any portion thereof which may be declared invalid or unconstitutional.

SECTION 13: REPEAL

Ordinance No. 95 is hereby repealed in its entirety. All portions of other respective Ordinances, Resolutions, and/or motions related thereto and in conflict with the provisions of this Ordinance, are hereby rescinded and made of no further effect.

SECTION 14: EFFECTIVE DATE AND EXECUTION

This Ordinance shall take effect immediately upon adoption by the Board, and execution of said Ordinance by the President and Secretary/Treasurer thereof.

ADOPTED this 18th day of March, 2015

Terry Catlin
President of Inland Empire Utilities Agency*, and of the Board of Directors thereof
ATTEST:

Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency*, and of the Board of
Directors thereof

APPROVED AS TO FORM:

General Counsel
for the Inland Empire Utilities Agency*

*A Municipal Water District

STATE OF CALIFORNIA )
COUNTY OF SAN BERNARDINO )

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing revised Ordinance being No. 101, was adopted at a regular meeting on March 18, 2015, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District
PROCUREMENT ORDINANCE

An Ordinance of the Board of Directors to establish and
set forth the policies governing Agency authority and
dollar limits for best value procurements and
procurement-related activities.
ORDINANCE CHANGES OVER LAST SEVERAL YEARS

- Ordinance No. 95 - August 21, 2013
- Ordinance No. 91 - September 19, 2012
- Ordinance No. 88 - July 20, 2011
- Ordinance No. 85 - June 17, 2009
WHY UPDATE?

- Organizational Change – Contracts & Procurement (CAP) merged with Risk, Records Management and Facilities Services creating a new department name:
  - Contracts and Facilities Services (CFS)
- Customer Requested Changes For Consideration
- Clarifications & Process Efficiencies
- CFS will remain focused on Excellence in Contracts and Procurement as well as new responsibilities.
CUSTOMER REQUESTED CHANGES – SINGLE/SOLE SOURCE

• Raise the threshold for Single/Sole Sourced awards from $50,000 to $100,000.

• Previous related threshold changes;
  • Ordinance No. 72 (1/3/01) raised the threshold from $25,000 to $50,000.

• Over the last 2 years, 17 (60%) of the 28 Single/Sole Source PRs with a value over $50,000, were ≤ $100,000.
CUSTOMER REQUESTED CHANGES –
REJECTION OF BIDS

- Increase the General Manager’s authority to reject all bids up to $500,000; current level is $250,000.
- Previous related threshold changes:

<table>
<thead>
<tr>
<th>Ordinance No.</th>
<th>Date of Change</th>
<th>Threshold Amount</th>
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</thead>
<tbody>
<tr>
<td>85</td>
<td>6/17/09</td>
<td>From $100,00 to $250,000</td>
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<tr>
<td>81</td>
<td>12/7/05</td>
<td>From $50,000 to $100,000</td>
</tr>
</tbody>
</table>
OTHER CHANGES

• Added - **Pre-Qualification** process to clarify responsibility of Engineering and Construction Management Department.

• Added - informal solicitations of services regardless of value due to risk mitigation, prevailing wage requirements, insurance and bonding requirements.

• Updated - definitions for Negotiated Procurement, Pre-Qualification, and Surplus Personal Property.

• Clarified - Process for solicitations between $10,001 and $50,000 and related “threshold table”.
INTERNAL CONTROLS

• Board oversight and transparency.
• Approval currently controlled by 16 workflow approval paths in SAP based on document types; competitive, single source, change order, public works, etc.
• Recommend oversight remain with the Contracts and Facilities Services Department under the direction of the Chief Financial Officer (CFO).
Questions?

These changes in the ordinance are consistent with the Agency’s Business Goals under Fiscal Responsibility and Business Practices, as they support the Agency and internal customers in the completion of their tasks and projects through sound fiscal spending and efficient processes.
ACTION ITEM 1C
Date: March 18, 2015

To: Honorable Board of Directors

Through: Engineering, Operations and Biosolids Management Committee (03/11/15)
Finance, Legal and Administration Committee (03/11/15)

From: P. Joseph Grindstaff
General Manager

Submitted By: Chris Berch
Executive Manager of Engineering/Assistant General Manager
Sylvie Lee
Manager of Planning and Environmental Compliance

Subject: Fiscal Year 2015/16 through 2024/25 Ten-Year Capital Improvement Plan

RECOMMENDATION

It is recommended that the Board of Directors approve the proposed Fiscal Year (FY) 2015/16 through 2024/25 Ten-Year Capital Improvement Plan (TYCIP).

BACKGROUND

Each year, pursuant to the terms of the Regional Sewage Service Contract, the Inland Empire Utilities Agency submits a ten-year forecast of capacity demands and capital projects or TYCIP to the Regional Technical and Policy Committees. The current TYCIP identifies projects for the FY 2015/16 through FY 2024/25 that are needed for the rehabilitation, replacement, or expansion of the facilities owned or operated by the Agency to meet the projected additional 40,523 EDUs.

Two major themes in the FY 2015/16 TYCIP are the continuing need for maintenance, repair, and replacement of aging equipment and facilities and the need for expansion of the Regional System to meet future growth. Maintaining the Agency’s facilities and infrastructure is critical to ensure the long-term reliability and quality of services that the Agency is committed to provide.

A key finding identified by the Wastewater Facilities Master Plan flow monitoring was that the increase in wastewater treatment plant strength is a major driving force for improvements at treatment plants over the next 20 years. As a result, within the 10-year window major projects include: the relocation of the RP-2 Solids Treatment Facility to RP-5; RP-5 liquid treatment expansion to accommodate the growth in the southern service area; and RP-1 process improvements.
Plan of Finance, Recycled Water Program Strategy, Water Use Efficiency Business Plan, 2015 Urban Water Management Plan, and an Integrated Resources Plan. It is anticipated that these planning efforts will result in new priorities for the region and will be completed by fall 2015. Projects identified in these documents will be further refined and included in next year’s TYCIP to meet the region’s future needs. While the TYCIP is instrumental for the on-going rate and budget discussions, it is intended to be a planning level document. Only projects that can be accommodated by the adopted budget will be initiated.

The implementation of the Ten Year Capital Improvement Plan is consistent with several of the Agency’s Business Goals, including Water Reliability by promoting cost-effective, reliable, efficient and sustainable water supplies within the region; and Wastewater Management by ensuring that IEUA systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible and cost effective manner.

**PRIOR BOARD ACTION**

On February 19, 2014, the Board adopted FY’s 2014/15 through 2023/24 TYCIP.

**IMPACT ON BUDGET**

None.

**ATTACHMENTS**

Key Drivers of FY15/16 TYCIP

- Member Agency growth projections
- Wastewater Facilities Master Plan Updated flow factors and concentrations
- Asset Management Plan
- Draft Recycled Water Program Strategy Update
- Draft Energy Management Plan
- Draft Integrated Resources Plan local reliability discussions
<table>
<thead>
<tr>
<th>Fund Description</th>
<th>Total FY15/16</th>
<th>Total FY16/17</th>
<th>Total FY17-25</th>
<th>TOTAL</th>
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<td>GG Administrative Services</td>
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<td>NC Non-Reclaimable Wastewater</td>
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<td>RC Regional Capital Improvement</td>
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<td>RW Recharge Water</td>
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<td>$1.2</td>
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</table>
TYCIP by Fund and Funding Source
FY 2015/16 – 2024/25

Capital and O&M
$908 Million

Funding Sources
$908 Million

- Regional Capital: 33%
- Regional Operations: 21%
- Water Resources: 31%
- Recycled Water: 9%
- Recharge Water: 4%
- Admin. Services: 1%
- Non-Reclaimable: 1%

- Pay-Go: 34%
- SRF Loans: 31%
- Outside Contribution: 32%
- Grants: 3%
## Major Treatment Plant Projects

<table>
<thead>
<tr>
<th>Description</th>
<th>15/20</th>
<th>20/25</th>
<th>25/30</th>
<th>30/35</th>
<th>35/40</th>
<th>Total Cost ($M)</th>
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<tr>
<td>RP-1 Liquid Treatment Expansion</td>
<td></td>
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<td>RP-1 Solids Treatment Expansion</td>
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<td>$25</td>
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<tr>
<td>RP-2 Decommissioning</td>
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<td>RP-4 Tertiary Expansion</td>
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<td>$25</td>
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<tr>
<td>RP-5 Liquid Treatment Expansion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$125</td>
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<tr>
<td>RP-5 Solids Treatment Facility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$136</td>
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</table>

**Total Costs:**

- $275.6 Million
- $424 Million
FY 15/16 TYCIP Schedule

✓ 1/8/15 Draft TYCIP posted online

✓ 1/14/15 IEUA Committees
    Info item

✓ 1/21/15 IEUA Board
    Info item

✓ 1/29/15 Regional Technical Committee
    Info item

2/26/15 Regional Technical Committee
    Action item

3/5/15 Regional Policy Committee
    Action item

3/18/15 IEUA Board
    Action item
Discussion
FY15/16-FY24/25 Member Agency Wastewater Flow Projections

1 Flows estimated at 200 GPCD/EDU
Date: March 15, 2015

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (03/11/15)

From: F. Joseph Grindstaff
General Manager

Submitted by: Chris Berch
Executive Manager of Engineering/Assistant General Manager

Majid Karim MK
Acting Manager of Engineering

Subject: Design/Build Contract Award of the Communication System Upgrades

**RECOMMENDATION**

It is recommended that the Board of Directors:

1. Award the construction contract to Sun Wireless for the construction of the Communication System Upgrades, Project No. EN12019, for a not-to-exceed total amount of $826,294; and

2. Authorize the General Manager to execute the construction contract.

**BACKGROUND**

The Groundwater Recharge (GWR) and Recycled Water (RW) Communication System Upgrades, Project No. EN12019, which is equally cost-shared through a joint agreement with Chino Basin Watermaster (CBWM), transitions the remote groundwater recharge sites and recycled water turnouts’ communication equipment onto a faster and more reliable communication network. This project is a part of the implementation plan of the 2010 SCADA Master Plan to migrate the wireless infrastructure onto the high-data-rate system.
Contract Award for the Communication System Upgrades  
March 18, 2015  
Page 2 of 3

The planned upgrade proposed a design/build approach to construct five (5) new towers and replace the radio equipment at fourteen (14) basins, two (2) turnouts, and three (3) receiving towers. In November 2013 after thirty (30) days of competitive solicitation, one (1) proposal was received from Dahl, Taylor & Associates, Inc. (DTA) for $1.9 Million. However, this exceeded IEUA’s $1.0 million project budget and the decision was made by Engineering and CBWM to amend the project approach by conducting a preliminary design evaluation. The goal of the pre-design was to establish each site’s optimal line-of-sight communication onto the high speed network system, to identify the location and size of new towers, and to determine a firm design and installation cost. DTA was contracted for $92,000 to provide these services.

Following the preliminary design DTA submitted two (2) design/build recommendations. The first was to construct towers at nine (9) sites, upgrade the radio systems at fourteen (14) recharge basins, two (2) turnouts, and four (4) receiving towers. The second option was the same less the placement of the towers. DTA’s proposed fees to the former and latter options are $2,456,318 and $946,468 respectively. Staff concluded the second option would be a better choice because the proposed sites for towers can be deferred to future projects. These sites are either recharge basins with no existing controls or they are imported water turnout facilities which operate infrequently and communicate on a cellular network. The Orchard RW Turnout was not recommended as well because it operates directly via telephone and the residential site is not suitable for a communication tower.

Before considering a new contract with DTA, IEUA requested a proposal fee on the second option from another consulting firm. Sun Wireless, who specializes in designing, supplying, installing, and supporting terrestrial, point-to-point microwave radio systems, was considered because of their knowledge and experience with IEUA’s communication system and their exceptional design/build services on the Northwest (6B) Communication Tower. On February 2, 2015, Sun Wireless submitted a competitive cost of $826,294 to upgrade the communication systems at sixteen (16) remote sites and four (4) receiving towers. This is a lower price proposal than the original DTA proposal. The construction management will be provided by IEUA staff with specialized consultant augmentation as needed.

The following is the projected budget and IEUA/CBWM cost share:

<table>
<thead>
<tr>
<th>PROJECT PHASE</th>
<th>PROJECTED COST</th>
<th>IEUA SHARE</th>
<th>CBWM SHARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>$179,770</td>
<td>$89,885</td>
<td>$89,885</td>
</tr>
<tr>
<td>Design/Build Contract</td>
<td>$826,294</td>
<td>$413,147</td>
<td>$413,147</td>
</tr>
<tr>
<td>Construction Management</td>
<td>$165,260</td>
<td>$82,630</td>
<td>$82,630</td>
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<tr>
<td>Contingency</td>
<td>$73,676</td>
<td>$36,838</td>
<td>$36,838</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,245,000</strong></td>
<td><strong>$622,500</strong></td>
<td><strong>$622,500</strong></td>
</tr>
</tbody>
</table>

The installation is scheduled for completion by September 2015.

The contract work with Sun Wireless meets IEUA’s water reliability business goals by maximizing the beneficial reuse of recycled water and sources of groundwater recharge through the enhancement of the communication network which is a critical asset to the systems.

G:\Board-Rec \2015\15050 GWR Comm Upgrades Constr Contract Award 3-18-15
Contract Award for the Communication System Upgrades  
March 18, 2015  
Page 3 of 3

PRIOR BOARD ACTION

On August 20, 2014, the Board of Directors approved the Task Order No. 3, GWR/RW Communication Systems Upgrade, under the 2014 Master Agreement between Inland Empire Utilities Agency and Chino Basin Watermaster.

On July 16, 2014, the Board of Directors approved the Master Cost Sharing Agreement (Master Agreement) between Inland Empire Utilities Agency and Chino Basin Watermaster.

