

AGENDA ITEM 11c



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 4, 2017		
SUBMITTED BY:	Kevin Cameron Associate Engineer	PROJECT:	Various	DIV. NO.	All
	Bob Kennedy Engineering Manager				
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager				
SUBJECT:	Award of As-Needed Coating Inspection Services Contract to CSI Services, Inc. in an amount not-to-exceed \$175,000 for Fiscal Years 2017 through 2019				

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) award a professional As-Needed Coating Inspection Services contract to CSI Services, Inc. (CSI) and to authorize the General Manager to execute an agreement with CSI in an amount not-to-exceed \$175,000 for a period of three (3) fiscal years (FY 2017 through FY 2019), ending June 30, 2019.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a professional services agreement with CIS for As-Needed Coating Inspection Services in an amount not-to-exceed \$175,000 for a period of three (3) fiscal years (FY 2017 through FY 2019), ending June 30, 2019.

ANALYSIS:

The District will require the services of a professional coating inspection consultant in support of the District's Capital Improvement Program (CIP), and more specifically, the Corrosion Control Program for steel reservoirs, for the next three (3) fiscal years. Due to the strict requirements for the surface preparation and coating application on water storage tanks, the District uses a third party coating inspector to monitor, document, and verify coatings are applied per the coating manufacturer's specifications. The District requires the coating inspector be certified by the National Association of Corrosion Engineers (NACE) as a Level III Coating Inspector. The Coating Inspector tasks include, but are not limited to, submitting daily reports detailing the contractors activities, periodic testing, and overall quality control for the recoating procedures.

It is more efficient and cost effective to issue an as-needed contract for coating inspection services which will provide the District with the ability to obtain consulting services in a timely and efficient manner. This concept has also been used in the past for other disciplines such as design engineering, construction management, geotechnical, and environmental services.

The District will issue task orders to the consultant for specific CIP projects during the contract period. The consultant will then prepare a detailed scope of work, schedule, and fee estimate for each task order assigned under the contract. Upon written task order authorization from the District, the consultant shall then proceed with the project as described in the scope of work.

The anticipated CIP projects that are estimated to require coating inspection services for the duration of this contract are listed below:

CIP	DESCRIPTION	ESTIMATED COST
P2534	978-1 Reservoir Interior/Exterior Coating & Upgrades	\$20,000
P2544	850-2 Reservoir Interior/Exterior Coating & Upgrades	\$30,000
P2533	1200-1 Reservoir Interior/Exterior Coating & Upgrades	\$25,000
P2543	850-1 Reservoir Interior/Exterior Coating & Upgrades	\$25,000
P2546	980-2 Reservoir Interior/Exterior Coating & Upgrades	\$35,000
P2531	944-1 Reservoir 2-year Warranty Inspection & Repairs	\$5,000
P2532	944-2 Reservoir 2-year Warranty Inspection & Repairs	\$10,000
P2535	458-2 Reservoir 2-year Warranty Inspection & Repairs	\$5,000
TOTAL:		\$155,000

The coating inspection scopes of work for the above CIP projects are estimated from preliminary information and past CIP projects. Therefore, staff believes that a \$175,000 cap on the As-Needed Coating Inspection Services contract is adequate, while still providing additional capacity for unforeseen support needs by the District.

This As-Needed Coating Inspection Services contract does not commit the District to any expenditure until a task order is approved to perform work on a CIP project. The District does not guarantee work to the consultant, nor does the District guarantee that it will expend all of the funds authorized by the contract on professional services.

The District solicited for coating inspection services by placing an advertisement on the Otay Water District's website on September 22, 2016 and with various other publications. Nine (9) firms submitted a letter of interest and a statement of qualifications. The Request for Proposal (RFP) for As-Needed Coating Inspection Services was sent to all nine (9) firms resulting in five (5) proposals received on November 9, 2016. The firms are listed below:

- Bay Area Coating Consultants, Denair, CA
- BN Capital Suppliers, Chesterfield, MO
- Corrpro, Santa Fe Springs, CA
- CSI Services, Santa Clarita, CA
- RF Yeager, Lakeside, CA

Four firms, HDR, HRV Conformance Verification Associates, MCS Inspection Group, West Coast Coating Consultants elected not to submit a proposal. In accordance with the District's Policy 21, staff evaluated and scored all written proposals. CSI received the highest score for their services based on their experience, understanding of the scope of work, proposed method to accomplish the work, and their composite hourly rate. CSI was the most qualified consultant with the best overall rating or ranking. A summary of the complete evaluation is shown in Attachment B.

CSI submitted the Company Background Questionnaire, as required by the RFP, and staff did not find any significant issues. In addition, staff checked their references and performed an internet search on the company. Staff found the references to be excellent and did not find any outstanding issues with the internet search.

FISCAL IMPACT:

Joe Beachem, Chief Financial Officer

The funds for this contract will be expended from the Fiscal Years 2017, 2018, and 2019 budgets for a variety of CIP projects, as previously noted above. This contract is for as-needed professional services based on the District's need and schedule, and expenditures will not be made until a task order is approved by the District for the consultant's services on a specific CIP project.

Based on a review of the financial budgets, the Project Manager anticipates that the budgets will be sufficient to support the professional as-needed consulting services required for the CIP projects noted above.

The Finance Department has determined that, under the current rate model, the funds to cover this contract are available as budgeted for these CIP projects.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide high quality and reliable water and wastewater services to the customers of the Otay Water District, in a professional, effective, and efficient manner" and the General Manager's Vision, "A District that is innovative in providing water services at competitive rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

None.

