

AGENDA

**ENGINEERING COMMITTEE MEETING
LEUCADIA WASTEWATER DISTRICT**
Tuesday, October 3, 2023 – 9:00 a.m.
1960 La Costa Avenue, Carlsbad, CA 92009

- 1. Call to Order**
- 2. Roll Call**
- 3. Public Comment**
- 4. New Business**
 - A. Authorize the General Manager to execute an Agreement for professional services with DXP Enterprises, Inc. for the rebuild of the Batiquitos Pump Station Pump Number One at a cost not to exceed \$44,980. (Pages 2 - 5)
 - B. Adopt Ordinance No. 147 extending the term of the Reimbursement Agreement for construction of public sewer between the Leucadia Wastewater District and Marquee Enterprises, LLC. (Pages 6 - 16)
 - C. Authorize the General Manager to execute a sole source Agreement with Ayala Engineering Inc. for construction services to complete the Fiscal Year 2024 Manhole Rehabilitation Project in an amount not to exceed \$396,200. (Pages 17 - 20)
- 5. Information Items**

Diana Pump Station Generator and Upgrade Project - Verbal
- 6. Directors' Comments**
- 7. General Manager's Comments**
- 8. Adjournment**

MEMORANDUM

Date: September 28, 2023
To: Engineering Committee
From: Paul J. Bushee, General Manager 
Re: **Award of Professional Services Agreement for the Rebuild of Batiquitos Number One Pump**

RECOMMENDATION:

Staff requests that the Engineering Committee recommend that the Leucadia Wastewater District Board of Directors:

1. Authorize the General Manager to execute an Agreement for professional services with DXP Enterprises, Inc. for the rebuild of the Batiquitos Pump Station Pump Number One at a cost not to exceed \$44,980.
2. Discuss and take other action, as appropriate.

DISCUSSION:

Tactical Goal: Services / Rehab Pump & Motor (Batiquitos Pump Station)

The Leucadia Wastewater District (District) maintains and operates the Batiquitos Pump Station (BPS) in which four large pumps pump a daily average of 6.5 million gallons of raw sewage to the regional treatment plant for treatment. Typically, two pumps are on duty at a time. One in lead and the second as a backup. BPS is District's largest pump station.

Through Field Service Staff's routine checks and performance evaluations, it has been determined that the Batiquitos Pump Station Pump No. 1 has fallen below acceptable performance levels. This pump has accrued 20,372 run hours since its replacement in March 2013. The mechanical wear the pump has experienced over those run hours has reduced its maximum gallons per minute output and overall efficiency. To restore its pumping capacity and efficiency the pump, including its electric motor, requires rebuilding. The restoration will bring pump performance back to an acceptable level.

To complete the restoration, staff solicited quotes from three pump and motor repair companies. The quotes received were as follows:

<u>Company</u>	<u>Total Cost</u>
1. DXP	\$44,980.00
2. Sloan	\$45,701.36
3. Brax	\$57,930.71

Staff has evaluated the quotes submitted by all three companies. As a result, staff has determined that DXP Enterprises, Inc. is the lowest responsive responsible bidder, quote attached for review.

Additionally, in May 2023 DXP successfully completed a similar rebuild of BPS Pump No. 2. Staff found DXP to be professional, competent and responsive during that pump rebuild. Based on that prior experience with DXP, staff is confident that DXP has the requisite knowledge and expertise to complete this work.

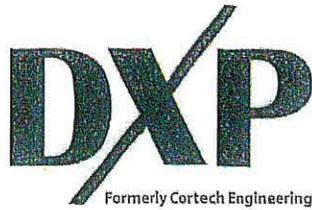
Therefore, staff recommends that the Board of Directors authorize the General Manager to execute a professional service agreement with DXP Enterprises, Inc. in the amount of \$44,980.00 for the rebuild of BPS Pump No. 1.