IMPACT ON BUDGET

The design/build contract award for the GWR and RW Communication System Upgrades, Project No. EN12019, in the amount of $826,294 and the projected construction cost are within the current Regional Wastewater Capital (RC) Fund where 50 percent of the cost is shared with Chino Basin Watermaster as outlined in the Task Order No. 3 of the Master Agreement of 2014. This project also received $180,543 of grant funding from the Department of Water Resources' Proposition 84 program through Santa Ana Watershed Project Authority.

PJG:CB:MK:jsi
Project Background

- Upgrade Groundwater/Recycled Water communication system
- Existing communication system at the end of its useful life
- Project implements 2010 SCADA Master Plan recommendations
- 50% cost shared project with Chino Basin Watermaster
- $180,543 grant funding from Santa Ana Watershed Authority under Prop. 84
Project Background

- Competitively solicited bids for a design/build project
- Scope to replace of all communication equipment
- Received one bid from Dahl Taylor & Associates for $1,863,287
- DTA scope changed to provide a Preliminary Study and cost
- DTA contract completed after PDR
- Received a proposal from Sun Wireless $826,264
Design/Build Scope of Work

Upgrade Radio Systems:
- 14 Recharge Sites
- 2 RW Turnouts
- 4 Receiving Towers
- Configure all radio equipment
- Set line-of-sight
- Startup and test

Legend:
- Receiving Tower
- Recharge Basin
- Turnout
- High Speed Network
- Optimized Line-of-sight

Recharge Basin Location:
1. Etiwanda Debris Basin
2. San Sevaine Basin
3. Victoria Basin
4. Lower Day Basin
5. Banana Basin
6. Hickory Basin
7. Etiwanda Conv. Basin
8. Jurupa Basin
9. RP-3 Basin
10. Wineville
11. Decler Basin
12. 8th Street Basin
13. Turner Basin
14. Ely Basins
15. College Heights Basin
16. Upland Basin
17. Montclair Basin
18. Brooks Basin
19. Grove Basin
Proposal Fees

<table>
<thead>
<tr>
<th>Design/Build Contractor</th>
<th>Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sun Wireless</td>
<td>$826,294</td>
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<td>Dahl Taylor &amp; Assoc.</td>
<td>$946,468</td>
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</table>
### Project Budget and Schedule

<table>
<thead>
<tr>
<th>PROJECT PHASE</th>
<th>Projected Cost*</th>
<th>IEUA Share</th>
<th>CBWM Share</th>
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<td><strong>$622,500</strong></td>
<td><strong>$622,500</strong></td>
</tr>
</tbody>
</table>

*Cost does not deduct $180,543 of grant funding from SAWPA

Installation is scheduled for completion by September 2015
Recommendation

- Award contract work with Sun Wireless
- Meets business goals by maximizing the beneficial reuse of recycled water and sources of groundwater recharge through the enhancement of the communication network
Questions?
CONTRACT NUMBER 4600001832
FOR
GWR BASIN & RW TURNOUTS COMMUNICATION SYSTEM

THIS CONTRACT (the "Contract"), is made and entered into this _____ day of __________, 2015, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency") and Sun Microwave, Inc. dba Sun Wireless of Valley Center, California (hereinafter referred to as "Contractor"), for the design, construction, and start-up of the GWR Basin & RW Turnouts Communication System, Project EN12019.00.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. PROJECT MANAGER ASSIGNMENT: All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

   Project Manager: Joel Ignacio, P.E., Senior Engineer
   Address: 6075 Kimball Avenue, Building "B"
            Chino, California 91708
   Telephone: (909) 993-1913
   Facsimile: (909) 993-1982
   Email: jignacio@ieuau.org

2. CONTRACTOR ASSIGNMENT: Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

   Contractor: Albert R. Pfeltz, Vice President
   Address: 13868 Little Creek Lane
            Valley Center, CA 92082
   Telephone: (760) 749-5770
   Email: al@sunmicrowave.com
3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:

1. Amendments to Contract Number 4600001832;
2. Contract number 4600001832 General Terms and Conditions;
3. Project Manager’s Request for Proposal and all germane correspondence, incorporated herein by this reference;

4. **SCOPE OF WORK AND SERVICES:** Contractor services and responsibilities shall include and be in accordance with Exhibit A, which is attached hereto and made a part hereof.

5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed, and terminate upon acceptance of the design’s construction by the Agency’s Board of Directors, unless agreed to by both parties, reduced to writing, and amended to this Contract.

6. **PAYMENT, INVOICING AND COMPENSATION:** The Contractor may submit an invoice not more than once monthly during the term of this Contract. Agency shall pay Contractor’s properly-executed invoice, approved by the Project Manager, within thirty (30) days after receipt of the invoice (ARI). Payment shall be withheld for any service which does not meet the requirements of this Contract until such service is revised and the invoice resubmitted and accepted by the Project Manager.

   Invoice shall include the Contract number 4600001832 for payment. Invoice shall be submitted electronically to apgroup@leua.org.

   All mechanical and construction work performed as outlined in the Scope of Work shall be subject to prevailing wage.

   Contractor shall provide with their invoice certified payroll verifying that Consultant has paid prevailing wage in accordance with the Department of Industrial Relations requirements as stipulated in SB-854 (http://www.dir.ca.gov/DIRNews/2014/2014-55.pdf).

**Effective January 1, 2015:** The call for bids and contract documents must include the following information:

A. No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

B. No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
C. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

As compensation for the work performed under this Contract, Agency shall pay Contractor, on a firm-fixed price basis, a total price not-to-exceed $826,294.00 for all work, services, and products satisfactorily provided hereunder as outlined in Contractor's Quotation, attached hereto, referenced herein, and made a part hereof as Exhibit B.

7. **INSURANCE:** During the term of this Contract, the Contractor shall maintain at Contractor's sole expense, the following insurance.

A. **Minimum Scope of Insurance:**

1. General Liability: $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 0001-87 covering Comprehensive General Liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.

   a. The insurance shall include coverage for each of the following hazards:

   - Premises – Operations
   - Owners and Contractors Damage
   - Broad Form Property Damage
   - Contractual for Specific Contract
   - Severability of Interests or Cross-Liability
   - XCU [Explosion, Collapse and Underground] Hazards
   - Personal Injury – with the “Employee” Exclusion Deleted

2. Automobile Liability: $1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 87, covering Automobile Liability, including "any auto."

3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of $1,000,000 per accident.
4. Builders Risk completed value (course of construction) fire insurance with extended coverage and a vandalism and malicious endorsement. The policy shall cover the full value of all completed construction, which includes all material and labor invested in the construction and the full value of all equipment and material at the job site. Said policy shall remain in effect until acceptance of the by the Agency.

5. Professional Liability insurance in the amount of $1,000,000 per claim.

6. Payment, Labor & Material, and Performance Bonds: Bonding is required, per Public Contract Code Article 121., Section 21565, for public works projects. The public works portion of this project (mechanical, electrical, and construction work performed as outlined in the Scope of Work) is subject to prevailing wage.

B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention (as respects the Agency), its officers, officials, employees, volunteers, property owners and engineers under contract to the Agency; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverage

   a. The Agency, its officers, officials, employees, volunteers, property owners and any engineers under contract to the Agency are to be covered as insureds, endorsement CG2010 1185, as respects: liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied or used by the Contractor, or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency.

   b. The Contractor's insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees, volunteers, property owners or engineers under contract to the Agency. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property
owners or engineers under contract to the Agency shall be excess of the Contractor's insurance and shall not contribute with it.

c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency.

d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency for losses arising from work performed by the Contractor for the Agency.

3. Builders Risk Insurance (Course of Construction)

The Agency is to be named as the loss payee.

4. All Coverages

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

D. Acceptability of Insurers: Insurance is to be placed with insurers with a Best's rating of no less than A minus:VII, and who are admitted insurers in the State of California.

E. Verification of Coverage: Contractor shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates
and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

F. **Submittal of Certificates:** Contractor shall submit all required certificates and endorsements to the following:

   Attn. Ms. Angela Witte, Risk Representative  
   c/o Inland Empire Utilities Agency  
   P.O. Box 9020  
   Chino Hills, California 91709-0902

8. **CONTROL OF THE WORK:** Contractor shall perform the Work in compliance with the Work Schedule. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.

9. **LEGAL RELATIONS AND RESPONSIBILITIES**

   A. **Professional Responsibility:** The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.

   B. **Status of Contractor:** The Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.

   C. **Observing Laws and Ordinances:** The Contractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor or its employees.

   Effective July 1, 2014, all Contractors and subcontractors must be registered with the California Dept. of Industrial Relations as required by law SB-854 for public works construction projects:

D. **Confined Space Work:**

1. Precautions and Programs:

   a. The Contractor or Consultant shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the work or the activities of subcontractors, suppliers, and others at the work site.

   b. The Contractors or Consultants and subcontractors or subconsultants shall comply with the provisions of the Safety and Health Regulations for Construction, promulgated by the Secretary of Labor under Section 107 of the "Contract Work Hours and Safety Standards Act," as set forth in Title 29 C.F.R. If the Agency is notified of an alleged violation of the Occupational Safety and Health Standards referred to in this Section and it is established that there is a violation, the Contractor shall be subject to liquidated damages as provided in the Contract.

   c. The Contractor or Consultants and all subcontractors or subconsultants shall comply with the provisions of the Occupational Safety and Health Standards, promulgated by the United States Secretary of Labor under the "Occupational Safety and Health Act of 1970," as set forth in Title 29, C.F.R. Where an individual State act on occupational safety and health standards has been approved by federal authority, then the provisions of said state act shall control.

   d. The Contractor or Consultant shall take all necessary precautions for the safety of, and shall provide the necessary supervision, control, and direction to prevent damage, injury, or loss to:

      1) All employees on the work or work site and other persons and organizations who may be affected thereby;

      2) All the work and materials and equipment to be incorporated therein, whether in storage or on or off the work site; and

      3) All other property at the site.

   e. Contract work requiring confined space entry must follow Cal-OSHA Regulation 8 CCR, Sections 5157 - 5158. This regulation requires the following to be submitted to IEUA for approval prior to the start of the project:

      1) *Proof of training on confined space procedures, as defined in Cal-OSHA Regulation 8 CCR, Section 5157.* This regulation also requires the following to be submitted to IEUA for approval prior to the entry of a confined space:

      2) *A written plan that includes identification of confined spaces within the construction site, alternate procedures where appropriate, contractor provisions, specific procedures for*
permit-required and non-permit required spaces, and a rescue plan.

f. The Contractor or Consultant must also submit a copy of their Safety Program or IIPP prior to the start of the project for approval by the Safety & Risk Department.

E. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.

F. **Hours of Labor:** The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Contractor shall, as a penalty to the Agency, forfeit $25.00 for each worker employed in the execution of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.

G. **Travel and Subsistence Pay:** The Contractor shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.

H. **Liens:** Contractor shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

I. **Indemnification:** Contractor shall indemnify the Agency, its directors, employees and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to the negligence, recklessness or willful misconduct of the Contractor, its directors, employees, agents and assigns, in the performance of work under this contract.

J. **Conflict of Interest:** No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
K. Equal Opportunity: During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.

L. Disputes:

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq., or their successor.

2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:

a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.
b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.

4. Joinder in Mediation/Arbitration: The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Contractor.

M. Workers’ Legal Status: For performance against this Contract, Supplier shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.

N. Prevailing Wage Requirements: Pursuant to Section 1770 and following, of the California Labor Code, the Contractor shall not pay less that the general prevailing wage rates, as determined by the Director of the State of California Department of Industrial Relations for the locality in which the work is to be performed and for each craft or type of worker needed to execute the work contemplated under the Contract. The Contractor or any subcontractor performing part of said work shall strictly adhere to all provisions of the Labor Code, including, but not limited to, minimum wages, work days, nondiscrimination, apprentices, maintenance and availability of accurate payroll records and any other matters required under all Federal, State and local laws related to labor.

O. Grant Funded Project: This is a grant-funded project, Project No.: C-06-3849-030 (Proposition 50 Grant Funds) and Project No.: C-06-5318-110 (CWSRF). For grant-funded projects, the Contractor shall be responsible to
comply with all grant requirements related to the project. These may include, but shall not be limited to: Davis-Bacon Act, Executive Order 11246 (Affirmative Action Requirements), Federal Acquisition Regulation (FAR) 52.204-11, Equal Opportunity, Competitive Solicitation, Record Retention and Public Access to Records. (Reference Attachments.)

10. FITNESS FOR DUTY:

A. Fitness: Contractor and its Subcontractor personnel on the Jobsite:
   1. shall report for work in a manner fit to do their job;
   2. shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
   3. shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

B. Inspection: Contractor on the Jobsite:
   4. shall report for work in a manner fit to do their job;
   5. shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
   6. shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

C. Compliance: Contractor shall advise all Contractor and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Contractor shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Contractor violates these Fitness for Duty Requirements.

D. Compliance: Contractor shall advise all contractor and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Contractor shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Contractor violates these Fitness for Duty Requirements.

11. OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY: The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes,
computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Contractor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.

12. **PUBLIC RECORDS POLICY**: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to Contractor.

13. In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked “Confidential,” “Proprietary,” or “Trade Secret,” Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

13. **NON-CONFORMING WORK AND WARRANTY**: Contractor represents and warrants that the Work shall be in conformance with the specifications provided herein and shall serve the purposes described. For a period of not less than one (1) year after acceptance of the completed Work, Contractor shall, at no additional cost to Agency, correct any and all errors or shortcomings of the Work, regardless of whether any such errors or shortcomings is brought to the attention of the Contractor by Agency, or any other person or entity.

14. **NOTICES**: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

**Agency**: Inland Empire Utilities Agency  
Attn.: Mr. Warren T. Green  
Manager of Contracts and Facilities Services  
P.O. Box 9020  
Chino Hills, California 91709-0902

**Contractor**: Sun Microwave, Inc. dba Sun Wireless  
Attn.: Mr. Albert R. Pfeltz  
Vice President  
4887 Ronson Court, Suite "I"  
San Diego, CA 92111-1814
Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

15. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

16. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Contractor.

17. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.

18. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.

19. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Contractor’s records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.

20. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.

21. **LIQUIDATED DAMAGES:** Liquidated Damages, in the amount of $1,000.00 per day, may be assessed by the Agency for each calendar day that the Contractor fails to complete this project in accordance with its final, contractually-committed delivery schedule. Any and all Liquidated Damages assessed by the Agency will be taken as a direct credit against the Contractor’s invoice for this project. The Contractor’s acceptance of a contract subsequently issued in conjunction with this solicitation, shall
serve to indicate acceptance of this Liquidated Damages clause, and the daily assessment of damages expressed herein.

22. **CHANGES:** The Agency may, at any time, make changes to this Contract's Scope of Work, including additions, reductions and other alterations to any or all of the work. However, such changes shall only be made via written amendment to this Contract. The Contract Price and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth within the Contract Amendment.

23. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Contractor.

AS WITNESS HEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

**INLAND EMPIRE UTILITIES AGENCY:**

**SUN MICROWAVE, INC.,**

**DBA SUN WIRELESS:**

P. Joseph Grindstaff  
General Manager

(Date)  
Albert R. Pfeltz  
Vice President

(Date)

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Exhibit A
1. PROJECT BACKGROUND

The Agency’s existing Supervisory Control & Data Acquisition (SCADA) System network is comprised of a wide range of interconnected equipment located in various remote sites and facilities throughout the Agency’s service area. The Agency’s SCADA system allows for remote control of the treatment facilities, groundwater recharge (GWR) & turnout system, and the recycled water (RW) distribution system. The Agency’s SCADA system is critical to operate the various facilities, especially remote facilities that are not staffed.

A new high-speed, high-bandwidth 18 GHz Motorola communication network backhaul was recently installed by the Agency. The current communication system for the GWR and RW systems are overburdened, dated, sluggish, unreliable, and has not been switched over to the new network. The GWR and RW sites are remote sites within the Agency’s service area. In order to maintain a reliable SCADA system, the corresponding communication systems need to be upgraded and transitioned to the Agency’s new communication network.

The Agency seeks the services of a Consultant to design, procure and construct the upgrades for the GWR Basins & RW Turnouts Communication System, adhering to the requirements detailed within the scope of work and the equipment manufacturer’s specifications.

This project is partially funded by the State Revolving Fund (SRF) Loan and with the possibility of other grant funding, The Consultant (including any sub-contractors) is required to comply with the Grants and SRF requirements as shown in Attachment S.

2. PROJECT DESCRIPTION

1. The Agency seeks the services of a qualified and experience contractor to assess the existing communication equipment and system, provide a detailed design for upgrading, procuring and constructing the GWR Basin Communication System. After approval of the design, the Consultant shall perform the construction, installation and testing of all the equipment to provide a fully-functional communication system. The Consultant shall demonstrate that the system meets all the requirements of the design.

2. The initial planning for this project assumed that the network could be constructed using the existing IEUA backbone hubs at 6-B, RP-1 and RP-4. After completing a thorough site survey/analysis of all twenty-five remote locations, it was determined that the vast majority of the sites (20) had line-of-site and could be connected to 6-B. One station (Ely 3 Basin) would need to utilize RP-1 and one station (Hickory FMM Turnout) would need
to utilize RP-4. Three locations (College Heights, Montclair Basin and Upland Basin) could not secure line-of-site to the desired hubs. The alternative is to use CCWRF. This preliminary design provided line-of-site for all remote sites and would, therefore, produce a network with maximum bandwidth and performance.

3. Twenty of the remotes would need to be connected to 6-B Tower. One each would connect with RP-1 and RP-4 Towers. Three would be connected to CCWRF Tower.

3. **SCOPE OF WORK**

The project shall include as a minimum, but not be limited to the following:

1. Review radio path survey, verify needed equipment list, procure and install all equipment as required.
2. Provide plans to install new radio equipment and required accessories to the listed sites below and provide installation service for the new radios:

<table>
<thead>
<tr>
<th>Item</th>
<th>GWR Remote Site</th>
<th>Main Tower Hub</th>
<th>Distance</th>
<th>Tower Height (Feet)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8th Street Basin</td>
<td>6-B</td>
<td>6.3 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>2</td>
<td>Brooks Street Basin</td>
<td>6-B</td>
<td>10.8 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>3</td>
<td>College Heights</td>
<td>CCWRF</td>
<td>8.2 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>4</td>
<td>Deleze Basin</td>
<td>6-B</td>
<td>10.2 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>5</td>
<td>Ely 3 Basin</td>
<td>RP-1</td>
<td>0.5 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>6</td>
<td>Grove Basin</td>
<td>6-B</td>
<td>10.8 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>7</td>
<td>Hickory Basin</td>
<td>6-B</td>
<td>6.1 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>8</td>
<td>Hickory FMM Turnout</td>
<td>RP-4</td>
<td>1.3 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>9</td>
<td>Jurupa Basin</td>
<td>6-B</td>
<td>8.8 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>10</td>
<td>Lower Day Basin</td>
<td>6-B</td>
<td>2.9 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>11</td>
<td>Montclair Basin</td>
<td>CCWRF</td>
<td>7.3 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>12</td>
<td>RP-3</td>
<td>6-B</td>
<td>10.4 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>13</td>
<td>San Sevaine 5RW Turnout</td>
<td>6-B</td>
<td>4.5 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>14</td>
<td>Turner Basin 1</td>
<td>6-B</td>
<td>6.4 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>15</td>
<td>Turner Basin 4</td>
<td>6-B</td>
<td>6.4 miles</td>
<td>Existing 55'</td>
</tr>
<tr>
<td>16</td>
<td>Victoria Basin</td>
<td>6-B</td>
<td>4.7 miles</td>
<td>Existing 55'</td>
</tr>
</tbody>
</table>

3. The new radios for each of the four (4) communication (6B, CCWRF, RP1 and RP4) hub shall be at a minimum the following:

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4940APC 4.9 GHz OFDM Connectorized AP</td>
</tr>
<tr>
<td></td>
<td>Description</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td>2</td>
<td>SMMB2A Universal Mounting Bracket</td>
</tr>
<tr>
<td>3</td>
<td>1091 Cluster Management Module (CMM4)</td>
</tr>
<tr>
<td>4</td>
<td>N000000L053A Power Supply for CMM4</td>
</tr>
<tr>
<td>5</td>
<td>SGKN4427 Power Supply Line Cord</td>
</tr>
<tr>
<td>6</td>
<td>600SSH Surge Suppressor</td>
</tr>
<tr>
<td>7</td>
<td>SGHN5169A Surge Suppressor Pole Mount Kit</td>
</tr>
<tr>
<td>8</td>
<td>Reel Cable and Connectors</td>
</tr>
<tr>
<td>9</td>
<td>Tower Leg Mount</td>
</tr>
</tbody>
</table>

4. The new radios for each of the 16 GRW remote sites shall be at a minimum the following:

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4940SM 4.9 GHz OFDM Subscriber Module</td>
</tr>
<tr>
<td>2</td>
<td>ACPSSW-15A Power Supply for 4940SM</td>
</tr>
<tr>
<td>3</td>
<td>SGKN4427 Power Supply Line Cord</td>
</tr>
<tr>
<td>4</td>
<td>SMMB2A Universal Mounting Bracket</td>
</tr>
<tr>
<td>5</td>
<td>600SSH Surge Suppressor</td>
</tr>
<tr>
<td>6</td>
<td>SGHN5169A Surge Suppressor Pole Mount Kit</td>
</tr>
<tr>
<td>7</td>
<td>Reel Cable and Connectors</td>
</tr>
<tr>
<td>8</td>
<td>Radio Mounts</td>
</tr>
</tbody>
</table>

The Consultant shall review radio path survey, verify needed equipment list, procure and install all equipment as required. At a minimum the following services shall be provided:

- Attending Review and Construction Update Meetings
- Radio installation design
- Construction Mobilization and Demonization
- Construction Supervision
- Project Management
- Final As-built and O&M Documentation
- Equipment Setup and Personnel Training

**A. Kickoff Meeting**

**B. Final Design**

The Consultant shall submit draft Final Design review package, with the following contents:
i. Compilation of Drawings – Provide a complete, comprehensive and conformed set of drawings (including those provided by the Agency and updated, if applicable) and specifications.

ii. The final design shall be a complete set of checked plans and specifications. The plans and specifications shall be fully checked.

iii. Schedule for Recommendation – Provide a schedule for implementation of the project. The implementation can be reflected in phases with associated schedule.

iv. Provide a hardcopy and electronic copy of all documents, including source files in Word, Excel, CAD, etc., along a compiled PDF for convenience.

The Consultant shall attend a two (2) hour progress review meeting with the Agency staff to review the 100% Design. Upon resolution of Agency comments, the Consultant shall provide the Agency with five (5) draft copies of the Final Design for final review.

Upon acceptance of the plans and specifications, the Consultant shall submit to the Agency the Final Design package:

1. One set of master specifications on both 8 1/2”x11” paper unbound and in digital form,
2. The original tracings of the plans, both on mylar film and in digital form,
3. Final plans, specifications and bid documents for bidding purposes,
4. A complete set of project calculations bound for permanent storage,

C. Construction Services

During the construction, the Consultant shall perform the following, as a minimum:

i. Set up and conduct pre-construction conference.

ii. Attend a weekly Construction Progress Meetings at the IEUA office - Call-in attendance is permitted prior to the IEUA’s approval. During the weekly Construction Progress Meetings, the Consultant is required to verify weekly construction schedules versus progress made in the field, and report on findings.

iii. Provide Text and Drawings for necessary Change Orders during the construction - Prepare text and drawings for change order documents as necessary for IEUA review and final approval.

iv. Respond to Job-Site Questions from Construction Manager
a. Use of the Agency’s Capital Improvement Program Office (CIPO) software is required. Allow two (2) hours time for basic training.

b. Discuss items by phone with Construction Manager to answer simple items or develop need and course of action on complex items.

c. Provide written discussion of items and questions as requested by Construction Manager.

v. Prepare Operations and Maintenance Manuals.

vi. Start-up Protocol and Services with Integration of Existing Facility.

Consultant is responsible for providing a written recommendation, including step by step instructions, and start-up the equipment in the most effective manner that maximizes integration of the existing facility as a whole. Recommendation must specify impacts to other systems within the facility due to start-up and continued operation of the constructed scope of work.

viii. Workshop for Start-up with all parties involved.

Consultant will be responsible for conducting a workshop detailing start-up requirements and procedures.

ix. Maintain proper and suitable access to each facility at all times.

D. Post Construction Services

The Consultant shall “as-built” the contract plans and this shall include original tracings and digital versions which shall be sent electronically. Manual markups are not acceptable.

E. Training

The Consultant shall provide two 1-day training sessions of ten IEUA staff on the equipment. One 1-day training session shall occur prior to the installation of the equipment and the second 1-day training session shall occur after the installation. Both training dates shall be approved by IEUA staff. For the production of training videos, Consultants will be videotaped narrating processes implemented within the scope of this work.

iv. Prevailing Wage Requirements

Pursuant to Section 1770 and following, of the California Labor Code, the successful proposal holder shall not pay less than the general prevailing wage rates, as determined by
the Director of the State of California Department of Industrial Relations for the locality in which the work is to be performed and for each craft or type of worker needed to execute the work contemplated under the Contract. In accordance with the Labor Code, the Agency has on file a schedule of prevailing wage rates for the types of work to be done under the RFP.

The Consultant or any subcontractor performing part of said work shall strictly adhere to all provisions of the Labor Code, including, but not limited to, minimum wages, work days, nondiscrimination, apprentices, maintenance and availability of accurate payroll records and any other matters required under all Federal, State and local laws related to labor.

F. Liquidated Damages

It has been determined that the damage sustained by the Agency as a result of Consultant’s breach of his agreement to complete work within time agreed upon may result in damages of $1,000 per day.

Further, by SUBMISSION OF A PROPOSAL BY THE CONSULTANT TO THE AGENCY TO PERFORM THE WORK, THE CONSULTANT DECLARES THAT HE HAS CONSIDERED THE AMOUNT OF SAID LIQUIDATED DAMAGES AND that he has determined, after specific evaluation thereof, either independently or in connection with the Agency, that the amount of such liquidated damages is fair and reasonable and acceptable under the circumstances.

The Consultant shall pay to the Agency as fixed, agreed and liquidated damages for each calendar-day’s delay in completion of the work beyond the time agreed upon, the amount of $1,000.

G. Required Bonds, Warranties, and Insurance

The Contractor will be required to furnish with the Contract a performance bond in the amount of one hundred percent (100%) on the aggregate amount of the bid, and a labor and material bond in the amount of one hundred percent (100%) of the bid. The Contractor will also furnish certificate(s) of insurance evidencing all insurance coverage required by the specifications has been secured. A warranty bond shall be furnished by the Contractor upon completion of the work for maintenance and guarantee of all work. The warranty bond can be furnished by an extension of the faithful performance bond after completion of the work.
Exhibit B
# Quotation

**Customer:** Inland Empire Utilities Agency  
**Address:** 6075 Kimball Avenue, Chino, CA 91708  
**Date:** February 13, 2015  
**Number:** 1501-0213

<table>
<thead>
<tr>
<th>Item</th>
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<td>18 GHz ODU</td>
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<td>16</td>
<td>FCC Frequency Analysis, PCN, 601/Schedule K Preparation</td>
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<td>4</td>
<td>BONDS</td>
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<td>Payment Bond, Performance Bond, Special Insurance</td>
<td>$25,494.00</td>
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**Total:** $826,294.00

**Notes:**

1. Implementation can commence within approximately two (2) weeks following the completion of a contract and receipt of a notice to proceed.
2. This quotation assumes that the switch at 6B Tower has adequate ports to support the number of new radios being added. Furthermore, this assumes that all of the other sites can support Ethernet connectivity.
3. The proposed solution does not include any software for Wireless Manager.
4. The pricing does not include transportation; this will be prepaid and added. Sales tax will be calculated based upon the cost of all applicable items.
5. Payment terms are net thirty (30) days after submission of progressive billings.