KC/BK:jf

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Attachments: Attachment A - Committee Action
Attachment B - Summary of Proposal Rankings

ATTACHMENT A

SUBJECT/PROJECT:	Award of As-Needed Coating Inspection Services Contract to CSI Services, Inc. in an amount not-to-exceed \$175,000 for Fiscal Years 2017 through 2019
VARIOUS	

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on December 12, 2016, and the following comments were made:

- Staff recommended that the Board award a professional As-Needed Coating Inspection Services contract to CSI Services, Inc. (CSI) and to authorize the General Manager to execute an agreement with CSI in an amount not-to-exceed \$175,000 for a period of three (3) fiscal years (FY 2017 through FY 2019), ending June 30, 2019.
- Staff stated that the As-Needed Coating Inspection Services contract will provide the District with the ability to obtain consulting services in a timely and efficient manner on an as-needed basis. Page 2 of the staff report provides a list of the proposed CIP projects. It was noted that \$20,000 is included in the contract amount for future unanticipated work.
- Staff indicated that the Coating Inspector will be responsible for monitoring and documenting the recoating process on the District's water storage facilities. The coatings applied to potable water tanks in particular, have stringent application guidelines. Staff stated that the Coating Inspector certifies that the contractor adheres to the manufacturer's specifications and the State's drinking water regulations. It was highlighted that this service is separate from the Cathodic Protection Consultant who monitors steel pipelines, and the performance of the anodes in steel reservoirs.
- Staff discussed the soliciting process that is detailed on page 3 of the staff report. CSI received the overall highest score based on their experience, understanding of the scope of work, proposed method to accomplish the work, and their composite hourly rate.
- Staff shared that CSI's references rated them highly and would use them again on future contracts.

- The Committee inquired if the District's contractors are researched. Staff stated that the District performs an internet search and validates their licenses. Staff also contacts references to ask about past performance.
- In response to a question from the Committee, the current contractor for As-Needed Coating Inspection Services is Corrpro from Santa Fe Springs, California.
- The Committee inquired about the reference check for CSI. Staff stated that CSI's references were excellent and highly reputable and is a Society for Protective Coatings (SSPC) QP5 Certified Inspection Firm. Staff shared that there are only two (2) firms in California that have this type of certification.

Following the discussion, the committee supported staff's recommendation and presentation to the full board as a consent item.

ATTACHMENT B

SUBJECT/PROJECT:	Award of As-Needed Coating Inspection Services Contract to CSI Services, Inc. in an amount not-to-exceed \$175,000 for Fiscal Years 2017 through 2019
VARIOUS	

ATTACHMENT B SUMMARY OF PROPOSAL RANKINGS As-Needed Coating Inspection Services FY 2017-2019

		WRITTEN							REFERENCES	
		Qualifications of Team	Responsiveness and Project Understanding	Technical and Management Approach	INDIVIDUAL SUBTOTAL - WRITTEN	AVERAGE SUBTOTAL - WRITTEN	Proposed Rates*	Consultant's Commitment to DBE		TOTAL SCORE
MAXIMUM POINTS		30	25	30	85	85	15	Y/N	100	Poor/Good/Excellent
B & N Inspection and Supply	<i>Dan Martin</i>	23	20	23	66	68	1	Y	69	
	<i>Jeff Marchioro</i>	25	21	23	69					
	<i>Brandon DiPietro</i>	25	21	25	71					
	<i>Jon Chambers</i>	25	21	25	71					
	<i>Jake Vaclavek</i>	22	20	23	65					
Bay Area Coating Consultants (BACC)	<i>Dan Martin</i>	25	22	25	72	75	8	Y	83	
	<i>Jeff Marchioro</i>	28	23	27	78					
	<i>Brandon DiPietro</i>	25	22	27	74					
	<i>Jon Chambers</i>	27	23	28	78					
	<i>Jake Vaclavek</i>	25	23	25	73					
Corrpro	<i>Dan Martin</i>	26	21	25	72	70	15	Y	85	
	<i>Jeff Marchioro</i>	23	20	24	67					
	<i>Brandon DiPietro</i>	25	21	25	71					
	<i>Jon Chambers</i>	23	20	24	67					
	<i>Jake Vaclavek</i>	26	21	24	71					
CSI Services	<i>Dan Martin</i>	28	22	28	78	78	13	Y	91	Excellent
	<i>Jeff Marchioro</i>	28	23	27	78					
	<i>Brandon DiPietro</i>	28	23	28	79					
	<i>Jon Chambers</i>	28	24	28	80					
	<i>Jake Vaclavek</i>	27	24	25	76					
R F Yeager	<i>Dan Martin</i>	30	24	30	84	83	4	Y	87	
	<i>Jeff Marchioro</i>	30	25	30	85					
	<i>Brandon DiPietro</i>	30	24	29	83					
	<i>Jon Chambers</i>	29	25	29	83					
	<i>Jake Vaclavek</i>	28	24	28	80					

RATES SCORING CHART					
Firm	B & N	BACC	Corrpro	CSI	Yeager
Fee	\$38,640	\$33,824	\$29,100	\$30,320	\$36,800
Score	1	8	15	13	4

*Note: Review Panel does not see or consider proposed fee when scoring other categories. The proposed fee is scored by the PM, who is not on the Review Panel.