FISCAL IMPACT:

The FY 24 Capital Acquisition Budget includes a \$76K appropriation for the rebuild of BPS Pump No.1. It should be noted that the appropriation requested for this rebuild takes into consideration that additional repairs may be needed when the pump and motor are fully disassembled.

mg:PJB

Attachment



DXP Enterprises, Inc.
THE INDUSTRIAL DISTRIBUTION EXPERTS

September 22, 2023

Q-11112

Leucadia Wastewater District
Attn: Rick Easton

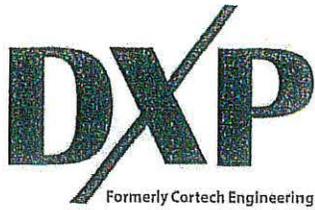
Project Pump Station – Pump # 1

Work scope:

- Lock out Tag out
- Disconnect electrical
- Supply Crane for Removal and Installation of Pump and Motor
- Remove Pump and Motor
- Disassemble Pump
- Sand Blast parts as needed
- Recondition motor to include steam clean bake rotor and shaft
- Replace Shaft Sleeve
- Replace Deflector
- Machine new impeller wear ring
- Replace All Lip Seals
- Replace All O Rings
- Replace All Bearings
- Replace Impeller Screw
- Balance Impeller
- Epoxy Coat Impeller with Fusion Bond Epoxy
- Machine New Volute Wear Ring
- Assemble Pump
- Make ready to Install
- Drive Pump and Motor Back to Job Site
- Install Pump Make up Flanges
- Set Motor, connect electrical
- Check Rotation
- Couple up Pump to Motor

INNOVATIVE PUMPING SOLUTIONS • SUPPLY CHAIN SERVICES • SERVICE CENTERS

1340 North Jefferson Street • Anaheim, CA 92807
Phone 714-779-0911 • Fax 714-693-1715



DXP Enterprises, Inc.
THE INDUSTRIAL DISTRIBUTION EXPERTS

- Check Shaft Run out is within Tolerance of (.002)
- Set New Mechanical Seal
- Remove Locks and Tags
- Standby to run

Total: \$ 44,980.00

Tax Included

Quote Is Valid For 15 Days.

Freight charges are not included.

Once the Motor gets Disassembled and Inspected, we will send an Updated Quote to Customer for a Change Order If Needed.

Once the Pump is Disassembled if we find anything other than what we Quoted with the Pump there could be Additional Cost.

Any Delays on the System Not Being Ready Could Accrue Additional Cost

We appreciate your business and the opportunity to serve your needs. Please call at any time for any reason. We are here to help.

Thank you,
Mark Fox
Service Manager
Cortech Engineering a DXP Company
714-353-0988

INNOVATIVE PUMPING SOLUTIONS • SUPPLY CHAIN SERVICES • SERVICE CENTERS

1340 North Jefferson Street • Anaheim, CA 92807
Phone 714-779-0911 • Fax 714-693-1715

MEMORANDUM

DATE: September 28, 2023
TO: Engineering Committee
FROM: Paul J. Bushee, General Manager 
SUBJECT: A Proposal to Adopt an Ordinance Extending Term of the Reimbursement Agreement with Marquee Enterprises, LLC

Staff requests that the Engineering Committee (EC) recommend that the Leucadia Wastewater District Board of Directors:

1. Adopt Ordinance No. 147 extending the term of the Reimbursement Agreement for construction of public sewer between the Leucadia Wastewater District (District) and Marquee Enterprises, LLC (Developer); and
2. Discuss and take other action, as appropriate.

BACKGROUND:

In February 2012, Developer commenced a project to construct a sewer line extension from 905 Orpheus Avenue to connect to an existing District public sewer line further south on Orpheus Avenue. The extension was needed to provide sewer service to the parcel owned by Developer. The Developer's sewer line extension (see photo) was completed in May 2012 and dedicated to District. Subsequently, Developer requested that a Reimbursement Agreement be established for the project. On February 13, 2013, Ordinance No. 127 became effective which established a Reimbursement Agreement between District and Developer for a 10-year term.



A Reimbursement Agreement provides for cost reimbursement by adjacent properties (outlined in yellow on photo) to the Developer for the actual cost to design, permit, and construct new public sewer facilities. The District Engineer reviews the Developer costs and receipts to ensure they are reasonable.