6. If a dispute arises out of or relates to this quotation, purchase order and/or project and if the dispute cannot be settled through negotiations Sun Wireless and the Customer agree to first try, in good faith, to settle the dispute by mediation administered in San Diego, California by the American Arbitration Association under its Commercial Mediation Rules before resorting to arbitration, litigation or some other dispute resolution procedure. If mediation cannot resolve the dispute, the parties agree to settle the problem by arbitration, in San Diego, California, by the American Arbitration Association under its Commercial Arbitration Rules and the judgment of award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

7. Contractors are required by law to be licensed and regulated by the Contractors’ State License Board. Any questions concerning a contractor may be referred to the Registrar, Contractors’ State License Board, P.O. Box 26000, Sacramento, CA 95826.

8. This quotation is valid for sixty (60) days from the above referenced date unless extended in writing by Sun Wireless.

____________________________________
Albert R. Pfeltz
Attachments
Grants and SRF loan Requirements

The Central/Wineville Regional Recycled Water Distribution System Project (Project) will be funded by a State Water Resources Control Board State Revolving Fund Loan and Water Recycling Grant, and a Department of Water Resources Prop 84 Integrated Regional Water Management Grant (Agreements.)

The Agreements each have regulatory requirements that the Inland Empire Utilities Agency is required to include in all contracts for work related to the performance of the Agreements. The consultants and contractors must assist IEUA in meeting the federal and state requirements that apply to the scope stated in their contracts. These requirements include, but are not limited to, the State Prevailing Wages, Federal Davis-Bacon requirements, Federal Disadvantaged Business Enterprise (DBE), Single Audit, Records and Drug Free Work Place, etc. If a sub is hired, the grant requirements language must be included in the sub’s contract in its entirety. The follow attachments provide more details about the specific requirements and must be included in all contracts for this Project:

1. Article VI - Miscellaneous Provisions
2. Exhibit E - Federal Conditions & Cross-Cutters
3. Exhibit G - Davis-Bacon Labor Compliance Requirements
4. Certification of Drug-Free Workplace
5. DBE instructions/forms
6. Signage on Construction Site
7. Records
8. IRWM Grant Conditions
ARTICLE VI  MISCELLANEOUS PROVISIONS

6.1  Covenants

(a)  Tax Covenant. Notwithstanding any other provision hereof, the Recipient covenants and agrees that it will comply with the Tax Covenants set forth in Article IV attached hereto if any portion of the Project Funds is derived from proceeds of Bonds.

(b)  Disclosure of Financial Information, Operating Data, and Other Information. The Recipient covenants to furnish such financial, operating and other data pertaining to the Recipient as may be requested by the State Water Board to: (i) enable the State Water Board to cause the issuance of Bonds and provide for security therefor; or (ii) enable any underwriter of Bonds issued for the benefit of the State Water Board to comply with Rule 15c2-12(b)(5). The Recipient further covenants to provide the State Water Board with copies of all continuing disclosure reports and materials concerning the Recipient required by the terms of any financing other than this Agreement and to submit such reports to the State Water Board at the same time such reports are submitted to any dissemination agent, trustee, nationally recognized municipal securities information repository, the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) website or other person or entity.

6.2  Assignability

The Recipient agrees and consents to any pledge, sale, or assignment to the Bank or a trustee for the benefit of the owners of the Bonds, if any, at any time of any portion of the State Water Board’s estate, right, title, and interest and claim in, to and under this Agreement and the right to make all related waivers and agreements in the name and on behalf of the State Water Board, as agent and attorney-in-fact, and to perform all other related acts which are necessary and appropriate under this Agreement, if any, and the State Water Board’s estate, right, title, and interest and claim in, to and under this Agreement to Installment Payments (but excluding the State Water Board’s rights to Additional Payments and to notices, opinions and indemnification under each Obligation). This Agreement is not assignable by the Recipient, either in whole or in part, without the consent of the State Water Board in the form of a formal written amendment to this Agreement.

6.3  State Reviews and Indemnification

The parties agree that review or approval of Project plans and specifications by the State Water Board is for administrative purposes only and does not relieve the Recipient of its responsibility to properly plan, design, construct, operate, and maintain the Project. To the extent permitted by law, the Recipient agrees to indemnify, defend, and hold harmless the State Water Board, the Bank, and any trustee, and their officers, employees, and agents for the Bonds, if any (collectively, "Indemnified Persons"), against any loss or liability arising out of any claim or action brought against any Indemnified Persons from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with (1) the System or the Project or the conditions, occupancy, use, possession, conduct, or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the System or the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the California Hazardous Waste Control Law, and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which
they were made, not misleading with respect to any information provided by the Recipient for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement. To the fullest extent permitted by law, the Recipient agrees to pay and discharge any judgment or award entered or made against Indemnified Persons with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the discharge of the Recipient's Obligation hereunder.

6.4 Termination; Immediate Repayment; Interest

(a) This Agreement may be terminated by written notice during construction of the Project, or thereafter at any time prior to complete repayment by the Recipient, at the option of the State Water Board, upon violation by the Recipient of any material provision of this Agreement after such violation has been called to the attention of the Recipient and after failure of the Recipient to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the Division.

(b) In the event of such termination, the Recipient agrees, upon demand, to immediately repay to the State Water Board an amount equal to Installment Payments due hereunder, including accrued interest, and all penalty assessments due. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Recipient to the date of full repayment by the Recipient.

(c) Where the Recipient is a private entity that has been determined to have violated an applicable prohibition in the Prohibition Statement below or has an employee who is determined by USEPA to have violated an applicable prohibition in the Prohibition Statement below that is either associated with performance under this agree or imputed to the Recipient using the standards and due process for imputing the conduct of an individual to an organization pursuant to 2 CFR Part 180, the Recipient acknowledges and agrees that this Obligation may become immediately due and payable and that penalties up to $175 million may be due by the Recipient to the State Water Board, in addition to any other criminal or civil penalties that may become due. The Recipient, its employees, its contractors, and any subrecipients or subcontractors may not engage in trafficking in persons, procure a commercial sex act, or use forced labor.

6.5 Income Restrictions

The Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Recipient under this Agreement shall be paid by the Recipient to the State, to the extent that they are properly allocable to costs for which the Recipient has been reimbursed by the State under this Agreement.

6.6 Prevailing Wages

The Recipient agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. The Recipient shall monitor all agreements subject to reimbursement from this Agreement to assure that the prevailing wage provisions of State Labor Code Section 1771 are being met.

6.7 Timeliness

Time is of the essence in this Agreement.

6.8 Governing Law

This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
6.9 Amendment.

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in this Agreement is binding on any of the parties.

6.10 Bonding.

Where contractors are used, the Recipient shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Recipient in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than $20,000.00.

6.11 Compliance with Law, Regulations, etc

(a) The Recipient agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, the Recipient agrees that, to the extent applicable, the Recipient will:

(1) Comply with the provisions of the adopted environmental mitigation plan for the term of this Agreement;

(2) Comply with the State Water Board’s "Policy for Implementing the Clean Water State Revolving Fund," dated May 7, 2013;

(3) Comply with and require its contractors and subcontractors on the Project to comply with federal DBE requirements; and

(4) Comply with and require its contractors and subcontractors to comply with the list of federal laws attached as Exhibit E.

6.12 Conflict of Interest.

The Recipient certifies that it is in compliance with applicable state and/or federal conflict of interest laws.

6.13 Damages for Breach Affecting Tax Exempt Status or Federal Compliance

In the event that any breach of any of the provisions of this Agreement by the Recipient shall result in the loss of tax exempt status for any bonds of the State or any subdivision or agency thereof, including Bonds issued on behalf of the State Water Board, or if such breach shall result in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government by reason of any arbitrage profits, the Recipient shall immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

In the event that any breach of any of the provisions of this Agreement by the Recipient shall result in the failure of Project Funds to be used pursuant to the provisions of this Agreement, or if such breach shall result in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government, the Recipient shall immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.
6.14 Disputes

(a) An applicant or recipient may appeal a staff decision within 30 days to the Deputy Director of the Division or designee, for a final Division decision. An applicant or recipient may appeal a final Division decision to the State Water Board within 30 days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board’s Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute.

(b) This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.

(c) Recipient shall continue with the responsibilities under this Agreement during any dispute.

6.15 Independent Actor.

The Recipient, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State Water Board.

6.16 Non-Discrimination Clause.

(a) During the performance of this Agreement, Recipient and its contractors and subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave.

(b) The Recipient, its contractors, and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

(c) The Recipient, its contractors, and subcontractors shall comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, § 12990, subds. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

(d) The Recipient, its contractors, and subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

(e) The Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

6.17 No Third Party Rights.

The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation, or undertaking established herein.
6.18 Operation and Maintenance; Insurance

The Recipient agrees to sufficiently and properly staff, operate and maintain all portions of the Project during its useful life in accordance with all applicable state and federal laws, rules and regulations.

The Recipient will procure and maintain or cause to be maintained insurance on the System with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the System) as are usually covered in connection with systems similar to the System. Such insurance may be maintained by the maintenance of a self-insurance plan so long as any such plan provides for (i) the establishment by the Recipient of a separate segregated self-insurance fund funded in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the System. The Recipient shall begin such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the System shall be free and clear of all claims and liens. If such net proceeds are insufficient to enable the Recipient to pay all remaining unpaid principal portions of the Installment Payments, the Recipient shall provide additional funds to restore or replace the damaged portions of the System.

6.19 Permits, Subcontracting, and Remedies

The Recipient shall comply in all material respects with all applicable federal, state and local laws, rules and regulations. Recipient shall procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses shall be submitted to the Division before construction begins.

6.20 Recipient's Responsibility for Work.

The Recipient shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Recipient shall be responsible for any and all disputes arising out of its contracts for work on the Project. The State Water Board will not mediate disputes between the Recipient and any other entity concerning responsibility for performance of work.

6.21 Related Litigation.

Under no circumstances may a Recipient use funds from any disbursement under this Agreement to pay costs associated with any litigation the Recipient pursues against the State Water Board or any Regional Water Quality Control Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Recipient agrees to complete the Project funded by this Agreement or to repay all of the disbursed funds plus interest.

6.22 Rights in Data

The Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Recipient may copyright the same, except that, as to any work which is copyrighted by the Recipient, the State reserves a royalty-free,
nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Recipient upon request. (40 CFR 31.34, 31.36)

6.23 State Water Board Action; Costs and Attorney Fees

The Recipient agrees that any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Recipient, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own costs and attorney fees.

6.24 Unenforceable Provision

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

6.25 Useful Life.

The economic useful life of the Project, commencing at Project Completion, is at least equal to the term of this Agreement, as set forth in Exhibit B hereto.

6.26 Venue

The State Water Board and the Recipient hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

6.27 Waiver and Rights of the State Water Board

Any waiver of rights by the State Water Board with respect to a default or other matter arising under the Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter.

Any rights and remedies of the State Water Board provided for in this Agreement are in addition to any other rights and remedies provided by law.
The Recipient agrees to comply with the following conditions required by USEPA:

1. No Recipient or subrecipient may receive funding under this Agreement unless it has provided its DUNS number to the State Water Board. (2011 Cap Grant)

2. Executive Compensation. Where the Recipient received 80 percent or more of its annual gross revenues from federal procurement contracts (and subcontracts) and $25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), the Recipient agrees to notify the State Water Board. The Recipient agrees to provide information regarding executive compensation to the State Water Board upon request, in order for the State Water Board to comply with USEPA requirements.

3. Trafficking in Persons. The Recipient, its employees, contractors and subcontractors and their employees may not engage in severe forms of trafficking in persons during the term of this Agreement, procure a commercial sex act during the term of this Agreement, or use forced labor in the performance of this Agreement. The Recipient must include this provision in its contracts and subcontracts under this Agreement. The Recipient must inform the State Water Board immediately of any information regarding a violation of the foregoing. The Recipient understands that failure to comply with this provision may subject the State Water Board to loss of federal funds in the amount of $101,065,000. The Recipient agrees to compensate the State Water Board for any such funds lost due to its failure to comply with this condition, or the failure of its contractors or subcontractors to comply with this condition. The State Water Board may unilaterally terminate this Agreement and full repayment will be due immediately, if a subrecipient that is a private entity is determined to have violated the foregoing. Trafficking Victims Protection Act of 2000.

4. Contractors, Subcontractors, Debarment and Suspension, Executive Order 12549; 2 CFR Part 180; 2 CFR Part 1532. The Recipient shall not subcontract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension". The Recipient shall not subcontract with any individual or organization on USEPA’s List of Violating Facilities. (40 CFR, Part 31.35, Gov. Code 4477)

The Recipient certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

(b) Have not within a three (3) year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three (3) year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.

Suspension and debarment information can be accessed at http://www.sam.gov. The Recipient represents and warrants that it has or will include a term or conditions requiring compliance with
this provision in all of its contracts and subcontracts under this Agreement. The Recipient acknowledges that failing to disclose the information as required at 2 CFR 180.335 may result in the termination, delay or negation of this Agreement, or pursuance of legal remedies, including suspension and debarment.

5. Anti-Lobbying Provisions (40 CFR Part 34) & Anti-Litigation Provisions (2 CFR 220, 225, or 230). The Recipient shall ensure that no funds under this Agreement are used to engage in lobbying of the federal government or in litigation against the United States unless authorized under existing law. The Recipient shall abide by 2 CFR 225 (OMB Circular A-87) (or, if not applicable, other parallel requirements), which prohibits the use of federal grant funds for litigation against the United States or for lobbying or other political activities. The Recipient agrees to comply with 40 CFR Part 24, New Restrictions on Lobbying. The Recipient agrees to submit certification and disclosure forms in accordance with these provisions. In accordance with the Byrd Anti-Lobbying Amendment, any Recipient who makes a prohibited expenditure under 40 CFR Part 34 or fails to file the required certification or lobbying forms shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such expenditure. The Recipient shall abide by its respective 2 CFR 200, 225, or 230, which prohibits the use of federal grant funds for litigation against the United States or for lobbying or other political activities.

6. Disadvantaged Business Enterprises. 40 CFR Part 33. The Recipient agrees to comply with the requirements of USEPA’s Program for Utilization of Small, Minority and Women’s Business Enterprises. The DBE rule can be accessed at www.epa.gov/osbp. The Recipient shall comply with, and agrees to require its prime contractors to comply with 40 CFR Section 33.301, and retain all records documenting compliance with the six good faith efforts.

7. The Recipient agrees to comply with the Davis-Bacon provisions attached as Exhibit G.

The Recipient agrees to comply with the following federal laws, as applicable to recipients of CWSRF funding:

Environmental Authorities
2. Clean Air Act, Pub. L. 84-159, as amended.
4. Coastal Zone Management Act, Pub. L. 92-583, as amended; 16 USC § 1451 et seq.
7. Floodplain Management, Executive Order, 11988 as amended by Executive Order 12148.
8. Protection of Wetlands, Executive Order 11990, as amended by Executive Order No. 12608.
§ 470 et seq.


Economic and Miscellaneous Authorities


2. Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans; 42 USC § 7606; 33 USC § 1368; 40 CFR Part 31.

3. Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended; 42 USC §§4601-4655


5. Hotel and Motel Fire Safety Act of 1990 (PL 101-391, as amended). All conference, meeting, convention, or training funded in whole or in part with federal funds shall comply with the protection and control guidelines of this act. Recipients may search http://www.usfa.dhs.gov/applications/hotel/.


7. Social Policy Authorities


1. Contract and Subcontract provisions for Recipients

(a) The Recipient shall insert in full in any contract in excess of $2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein.

Provided, That the employer’s payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conforming under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.


(ii)(A) The Recipient, on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met.
(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the Recipient agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the Recipient to the State award official. The State award official will transmit the request to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and Recipient do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program. Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.
(2) Withholding. The Recipient, shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the Recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State or EPA. As to each payroll copy received, the Recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee’s social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at http://www.dol.gov/esa/whd/forms/wh347instr.htm or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all
subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the Recipient for transmission to the State Water Board or EPA if requested by EPA, the State Water Board, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the Recipient.

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees.
Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman’s hourly rate) specified in the contractor’s or subcontractor’s registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice’s level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee’s level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeymen wage rate on the wage determination which
provides for less than full fringe benefits for apprentices. Any employee listed on
the payroll at a trainee rate who is not registered and participating in a training
plan approved by the Employment and Training Administration shall be paid not
less than the applicable wage rate on the wage determination for the
classification of work actually performed. In addition, any trainee performing work
on the job site in excess of the ratio permitted under the registered program shall
be paid not less than the applicable wage rate on the wage determination for the
work actually performed. In the event the Employment and Training
Administration withdraws approval of a training program, the contractor will no
longer be permitted to utilize trainees at less than the applicable predetermined
rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and
journeymen under this part shall be in conformity with the equal employment
opportunity requirements of Executive Order 11246, as amended, and 29 CFR
part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the
requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses
contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA
determines may be appropriate, and also a clause requiring the subcontractors to include
these clauses in any lower tier subcontracts. The prime contractor shall be responsible for
the compliance by any subcontractor or lower tier subcontractor with all the contract
clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be
grounds for termination of the contract, and for debarment as a contractor and a
subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and
interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and
5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards
provisions of this contract shall not be subject to the general disputes clause of this
contract. Such disputes shall be resolved in accordance with the procedures of the
Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of
this clause include disputes between the contractor (or any of its subcontractors) and
Recipient, State, EPA, the U.S. Department of Labor, or the employees or their
representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she)
nor any person or firm who has an interest in the contractor's firm is a person or
firm ineligible to be awarded Government contracts by virtue of section 3(a) of the
Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for
award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act
or 29 CFR 5.12(a)(1).
2. Contract Provision for Contracts in Excess of $100,000.

(a) Contract Work Hours and Safety Standards Act. The Recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Section 1, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

3. Withholding for unpaid wages and liquidated damages. The Recipient, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federal-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime subcontractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Section 1, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name
and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

3. Compliance Verification

(a) The Recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The Recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, the Recipient should conduct interviews with a representative group of covered employees within two weeks of each contractor or subcontractor's submission of its initial weekly payroll data and two weeks prior to the estimated completion date for the contract or subcontract. The Recipient must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. The Recipient shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The Recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The Recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the Recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. The Recipient must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the Recipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The Recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S. Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) The Recipient must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at [http://www.dol.gov/esa/contacts/whd/americas2.htm](http://www.dol.gov/esa/contacts/whd/americas2.htm).
DRUG-FREE WORKPLACE CERTIFICATION

By signing this certification, the prospective contractor or recipient hereby certifies under penalty of perjury under the laws of the State of California that the contractor or recipient will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq) and will provide a drug free workplace by taking the following actions:

A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8350(a).

B. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:
   1. the dangers of drug abuse in the workplace;
   2. the person’s or organization’s policy of maintaining a drug-free workplace;
   3. any available counseling, rehabilitation, and employee assistance programs; and
   4. penalties that may be imposed upon employees for drug abuse violations.

C. Provide, as required by Government Code Section 8355(c), that every employee who works with the proposed program/activity:
   1. will receive a copy of the company’s drug-free policy statement; and
   2. will agree to abide by the terms of the company’s drug-free workplace policies.

Failure to comply with these requirements may result in suspension of payments under the contract or termination of the contract, or cancellation of the purchase order, or all that may apply. In addition, the contractor or grantee may be ineligible for award of future contracts or purchase orders if it is determined that any of the following has occurred: (1) the false certification, or (2) failing to carry out the requirements of the certification as noted above. The signed copy must be submitted with the signed contract.

Organization

Name & Title of Authorized Representative

Signature

Date

Page 1 of 1
State Water Resources Control Board
Division of Financial Assistance (Division)
1001 I Street • Sacramento, California 95814 • (916) 341-5700 FAX (916) 341-5707
Mailing Address: P. O. Box 944212 • Sacramento, California • 94244-2120
Internet Address: http://www.waterboards.ca.gov

Guidelines for Clean Water State Revolving Fund (CWSRF) Program
Disadvantaged Business Enterprise (DBE)

DBE REQUIREMENTS

The DBE Program is an outreach, education, and goaling program designed to increase the participation of DBEs. The DBE Program encompasses many of the components of the former Minority/Women Owned Business Enterprise (MBE/WBE) Program and includes many new features.

Financial Assistance Recipients should award a "fair share" of sub-agreements to small, MBE/WBE businesses. Since each is a separate entity, the objective is to assure that each of these business entities is given the opportunity to participate in sub-agreement financial assistance agreements. This applies to all sub-agreements for equipment, supplies, construction, and services.

How to Achieve the Purpose of the Program

Recipients of financial agreements are required to seek, and are encouraged to utilize, MBE/WBE businesses for their procurement needs under the financial agreement. The key functional components of the DBE Program are as follows.

- Fair Share Objectives
- Six Good Faith Efforts
- Contract Administration Requirements
- MBE/WBE Reporting
- MBE/WBE Certification

DBEs, MBEs and WBEs

DBEs are:
- entities owned and/or controlled by socially and economically disadvantaged individuals as described by Title X of the Clean Air Act Amendments of 1990 (42 U.S.C. 7601 note) (10% statute), and Public Law 102-389 (42 U.S.C. 4370d) (8% statute), respectively;
  - a Small Business Enterprise (SBE);
  - a Small Business in a Rural Area (SBRA);
  - a Labor Surplus Area Firm (LSAF); or
  - an Historically Underutilized Business (HUB) Zone Small Business Concern or a concern under a successor program.

MBEs are:
- entities that are at least 51% owned and/or controlled by a socially and economically disadvantaged individual as described by Title X of the Clean Air Act Amendments of 1990 (42 U.S.C. 7601 note), and Public Law 102-389 (42 U.S.C. 4370d), respectively.

WBEs are:
- entities that are at least 51% owned and/or controlled by women.
Certifying MBE and WBE firms

Under the DBE Program, entities can no longer self-certify. Certifications will be accepted from:

- The Small Business Administration (SBA);
- The Department of Transportation’s State implemented DBE Certification Program (with U.S. citizenship);
- Tribal, State and Local governments; and
- Independent private organization certifications.

If an entity holds one of these certifications, it is considered acceptable for establishing MBE or WBE status under the DBE Program.

GOOD FAITH EFFORT (GFE)

The GFE is required for all financial agreement Recipients to ensure that all DBEs have the opportunity to compete for procurements funded by financial assistance dollars.

Six Good Faith Efforts

1. Ensure DBEs are made aware of contracting opportunities to the fullest extent practical through outreach and recruitment activities. For Tribal, State and Local Government Recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
2. Make information on forthcoming opportunities available to DBEs. Posting solicitations for bids or proposals for a minimum of 30 calendar days before bid opening.
3. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs.
4. Encourage contracting with a group of DBEs when a contract is too large for one firm to handle individually.
5. Use the services and assistance of the SBA and Minority Business Development Agency (MBDA) of the Department of Commerce.
6. If the prime contractor awards subcontracts, require the subcontractor to take the above steps.

The following forms (attached) are required to be submitted with the GFE:

<table>
<thead>
<tr>
<th>FORM</th>
<th>REQUIREMENT</th>
<th>PROVIDED BY</th>
<th>COMPLETED BY</th>
<th>SUBMITTED TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBE Contractor/Subcontractor Certification</td>
<td>Subcontractor required to provide proof of DBE certification</td>
<td>Recipient</td>
<td>Subcontractor</td>
<td>SWRCB by Recipient</td>
</tr>
<tr>
<td>DBE Selected Prime Contractor/Recipient</td>
<td>Prime Contractor list selected DBEs</td>
<td>Recipient</td>
<td>Prime Contractor</td>
<td>SWRCB by Recipient</td>
</tr>
</tbody>
</table>
ADMINISTRATION REQUIREMENTS

- A Recipient must require its prime contractor to pay its subcontractor for satisfactory performance no more than 30 days from the prime contractor’s receipt of payment from the Recipient;
- A Recipient must be notified in writing by its prime contractor prior to any termination of a DBE subcontractor by the prime contractor;
- If a DBE subcontractor fails to complete work under the subcontract for any reason, the Recipient must require the prime contractor to employ the six GFEs if soliciting a replacement subcontractor;
- A Recipient must require its prime contractor to employ the six GFEs even if the prime contractor has achieved its fair share objectives; and
- The GFE documentation shall be submitted by the Recipient with the Approval of Award package.

BIDDERS LIST REQUIREMENTS

- A Recipient of a financial agreement to capitalize CWSRF funds also must require entities receiving funds to create and maintain a Bidders List if the Recipient of the financing agreement is subject to, or chooses to follow, competitive bidding requirements;
- The Bidders list must include all firms that bid or quote on prime contracts, or bid or quote on subcontracts, including both MBE/WBEs and non-MBE/WBEs;
- The Bidders List must be kept until the Recipient is no longer receiving funding under the agreement; and
- The Recipient shall include Bidders List as part of the Approval of Award package.

Information Retained on the Bidders List:

- Entity’s name with point of contact;
- Entity’s mailing address and telephone number;
- The project description on which the entity bid or quoted and when;
- Amount of bid/quote; and
- Entity’s status as a MBE/WBE or non-MBE/WBE.

Revised May 2012
### DISADVANTAGED BUSINESS ENTERPRISE (DBE) CONTRACTOR SUBCONTRACTOR CERTIFICATION

<table>
<thead>
<tr>
<th>Firm Name:</th>
<th>Phone:</th>
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</thead>
<tbody>
<tr>
<td>Address:</td>
<td></td>
</tr>
<tr>
<td>Principal Service or Product:</td>
<td>Bid Amount $</td>
</tr>
</tbody>
</table>

**PLEASE INDICATE PERCENTAGE OF OWNERSHIP BELOW**

- [ ] DBE _____% Ownership
- [ ] Prime Contractor
- [ ] Subcontractor
- [ ] Sole Ownership
- [ ] Partnership
- [ ] Corporation
- [ ] Joint Venture

Certified by: 

<table>
<thead>
<tr>
<th>Name:</th>
<th>Date:</th>
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</thead>
</table>

Contractors can no longer self-certify. They must be certified by EPA, Small Business Administration (SBA), Department of Transportation (DOT) or by State. Local, Tribal or private entities whose certification criteria match EPA’s. Proof of Certification must be provided. A copy of the contractor certification must be submitted with this form.