The sewer facilities were designed and constructed, pursuant to District Policy, to accommodate sewer connections to separate properties adjacent to the new public sewer facilities. These

benefited properties are not required to connect to the public sewer system. However, if they decide to connect in the future, the Reimbursement Agreement requires payment of a reimbursement fee equivalent to the property's fair share contribution towards the new public sewer improvements. Reimbursement Agreements are an accommodation to the Developer and not a guarantee or promise of full or partial payment. District administers the Agreement and charges an administrative fee of five percent (5%) of the reimbursement fee when property owners connect to the public sewer system.

During the 10-year initial term of the Reimbursement Agreement, one property (parcels C and D) connected to the public sewer extension in June 2020. As a result, the property owner paid the Developer a Reimbursement Connection Fee and the Reimbursement Cost Schedule was updated accordingly.

DISCUSSION:

The original Reimbursement Agreement, Ordinance No. 127 expired on February 13, 2023. The Developer has requested to extend the Reimbursement Agreement for an additional 10-year term. This extension would be effective as of February 14, 2023 and continue to February 14, 2033 when it will automatically terminate with no option for further extensions. Ordinance No. 147 simply extends the existing Reimbursement Agreement. It has been reviewed by District staff, including District Counsel, and now requires Board approval to take effect.

Ordinance No. 147, which includes the original Reimbursement Agreement (Ordinance No. 127), the Updated Location Map and the Updated Reimbursement Cost Schedule, is attached for your review.

Therefore, staff requests that the EC recommend that the Board of Directors adopt Ordinance No. 147 which extends the term of the Reimbursement Agreement for public sewer between the District and Developer for a 10-year term.

FISCAL IMPACT:

There is no direct fiscal impact associated with this recommendation.

ier:PJB

Attachment

ORDINANCE NO. 147

**AN ORDINANCE OF THE LEUCADIA WASTEWATER DISTRICT
EXTENDING TERM OF REIMBURSEMENT AGREEMENT WITH
MARQUEE ENTERPRISES, LLC**

WHEREAS, the Leucadia Wastewater District (District) Board of Directors adopted Ordinance No. 127 on February 13, 2013 approving the Reimbursement Agreement by and between the Leucadia Wastewater District and Marquee Enterprises, LLC ("Marquee"), attached hereto as Exhibit A ("Reimbursement Agreement);

WHEREAS, the Reimbursement Agreement had an initial term of ten years that expires as of February 13, 2023 unless extended by the Board;

WHEREAS, during the initial term of the Reimbursement Agreement some, but not all, eligible properties have connected to the sewer facilities subject to the Reimbursement Agreement and paid a Reimbursement Connection Fee as shown on the updated location map and reimbursement cost schedule attached to Exhibit A;

WHEREAS, Marquee has requested a ten year extension of the Reimbursement Agreement;

WHEREAS, the Board of Directors has considered Marquee's request and finds that there is a reasonable possibility of additional connections to the facilities subject to the Reimbursement Agreement and that the administrative burden of an extended term is not unreasonable,

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Leucadia Wastewater District as follows:

Section 1. Approval. The Reimbursement Agreement by and between the Leucadia Wastewater District and Marquee Enterprises, LLC, attached hereto as Exhibit A is extended for an additional ten-year term effective as of February 14, 2023 and continuing to February 14, 2033 when it shall automatically terminate.

Section 2. Reimbursement Connection Fee. A Reimbursement Connection Fee in accordance with the terms of the Updated Reimbursement Schedule and the Reimbursement Agreement is hereby approved.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Leucadia Wastewater District held October 11, 2023 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Elaine Sullivan
President

ATTEST:

Paul J. Bushee
General Manager

ORDINANCE NO. 127

**AN ORDINANCE OF THE LEUCADIA WASTEWATER DISTRICT
APPROVING REIMBURSEMENT AGREEMENT FOR
MARQUEE ENTERPRISES, LLC SEWER**

BE IT ORDAINED by the Board of Directors of the Leucadia Wastewater District as follows:

Section 1. Approval. The Reimbursement Agreement by and between the Leucadia Wastewater District and Marquee Enterprises, LLC, attached hereto as Exhibit A ("Reimbursement Agreement"), is approved by the District Board of Directors.

Section 2. Reimbursement Connection Fee. A Reimbursement Connection Fee in accordance with the terms of the Reimbursement Agreement is hereby approved.