**NOTE:** This form shall be completed prior to Bid Opening.

Revised May 2012
**DISADVANTAGED BUSINESS ENTERPRISE (DBE)**
**SELECTED PRIME CONTRACTOR AND SUBCONTRACTOR(S)**

<table>
<thead>
<tr>
<th>CONTRACT RECIPIENTS NAME</th>
<th>CONTRACT NO. OR SPECIFICATION NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROJECT DESCRIPTION</td>
<td>PROJECT LOCATION</td>
</tr>
</tbody>
</table>

**PRIME CONTRACTOR INFORMATION**

<table>
<thead>
<tr>
<th>NAME AND ADDRESS (Include ZIP Code, Federal Employer Tax ID #)</th>
<th>□ MBE</th>
<th>□ WBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHONE</td>
<td>AMOUNT OF CONTRACTS</td>
<td></td>
</tr>
</tbody>
</table>

**DBE INFORMATION**

<table>
<thead>
<tr>
<th>□ NONE*</th>
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<tbody>
<tr>
<td>□ DBE</td>
</tr>
<tr>
<td>NAME AND ADDRESS (Include ZIP Code, )</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>□ SUBCONTRACTOR</th>
<th>□ JOINT VENTURE</th>
<th>□ SUPPLIER/SERVICE</th>
<th>AMOUNT OF CONTRACT $</th>
<th>PHONE</th>
</tr>
</thead>
<tbody>
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<td>DBE</td>
<td>DBE</td>
<td>DBE</td>
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<td>DBE</td>
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<tr>
<td>NAME AND ADDRESS (Include ZIP Code)</td>
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<tr>
<th>□ SUBCONTRACTOR</th>
<th>□ JOINT VENTURE</th>
<th>□ SUPPLIER/SERVICE</th>
<th>AMOUNT OF CONTRACT $</th>
<th>PHONE</th>
</tr>
</thead>
</table>

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<thead>
<tr>
<th>TOTAL DBE AMOUNT: $</th>
<th>TOTAL WBE AMOUNT: $</th>
</tr>
</thead>
</table>

**SIGNATURE OF PERSON COMPLETING FORM:**

<table>
<thead>
<tr>
<th>TITLE:</th>
<th>PHONE:</th>
<th>DATE:</th>
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</table>

**NOTE:** Negative reports are required. This form shall be completed prior to Bid Opening.

Revised May 2012
APPROVAL OF AWARD (AOA) REQUIREMENTS

The Disadvantaged Business Enterprise (DBE) Good Faith Effort (GFE) is one element of the AOA process summarized below. The AOA request package submitted to the Division of Financial Assistance (DFA) for approval must contain the following:

1. A completed AOA Request Form (Form 555-1). The form, with original signature, must be signed by the Recipient's Authorized Representative or Designee); and

2. All of the AOA attachments (listed on the back of Form 555-1), in accordance with the AOA instructions, including the DBE Good Faith Effort Certification Form, signed and submitted by the Recipient (Certification form attached), certifying that the Prime Contractor has met the DBE requirements,

The GFE should be submitted with the Bid Proposal. Recipient shall review the successful bidder's documents closely to determine that the GFE was performed. Documentation should indicate that the GFE occurred prior to bid opening. Failure of either the bidder or prime contractor/subcontractor to follow the GFE and provide the necessary information could jeopardize funding of the project. The following situations and circumstances require action as indicated:

1. If the apparent successful low bidder was rejected, a complete explanation must be provided;

2. Contractors must provide proof of DBE certification. Self-certification is not acceptable. Contractors must be certified at bid opening; and

3. Failure of the apparent low bidder to perform the GFE prior to bid opening will result in its bid being declared non-responsive. The construction contract may then be awarded to the next low, responsive, and responsible bidder that meets the requirements or the Recipient may re-advertise the project.

4. If there is a bid dispute, all disputes shall be settled prior to submission of the AOA package.

Each procurement contract signed by the Recipient must include the following term and condition:

“The contractor shall not discriminate on the basis of race, color, national origin or sex in their performance of this contract. The contractor shall carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the contractor to carry out these requirements is a material breach of this contract which may result in the termination of this contract.”

Reporting Requirements

For the duration of the construction contract, the Recipient is required to submit to State Water Resources Control Board (SWRCB) reports of progress made in fulfilling the GFE in the Semi-Annual Report submitted by April 10 and October 10 of each fiscal year on the attached Utilization Report form (UR-334). Failure to provide this information as stipulated in the financial agreement language may be cause for withholding disbursements.

CONTACT FOR MORE INFORMATION
SWRCB – CWSRF Barbara August 916-341-6952 baugust@waterboards.ca.gov
SWRCB – CWSRF Susan Damian 916-341-5494 sdamian@waterboards.ca.gov
EPA Region 9 - Donna Turnley (415) 972-3833 turnley.donna@epa.gov

Revised May 2012
DISADVANTAGED BUSINESS ENTERPRISE (DBE)  
GOOD FAITH EFFORT CERTIFICATION BY RECIPIENT

1. The apparent successful low bidder on Clean Water State Revolving Fund Program funded project number C-06-____________________ is ______________________
   (Name of Bidder)

2. Before the State Water Resources Control Board can consider requests for an Approval Of Award (AOA) to any bidder, the Recipient must certify to the following:

   DISADVANTAGED BUSINESS ENTERPRISE (DBE)
   The bidder has obtained _________% of DBE participation for this contract.

   Also submitted are the Contractor/Subcontractor Certification and Selected Prime Contractor/Recipient
   DBE forms that contain a complete list of those DBE firms subcontracted with or with whom other types
   of agreements were made. The list includes the names of the firm, address, phone number and dollar
   amount involved.

   The following affirmative steps have been taken:

   1. The contractor divided total requirements when economically feasible, into small tasks or quantities
      to permit maximum participation of DBE businesses.
   2. The contractor established delivery schedules, where the requirements of the work permitted, which
      encouraged participation by DBE businesses.
   3. The contractor included qualified DBE businesses on solicitation lists.
   4. The contractor assures that DBE businesses were solicited, whenever they were potential sources.
   5. The contractor used the services and assistance of the Small Business Administration, the Office of
      Minority Business Development Agency of the U.S. Department of Commerce, Department of
      General Services, or the Department of Transportation.

   It must be understood that the Recipient in its role as a public trustee assumes primary responsibility to
   achieve an acceptable level of DBE utilization. This primary responsibility is a basic condition of the award
   of any Clean Water State Revolving Fund financial agreement. Where a Recipient fails to meet its
   obligations under these requirements the Recipient may be declared non-responsive and may have funding
   either annulled, suspended or terminated.

   In accepting these responsibilities, I hereby certify to the above.

   ________________________________
   Name of Recipient

   ________________________________
   Signature of Authorized Representative

   ________________________________
   Date

   ________________________________
   Name and Title of Authorized Representative

   NOTE: This form shall be submitted with the AOA package.

Revised May 2012
STATE WATER RESOURCES CONTROL BOARD – DIVISION OF FINANCIAL ASSISTANCE
DISADVANTAGED BUSINESS ENTERPRISE (DBE) UTILIZATION
CLEAN WATER STATE REVOLVING FUND FINANCING AGREEMENT

1. Grant/Finance Agreement Number: C-06-

2. Semi-Annual Reporting Period: 04/01/ through 09/30/ 10/01/ through 03/31/

3. Purchase Period of Financing Agreement: Start Date: Ending Date:

4. Total Payments Paid to Prime Contractor or Sub-Contractors This Period: $

5. Recipient's Name and Address:

6. Recipient's Contact Person and Phone Number:

7. List All DBE Payments Paid by Prime Contractor and/or Recipient During Reporting Period:

<table>
<thead>
<tr>
<th>Payment or Purchase Paid by Recipient or Contractor?</th>
<th>Amount Paid to Any DBE Contractor/Sub-Contractor For Service Provided to Recipient MBE - WBE</th>
<th>Date of Payment (M/D/Y)</th>
<th>Product Type Code ** (see below)</th>
<th>Name and Address of DBE Contractor or Sub-contractor or Vendor</th>
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8. Initial here if no DBE Contractors/Sub-Contractors paid during this reporting period. ( )

9. Initial here if all purchases for this contract are completed. ( )

10. Comments:

11. Signature and Title of Recipient's Authorized Representative

12. Date:

Return to:
Susan Damian
State Water Resources Control Board
Division of Financial Assistance
P. O. Box 944212
Sacramento, CA 94244-2120

sdamian@waterboards.ca.gov

Phone: (916) 341-5494
Fax: (916) 327-7469

**Product Type:
1. Construction
2. Supplies
3. Services (Includes Business Services, Professional Services, Repair Services, and Personnel Services)
4. Equipment

Revised May 2012

UR-334
Box 1  Grant or Financing Agreement Number.

Box 2  Semi-annual reporting period. Choose one semi-annual period and enter the correct years.

Box 3  Enter the dates between which you made procurements under this financing agreement or grant.

Box 4  Enter the total amount of payments paid to the contractor or sub-contractors during this reporting period.

Box 5  Enter Recipient's Name and Address.

Box 6  Enter Recipient's Contact Name and Phone Number.

Box 7  Enter details for the **DBE purchases only** and be sure to limit them to the current period. 1) Use either an "R" or a "C" to represent "Recipient" or "Contractor." 2) Enter a dollar total for DBE and total the two columns at the bottom of the section. 3) Provide the payment date. 4) Enter a product type choice from those at the bottom of the page. 5) List the vendor name and address in the right-hand column.

Box 8  Initial here if no DBE contractors or sub-contractors were paid during this reporting period.

Box 9  Initial this box only if all purchases under this financing agreement or grant have been completed during this reporting period or a previous period. If you initial this box, we will no longer send you a survey.

Box 10  This box is for explanatory information or questions.

Box 11  Provide an authorized representative signature.

Box 12  Enter the date form completed.
220 Signage

The Recipient shall place a sign at least four feet tall by eight feet wide made of ¾ inch thick exterior grade plywood or other approved material in a prominent location on the Project site and shall maintain the sign in good condition for the duration of the construction period. The sign shall include the following color logos (available from the Division) and the following disclosure statement:

![Logos](image1)

“Funding for this project has been provided in full or in part by the Clean Water State Revolving Fund through an agreement with the State Water Resources Control Board. California’s Clean Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds."

Project is also financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, administered by State of California, Department of Water Resources through an agreement with the Santa Ana Watershed Project Authority and the One Water, One Watershed Plan”

![Logos](image2)

The Project sign may include another agency’s required promotional information so long as the above logos and disclosure statement are equally prominent on the sign. The sign shall be prepared in a professional manner.
The Recipient shall be required to maintain separate books, records and other material relative to the Project. The Recipient shall also be required to retain such books, records, and other material for itself and for each contractor or subcontractor who performed work on this project for a minimum of thirty-six (36) years after Project Completion. The Recipient shall require that such books, records, and other material be subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the Bureau of State Audits, the United States Environmental Protection Agency (USEPA), the Office of Inspector General, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned, and shall allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient agrees to include a similar right regarding audit, interviews, and records retention in any subcontract related to the performance of this Agreement. The provisions of this section shall survive the discharge of the Recipient’s Obligation hereunder and shall survive the term of this Agreement.
Integrated Regional Water Management Grant Conditions

D.1) ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

a) Separate Accounting of Funding Disbursements and Interest Records: Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. Grantee shall require its contractors or sub contractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.

D.5) AMERICANS WITH DISABILITIES ACT: By signing this Grant Agreement, Grantee assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.7) AUDITS: State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of Project(s), with the costs of such audit borne by State. After completion of the Project(s), State may require Grantee to conduct a final audit to State’s specifications, at Grantee’s expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may elect to pursue any remedies provided in Paragraph 14 or take any other action it deems necessary to protect its interests.

Pursuant to Government Code Section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three years after final payment under this Grant Agreement with respect to all matters connected with this Grant Agreement, including but not limited to, the cost of administering this Grant Agreement. All records of Grantee or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after project completion or final billing, whichever comes later.

D.23) GOVERNING LAW: This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

D.24) INDEMNIFICATION: Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project(s) and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insured on their liability insurance for activities undertaken pursuant to this Agreement.

D.25) INDEPENDENT CAPACITY: Grantee, and the agents and employees of Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
D.26) INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.

D.27) INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with State.

D.29) LABOR CODE COMPLIANCE: The Grantee will be required to keep informed of and take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, but not limited to, Section 1720 et seq. of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5) and payment of prevailing wages for work done and funded pursuant to these Guidelines, including any payments to the Department of Industrial Relations under Labor Code Section 1771.3.

D.31) NONDISCRIMINATION: During the performance of this Grant Agreement, Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and its contractors or subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.

D.32) NO DISCRIMINATION AGAINST DOMESTIC PARTNERS: For contracts over $100,000 executed or amended after January 1, 2007, the Grantee certifies by signing this Grant Agreement, under penalty of perjury under the laws of State of California that Grantee is in compliance with Public Contract Code section 10295.3.

D.42) SUSPENSION OF PAYMENTS: This Grant Agreement may be subject to suspension of payments or termination, or both, and Grantee may be subject to debarment if the State determines that:
   a) Grantee, its contractors, or subcontractors have made a false certification, or
b) Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Grant Agreement.

D.51) WORKERS' COMPENSATION: Grantee affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Grant Agreement and will make its contractors and subcontractors aware of this provision.
Engineering, Operations, and Biosolids Management Committee

ACTION
ITEM
1E
Date: March 18, 2015

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (03/11/15)

From: P. Joseph Grindstaff
       General Manager

Submitted by: Chris Berch
             Executive Manager of Engineering/Assistant General Manager

Majid Karim
Acting Manager of Engineering

Subject: Construction Contract Award for the RP-1 Digester Gas System Evaluation and Improvements

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the construction contract award to J.R. Filanc Construction Company for the RP-1 Digester Gas System Evaluation and Improvements, Project No. EN15056, in the amount of $407,835; and

2. Authorize the General Manager to execute the construction contract.

BACKGROUND

The Agency’s Regional Water Recycling Plant No. 1 (RP-1) has been in service for over 70 years. As part of the treatment process the facility generates digester gas (DG). Digester gas is produced within the digesters and conveyed via pipeline to the several consumers within RP-1. The digester gas system is made up of a piping system, gas cleaning equipment and control systems that allow the collection, cleaning and distribution of the digester gas while maintaining permit requirements.

This project has four elements:

1) Evaluate the digester gas piping system pressure as assess the piping condition to determine areas of weakness and recommend repairs.
2) Improve controls for the emergency digester gas loop release valve (to flare).
3) Provide controls for digester sludge feed valve (not related to the gas system).
4) Provide pavement in the flare area to improve access for the Operations and Maintenance staff.

The project is necessary to ensure the gas system can flare any excess gas without exceeding the pressures that would require venting to the atmosphere in violation of regulations.

Project predesign work has been done in-house. The four project elements described above will be performed by the approved design-build contractor.

Staff posted this work as a design-build project to the Agency’s list of approved minor construction contractors on January 14, 2015.

Below is the table of bid results:

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>BID AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>J.R. Filanc Construction</td>
<td>$407,835</td>
</tr>
<tr>
<td>W.A. Rasic Construction</td>
<td>$710,000</td>
</tr>
<tr>
<td>Engineering Estimate</td>
<td>$350,000</td>
</tr>
</tbody>
</table>

The Engineering and Construction project management approach to implement all efforts for this project will utilize the Engineering Project Manager, IEUA Construction Manager, augmented consultant staff as necessary, and J.R. Filanc Construction (Contractor). Due to the nature of this project, this will provide consistent coordination and retain centralized decision making in the project’s execution.

Below is the projected project budget:

<table>
<thead>
<tr>
<th>PROJECT PHASE</th>
<th>PROJECTED COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design/Build Contract</td>
<td>$410,000</td>
</tr>
<tr>
<td>Construction Management (IEUA Labor)</td>
<td>$200,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$40,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$650,000</strong></td>
</tr>
<tr>
<td><strong>Project Budget</strong></td>
<td><strong>$650,000</strong></td>
</tr>
</tbody>
</table>

The following is the projected project schedule:

<table>
<thead>
<tr>
<th>PROJECT PHASE</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Contract Award</td>
<td>March 2015</td>
</tr>
<tr>
<td>Design Completion</td>
<td>July 2015</td>
</tr>
<tr>
<td>Project Completion</td>
<td>December 2015</td>
</tr>
</tbody>
</table>
RP-1 Digester Gas System Evaluation and Improvements,  
Project No. EN15056 Construction Contract Award  
March 18, 2015  
Page 3 of 3

RP-1 Digester Gas System Evaluation and Improvements Project is part of the Agency’s Wastewater Management Capacity Business Goal to maintain capacity within systems and facilities to meet essential service demands, meet compliance, and to protect public health and environment.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The RP-1 Digester Gas System Evaluation and Improvements, Project No. EN15056 has a current total project budget of $180,000 and a FY 2014/15 budget of $180,000 within the Regional Wastewater Capital Improvement (RC) Fund. An estimated amount of $180,000 will be spent this fiscal year, which is supported by the current fiscal year appropriation and the current total project budget appropriation. The remaining amount of $470,000 is anticipated to be spent in FY 2015/16. Augmentation of the total project budget is occurring during the TYCIP FY 2015/16 process.

PJG:CB:MK:jz
RP-1 Digest Gas System Evaluation

Project No. EN15056

March 2015

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT
Project Request/Scope

- Construction Contract Award to J.R. Filanc

- The Project has four elements
  - Evaluate digester gas piping system pressure and assess piping condition
  - Upgrade controls on emergency gas release valve
  - New controls for Digester No. 1 sludge feed valve
  - Provide pavement for the flare and piping area

- Project is part of the Agency’s Wastewater Management Capacity Business Goal to maintain capacity within facilities to meet essential service demands and to protect public health and environment.
Process Diagram

Gas Flare System

Diagram showing various processes and components including:
- Gravity Thickener
- Centrifuges (4)
- Storage Silos
- Biosolids to Composter
- Solids Section Biofilter
- Flare
- Digesters (7)
- Polymer
- Solids Bypass to RP-5
- Scum to DAFT
- WAS to DAFT
- DAFTs (3)
- Boilers (2)

Additionally, the diagram indicates connections such as:
- Primary Solids to GT
- DAFT overflow to IPS
- Cogeneration
- Fuel Cell
## Bid Results

<table>
<thead>
<tr>
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</tr>
</tbody>
</table>

**Bid Solicitation**

- Design/Build project posted to Agency list of approved minor construction contracts in January 2015
Construction Management Approach

- Internal/Augmented CM : Design-Build
  - Engineering PM and Construction Manager
  - Staff Augmentation as required
  - Agency Operations, Maintenance and Controls
<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Cost</th>
<th>Project Phase</th>
<th>Date</th>
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<tr>
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<td>$650,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Recommendation

- Staff recommends that the Board of Directors approve the construction contract award to J.R. Filanc Construction Company; and
- Authorize the General Manager to execute the construction contract
Questions?
Date: February 19, 2015  
Contractor: J.R. Filanc Construction Company, Inc.  

Project / Task Description: RP-1 Digester Gas System Evaluation & Improvements, Project No. EN15056

I. RECITALS

This Task Order is issued for the procurement of construction services needed in support of Agency Project Number EN15056.00.

Agency and Contractor previously entered into Master Services Contract No. 4600001738. Except as otherwise specified herein, the terms and conditions of that Agreement are incorporated into this Task Order via this reference.

II. TASK ORDER AGREEMENTS

1. Scope of Work: Contractor shall furnish the qualified personnel, equipment, materials, and supplies necessary to perform the work described in Agency's Request for Proposals RFP-RW-14-078 and all germane addenda and correspondence, all of which is incorporated herein by this reference and made a part hereof.

2. Period of Performance: The term of this Task Order shall extend from the date of the Notice to Proceed, and shall terminate upon acceptance of project's construction by the Agency's cognizant Project Manager, unless agreed to by both parties, reduced to writing, and amended to this Task Order.

3. Compensation: Authorized total payments to Contractor for performance of this firm-fixed price Task Order shall not-to-exceed a firm-fixed price of $407,835.00, referenced herein and made a part hereof as Exhibit A. (NOTE: Labor rates are based on submitted rates included in the Master contract.)
4. **Assigned Personnel:** The below-listed named personnel are assigned to direct the performance of this Task Order on behalf of the respective Parties:

**PROJECT MANAGER ASSIGNMENT:** All technical direction related to this Task Order shall come from the designated Project Manager. Details of Agency’s assignment are listed below:

- **Project Manager:** John Scherck, Construction Project Mgr.
- **Address:** 6075 Kimball Avenue, Building "B"
  
  Chino, California 91708
- **Telephone:** (909) 993-1547
- **Facsimile:** (909) 993-1982
- **Email:** jscherck@ieuau.org

**CONTRACTOR ASSIGNMENT:** Special inquiries related to this Agreement and the effects of this Agreement shall be referred to the following:

- **Contractor:** David J. Kiess, Vice President
  
  J.R. Filanc Construction Company Inc.
- **Address:** 740 North Andreasen Drive
  
  Escondido, CA 92029
- **Facsimile:** (760) 941-3969
- **Email:** DKiess@filanc.com

5. **Task Order Modifications:** No communication, either written or oral, by other than written and bi-laterally executed change order shall be effective to modify or otherwise affect the provisions of this Task Order.

### III. SIGNATURES

**Inland Empire Utilities Agency:**

P. Joseph Grindstaff

General Manager

Date: __________________________

**J.R. Filanc Construction Company Inc.:**

David J. Kiess

Vice President

Date: __________________________
Exhibit A
February 10, 2015

Mr. Robert Wallin
Inland Empire Utilities Agency
6075 "A" Kimball Ave.
Chino, CA 91708

Project: RFP-RW-14-078

Dear Mr. Wallin:

J.R. Filanc Construction Company is pleased to submit a bid proposal for the RP-1 Digester Gas System Evaluation & Improvements project. Filanc has been performing design-build project delivery for nearly 30 years and is a recognized leader in the delivery process.

We look forward to continuing our relationship with IEUA on this important design-build project.

If you have any questions or require additional information, please contact me at 760-941-7130.

Sincerely,

David J. Kiess
Vice President
J.R. Filanc Construction
A. **BID PROPOSAL FORM:** The undersigned bidder hereby offers, in the amount stated below, to furnish all applicable costs labor, materials, tools, equipment, apparatus, facilities, transportation fees, taxes and permits for the construction of the RP-1 Digester Gas System Evaluation & Improvements, Project No. EN15056.

**TOTAL AMOUNT OF BID:** $407,835 dollars

*(in numeric figures)*

_**FOUR HUNDRED SEVEN THOUSAND EIGHT HUNDRED THIRTY FIVE DOLLARS**_

*(written in words)*

Lead-time for material prior to project completion in calendar days after receipt of order ________

Bidder’s Signature ________________________

DAVID J. KIESS

Print Name ________________________________

VICE PRESIDENT

Title ________________________________

Bidder’s Phone Number (740) 941-7130

J.R. FILANC CONSTRUCTION CO., INC.

Company Name ________________________________

Contractor’s License Number & Type #134977 “A”

Date 2/10/2015

REQUEST FOR PROPOSAL
STATEDMENT
OF
QUALIFICATIONS
AND
EXPERIENCE
PID Engineering
Power and Industrial Design Corporation

CORPORATE PROFILE

PID Engineering is based in San Diego, California, and provides mechanical and electrical engineering services for power, industrial and commercial clients.

PID Engineering is comprised of an engineering staff that has worked closely together for years providing engineering services including:

- Power plant cogeneration plant detailed design and feasibility studies
- Industrial and process plant design
- Compressed natural gas fueling station design
- Commercial and industrial HVAC and plumbing system design
- Commercial and industrial power and lighting system design

Clients include:

- AECOM
- ARUP
- Atlantic Power
- Biola University
- Calgren Renewable Fuels
- California Dairies, Inc.
- California ISO
- Calpine
- Chevron Energy Solutions
- Chula Vista Electric
- County of San Diego
- Duke Engineering
- Emcor Group
- Energistics
- Foster Wheeler
- General Atomics
- Hamilton-Sundstrand
- Hawthorne Power Systems
- Hess Microgen
- Hunter Industries
PID Engineering

Power and Industrial Design Corporation

- ISP Alginates
- Johnson & Johnson
- Kiewit Pacific
- Kyocera America
- Miller Coors
- NRG Energy
- Ogden Environmental and Energy Services
- Qualcomm, Inc.
- Rosendin Electric
- San Diego Gas and Electric
- San Diego Unified Port District
- San Diego Unified School District
- Sempra Energy Solutions
- Solar Turbines
- Southern California Gas Co.
- TIC
- TRW
- UCSD

POWER PLANT/COGENERATION PLANT DESIGN

PID Engineering has provided power plant and cogeneration plant design engineering services including:

- Mechanical and electrical engineering and design as-well-as structural engineering and design (through sub-consultant) for the addition of a 5.0 MW gas turbine and heat recovery steam generator to the existing 5.6 MW cogeneration plant for an ethanol plant in Pixley, California. The cogeneration plant addition consists of one Solar Taurus 60 gas turbine generator set, one Rentech heat recovery steam generator with supplemental firing, a selective catalytic reduction system using anhydrous ammonia, and ancillary equipment. Scope included development of P&ID’s, general arrangement drawings, piping drawings, single line diagrams, wiring diagrams, equipment specifications, performing
piping stress analysis, performing electrical short circuit/coordination studies and providing support for electrical interconnection issues.

- Mechanical and electrical engineering and design as-well-as architectural and structural engineering and design (through sub-consultants) for a 3.6 MW reciprocating engine cogeneration plant for Kyocera America in San Diego, California. This project replaced an existing cogeneration plant consisting of four natural gas fired Caterpillar reciprocating engines, heat recovery silencers, absorption chillers, centrifugal chiller, pumps, switchgear, motor control centers, controls, piping, conduit and wiring with a new cogeneration plant housed in the existing cogeneration building. The new plant consists of one Caterpillar natural gas fired reciprocating engine/generator set rated at 2,050 kW(e), one Caterpillar natural gas fired reciprocating engine/generator set rated at 1,640 kW(e), one Caterpillar diesel fired reciprocating engine/generator set rated at 1,500 kW(e), two heat recovery silencers, two Thermax absorption chillers rated 485 Tons each, one centrifugal chiller rated 650 Tons, SCR emissions controls system utilizing urea, intelligent paralleling switchgear, motor control centers, PLC based controls system, pumps, piping, conduit and wiring.

- Mechanical and electrical engineering and design for an 8.0 MW gas turbine cogeneration plant for the New York University Langone Medical Center. The plant consists of one Solar Taurus 70 gas turbine generator set, one Rentech heat recovery steam generator with supplemental firing, a gas compressor, and ancillary equipment. The plant provides 150,000 pounds per hour of saturated steam at 150 psig to the campus steam distribution system. Scope included development of P&ID’s,
general arrangement drawings, piping drawings, single line diagrams, wiring diagrams, equipment specifications, performing piping stress analysis, performing electrical short circuit/coordination studies and providing support for electrical interconnection issues.

- Mechanical engineering design support for an 8.8 MW gas turbine cogeneration plant for the Los Angeles International Airport. The cogeneration plant is part of the central plant replacement project at the Los Angeles International Airport. The cogeneration plant consists of two Solar Turbines Mercury 50 gas turbines, two Rentech heat recovery steam generators with supplemental firing, two gas compressors and ancillary equipment.

- Mechanical and electrical engineering and design as well as architectural and structural engineering and design (through sub-consultants) for a 4.6 MW gas turbine cogeneration plant for California State University Fullerton. The plant consists of one Solar Mercury 50 gas turbine generator set, two Thermax double effect exhaust gas direct fired chillers with simultaneous heating, a cooling tower, and ancillary equipment. Each chiller produces 1,300 tons of cooling and 12,100 MBH of heating hot water to the campus thermal energy storage systems. The cogeneration equipment is located in a new building.

- Mechanical and electrical engineering and design as well as architectural and structural engineering and design (through sub-consultants) for a 5.6 MW gas turbine cogeneration plant for an ethanol plant in Pixley, California. The cogeneration plant consists of one Solar Taurus 65 gas turbine generator set, one Rentech heat recovery steam generator with supplemental firing, a selective catalytic reduction system using anhydrous ammonia, an
electric boiler, a deaerator and boiler feed pumps, and ancillary equipment. The plant provides 121,000 pounds per hour of saturated steam at 140 psig to the ethanol plant. Scope included development of P&ID’s, general arrangement drawings, piping drawings, single line diagrams, wiring diagrams, equipment specifications, performing piping stress analysis, performing electrical short circuit/coordination studies and providing support for electrical interconnection issues.

- Mechanical and electrical engineering and design for a 7.0 MW gas turbine cogeneration plant for the New York Presbyterian Hospital. The plant consists of one Solar Taurus 70 gas turbine generator set, one Rentech heat recovery steam generator with supplemental firing, a gas compressor, and ancillary equipment. The plant provides 70,000 pounds per hour of saturated steam at 185 psig to the campus steam distribution system. Scope included development of P&ID’s, general arrangement drawings, piping drawings, single line diagrams, wiring diagrams, equipment specifications, performing piping stress analysis, performing electrical short circuit/coordination studies and providing support for electrical interconnection issues.

- Mechanical and electrical engineering and design as-well-as structural engineering and design (through a sub-consultant) for a 4.4 MW gas turbine cogeneration plant for California Dairies, Inc. in Tipton, California. The plant consists of one Solar Centaur 50 gas turbine generator set, one Deltak heat recovery steam generator with supplemental firing, a selective catalytic reduction system using anhydrous ammonia, and ancillary equipment. The plant provides 60,000 pounds per hour of saturated steam at 130 psig to the dairy processing plant. Scope included development of P&ID’s, general arrangement drawings, piping drawings, single line diagrams, wiring diagrams, equipment specifications,
performing piping stress analysis, performing electrical short circuit/coordination studies and providing support for electrical interconnection issues.

- Mechanical and electrical engineering and design as-well-as structural engineering and design (through a sub-consultant) for a 4.6 MW gas turbine cogeneration plant for the VA Hospital in La Jolla. The plant consists of one Solar Mercury 50 gas turbine generator set, one ERI heat recovery steam generator, and ancillary equipment. The plant provides 11,700 pounds per hour of saturated steam at 130 psig to the campus steam distribution system. As a follow-up, PID provided engineering and design for the addition of a 500 ton double effect steam fired absorption chiller, a cooling tower and ancillary equipment to the plant. Scope included development of P&ID's, general arrangement drawings, piping drawings, single line diagrams, wiring diagrams, equipment specifications, performing piping stress analysis, performing electrical short circuit/coordination studies and providing support for electrical interconnection issues.

- Mechanical engineering and design for a 14.0 MW gas turbine combined cycle cogeneration plant for San Diego State University. The plant consists of two Solar Taurus 60 gas turbine generator sets, two Rentech heat recovery steam generators with supplemental firing, a 4.1 MW condensing steam turbine generator, a condenser, a cooling tower and ancillary equipment. The plant provides up to 88,000 pounds per hour of saturated steam at 125 psig to the campus steam distribution system. Scope included development of the P&ID's, mechanical specifications, general arrangement drawings, piping drawings, and performing piping stress analysis.
• Mechanical and electrical engineering design services as-well-as structural engineering and design (through a sub-consultant) for a 10.6 MW gas turbine cogeneration plant for Miller Brewing in Irwindale, California. The plant consists of two Solar Taurus 60 gas turbine generator sets, two Delta 9 heat recovery steam generators with supplemental firing, a selective catalytic reduction system using anhydrous ammonia, a gas compressor, and ancillary equipment. The plant provides up to 130,000 pounds per hour of saturated steam at 115 psig to the brewery. Scope included development of P&ID’s, general arrangement drawings, piping drawings, single line diagrams, wiring diagrams, equipment specifications, performing piping stress analysis, performing electrical short circuit/coordination studies and providing support for electrical interconnection issues.

• Piping engineering and design for a 26.8 MW gas turbine cogeneration plant for the University of California San Diego. The plant consists of two Solar Titan 130 gas turbine generator sets, two Rentech heat recovery steam generators with SCONOX emissions controls, gas compressors, and ancillary equipment. The plant provides up to 116,600 pounds per hour of saturated steam at 240 psig to the campus steam distribution system. Scope included P&ID development; piping design and thermal pipe stress calculations.

• Mechanical engineering services for the installation of a Solar Taurus 60 gas turbine on a flat-bed trailer. Work included layout of the gas turbine package, piping and all auxiliary equipment within the confines of the trailer.

• Mechanical and electrical design for containerizing a 2,000 kWe, diesel-fired standby reciprocating engine/generator for use at the City of San Diego’s South Bay Water Reclamation Plant.
PID Engineering
Power and Industrial Design Corporation

- Mechanical design for the installation of one 330 KWe natural gas fired reciprocating engine generator cogeneration package at a glass tempering facility in Moreno Valley California.

- Mechanical and electrical engineering and design services for several Hess Microgen packaged reciprocating engine/generator sets in cogeneration applications. The plants have ranged in size from 140 kWe to 1,400 kWe. Plant sites have included resorts, schools, office buildings, manufacturing plants and residential facilities. Waste heat uses have included chilled water production via absorption chillers; hot water for space, domestic and process heating and steam production.

- Electrical engineering and design services to support the electrical contractor in the installation of a 5 MWe gas turbine generator and two 2 MWe diesel generators at the Naval Regional Medical Center in San Diego. Engineering and design services included specification of switchgear and motor control centers (MCC's); layout of electrical equipment and bus duct; development of detailed interconnect wiring diagrams and coordination with the hospital and electric utility.

- Mechanical and electrical engineering and design services to install two 1,100 kWe natural gas fired reciprocating engine generator sets with heat recovery and a urea based selective catalytic reduction (SCR) system at the Johnson & Johnson Pharmaceutical Research & Development, L.L.C. facility in San Diego.

- Mechanical and electrical engineering design services as-well-as structural engineering and design (through a sub-consultant) for a 1 MW cogeneration plant to provide electricity and 180 psig
steam to Amcor's paper processing plant. The plant consists of a single natural gas fired reciprocating engine generator set, urea based selective catalytic reduction (SCR) system, exhaust heat recovery steam generator and ancillary equipment:

- Mechanical and electrical engineering and design for a 4.4 MW gas turbine cogeneration plant for Kern Oil and Refining in Bakersfield, California. The plant consists of one Solar Centaur SG gas turbine generator set, one Deltak heat recovery steam generator with supplemental firing, a selective catalytic reduction system using aqueous ammonia, a gas compressor, and ancillary equipment. The plant provides 45,000 pounds per hour of saturated steam at 180 psig to the refinery.

**INDUSTRIAL AND PROCESS PLANT DESIGN**

The PID Engineering staff has provided industrial and process design engineering services such as:

- Mechanical and electrical engineering and design for utilities supporting a new milk processing facility for California Dairies, Inc., in Visalia, California. The plant produces powdered milk, butter, cream and condensed milk. Scope included sizing and routing utilities including steam, condensate, water, compressed air, natural gas, glycol, medium voltage power and low voltage power. Scope also included HVAC design and lighting design for the process buildings, as well as design of the dairy drain system and sanitary sewer system for the facility.

- Mechanical and electrical engineering and design for a new gas compressor test facility at Solar Turbine's Kearny Mesa facility. The facility tests gas compressors utilizing a closed loop piping
system. The gas compressors can be tested using a variety of gases including nitrogen, natural gas, carbon dioxide or specialty blends operating from 30 psig to 3,000 psig. Scope included designing the gas systems to the closed loop, gas compression system, gas venting systems, cooling water system, and electrical and controls distribution systems for the test loop.

- Mechanical and electrical engineering and design as-well-as architectural, civil and structural engineering and design (through sub-consultants) for a new test cell at Solar Turbine's Kearny Mesa facility. This test cell is used for the development testing and production testing of the Titan 250 gas turbine capable of producing 25 MW electrical output.

- Mechanical and electrical engineering and design for a new test cell at Solar Turbine's Harbor Drive facility. This test cell is used for the development testing of the Taurus 65 turbine.

- Mechanical and electrical design for the installation of two liquefied propane and butane gas (LPG) storage, pumping, vaporizing, and piping distribution systems, one each at Solar Turbines' Harbor Drive and Kearny Mesa facilities.

- Electrical engineering services for the replacement of several large motors (5,000 HP to 6,500 HP) at the California Steel Inc. steel mill in Fontana, California. Work included as-builting existing site conditions, cable sizing, change-out of medium voltage switchgear, conduit/wiring/grounding diagrams and startup support.

- Mechanical, electrical and subcontracted structural design services for the installation of a distillation unit, cooler tower and steam
condenser at Sithe Energies' cogeneration plant at the 32nd St. Naval Station in San Diego, CA. Responsibilities included equipment layout, piping design, piping stress analysis, foundation design, design of instrumentation and controls, electrical single-line diagram, and wiring diagrams.

- Mechanical and electrical design engineering services to Solar Turbines, Inc. for the installation of three thermal oxidizers (gas turbine exhaust incinerators) at its Kearny Mesa production facility. Scope included the design, layout, support and stress analysis of several hundred feet of 6 ft. diameter, 1,000°F gas turbine ducting and control dampers and the design engineering for electric power to the equipment.

- Mechanical and electrical engineering design for a hot-oil-based thermal system to heat and pressurize six 12 ft. diameter storage spheres with high temperature, high pressure hot water (400 psig, saturated) at TRW's Capistrano, CA, Test Facility.

COMMERCIAL AND INDUSTRIAL POWER AND LIGHTING SYSTEM DESIGN

The PID Engineering staff has provided commercial and industrial power and lighting engineering services including:

- Power upgrade for the County Administration Building in San Diego: Scope of work included review of the building existing power distribution equipment, development of construction documents and specifications, and construction support.

- Provided electrical design for the K-Tube manufacturing facility in Poway. Scope included design of the power and lighting
systems, development of construction documents and specifications, and construction support.

**COMPRESSED NATURAL GAS FUELING STATIONS**

PID Engineering has designed over 20 refueling stations including civil, structural and architectural (via sub-contracts); mechanical and piping; electrical and controls. The refueling stations include private fleet time fill, private fleet fast fill and public fast fill.

The PID Engineering staff has provided compressed natural gas fueling station design engineering services for such end users as:

- San Diego Gas and Electric
- Southern California Gas Company
- Oceanside School District
- San Diego Unified Port District
- Clean Energy
ADDENDUM NO. 1
REQUEST FOR PROPOSALS
RFP-RW-14-078
FOR
RP-1 DIGESTER GAS SYSTEM EVALUATION & IMPROVEMENTS
PROJECT NO. EN15056

January 27, 2015

To: All RFP Holders

The following changes, clarifications and additions are hereby made to the document:

REQUEST FOR PROPOSALS

1. Reference: Section 3, Scope of Work, B – Project Description – Digester Gas Piping System Pressure Losses Evaluation, Page 10

In the second paragraph, Line 5, add the following sentence before “The Contractor shall also utilize…”:

“Instruments installed by the Contractor shall remain in place and become the property of the Agency (CCTV is not included).”

2. Reference: Section A, BID PROPOSAL FORM, Page 18

Add the following sentence after the end of the first paragraph:

“The Contractor shall submit with his bid information about the engineering firm which will perform the design work along with résumés for individual engineers involved in the project.”

Majid Karim, P.E.
Acting Manager of Engineering and Construction Management
Inland Empire Utilities Agency
Please address all correspondence to:
 Jamal Zughbi, P.E.
 Project Manager
 Fax: (909) 993-1982
 jzughbi@ienua.org (preferred)

Please sign, date and email/fax a signed copy showing you received this Addendum No. 1

Signature: [Signature]  Date: 2/10/2015

Name of Company: J.R. Filanc Construction
ADDENDUM NO. 2
REQUEST FOR PROPOSALS
RFP-RW-14-078
FOR
RP-1 DIGESTER GAS SYSTEM EVALUATION & IMPROVEMENTS
PROJECT NO. EN15056

February 3, 2015

To: All RFP Holders

The following changes, clarifications and additions are hereby made to the document:

ATTACHMENTS

- Exhibit K -- Preliminary Operating Parameters
- Exhibit L
  - RP-1 Appendix A Table – Pipe Segment Flow, Pressure Information – June 2005
  - RP-1 Digester RO-Rev 5
  - RP-1 Sample Digester Gas Piping
  - RP-1 Three Phase Digestion Project Piping

SPECIFICATIONS

1. Reference: Section 1- Submittal Information, D – Submittal Location, Closing Date, and Time, Proposal Closing, Page 1:

   Replace “PROPOSAL CLOSING: February 4, 2015 at 2:00 PM” with the following:

   “PROPOSAL CLOSING: February 11, 2015 at 2:00 PM”

2. Reference: Table of Contents

   Add the following exhibits to the Table of Contents, Section 5 – Exhibits:

   - Exhibit K -- Preliminary Operating Parameters
   - Exhibit L – Digester Gas System Piping and Controls
3. **Reference: Section 5 – Exhibit J –Specification Section 02500**

   Section 02500, Part 3, Subsection 3.2.A, Page 5:

   Revise the first sentence to read as follows: "Crushed aggregate base shall be provided where shown with a minimum thickness of 4 inches topped with 3 inches of asphalt concrete."

4. **Reference: Section 5 – Exhibits**

   Add the following exhibits to the end of Section 5 – Exhibits:

   - Exhibit K – Preliminary Operating Parameters
   - Exhibit L – Digester Gas System Piping and Valve Controls

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**Majid Karim**, P.E.
Acting Manager of Engineering and Construction Management
Inland Empire Utilities Agency

Please address all correspondence to:

*Jamal Zughbi, P.E.*
Project Manager
Fax: (909) 993-1982
jzughbi@ieua.org (preferred)

Please sign, date and email/fax a signed copy showing you received this Addendum No. 2

Signature: [Signature]
Date: 2/10/2015

Name of Company: [Company Name]