Section 3. Execution and Implementation. The General Manager shall execute the Reimbursement Agreement of behalf of the District and take all other actions necessary to carry out its terms.

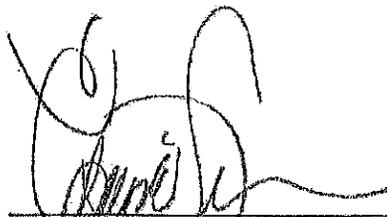
PASSED AND ADOPTED at a regular meeting of the Board of Directors of Leucadia Wastewater District held February 13, 2013 by the following vote:

AYES: Sullivan, Kulchin, Juliussen, Omsted and Hanson

NOES: None

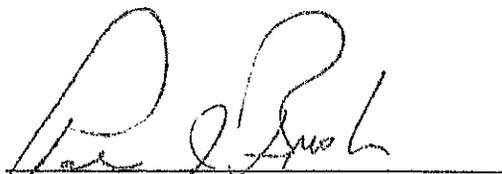
ABSENT: None

ABSTAIN: None



Elaine Sullivan, President

ATTEST:



Paul J. Bushee, Secretary/Manager

REIMBURSEMENT AGREEMENT

THIS AGREEMENT is entered into by and between the Leucadia Wastewater District, a County Water District, organized and existing under Division 12 of the California Water Code ("DISTRICT") and Marquee Enterprises, LLC ("DEVELOPER").

R-E-C-I-T-A-L-S

1. DEVELOPER owns the following property in San Diego County within the service jurisdiction of DISTRICT: 905 Orpheus Avenue Encinitas, CA 92024.
2. DEVELOPER desires service to the property from DISTRICT. As a condition of providing service, DISTRICT required that DEVELOPER extend existing facilities and/or oversize facilities to meet DISTRICT standards for sewer service and provide service to other property owners within the area near DEVELOPER'S property.
3. DEVELOPER has constructed facilities pursuant to DISTRICT direction and the Leucadia Wastewater District Agreement to Improve Subdivision Sewers dated February 13, 2012, ("Agreement to Improve Sewers") between DISTRICT and DEVELOPER as shown on the plans prepared by Brian Ardolino, RCE 71651, of Pasco Laret Sulter & Associates and identified as City of Encinitas, 905 Orpheus Avenue, Drawing No. 11112-1.
4. DISTRICT and DEVELOPER, by this Agreement, desire to enter into a reimbursement contract in accordance with the provisions of the DISTRICT's Standard Specifications for Privately Constructed Wastewater Facilities ("Standard Specifications").

C-O-V-E-N-A-N-T-S

5. Conditions Precedent to Execution of Agreement. The sewer facilities subject to this Agreement ("new facilities") shall be completed in accordance with the Agreement to Improve Sewers and all other DISTRICT rules and regulations prior to execution of this Agreement. As a further condition precedent to DISTRICT's obligation to execute this Agreement, DEVELOPER agrees to provide in a form acceptable to DISTRICT all documents DISTRICT deems necessary for acceptance and acquisition of facilities that are intended for dedication to DISTRICT. Documents shall include, but are not limited to, a Notice of Completion recorded by DEVELOPER.
6. Administrative Costs. Prior to execution of this Agreement, DEVELOPER reimbursed the DISTRICT for administrative costs attributable to the establishment of this Agreement. DEVELOPER shall not be required to pay the DISTRICT any additional administrative fees for this Agreement.
7. Reimbursable Construction Costs. Reimbursable construction costs consist of the actual cost to design and construct the new facilities, less the portion attributable to providing sewer service to DEVELOPER'S property, as determined by the DISTRICT and shown on Exhibit A attached hereto ("Location Map") and Exhibit B, attached hereto ("Reimbursable Costs"). Reimbursable Costs are limited to costs the DISTRICT has determined are reasonably related to new facilities.
8. Term. The term of this Agreement and DISTRICT's obligation to reimburse DEVELOPER shall expire ten (10) years from the Agreement's effective date. Thereafter, DISTRICT shall have no further obligation to reimburse DEVELOPER. During the last year of the

initial Agreement term, DEVELOPER may request an extension of the Agreement term in accordance with District Ordinance 117. The request must be in writing and be received by the District at least ninety (90) days before the expiration date of the Agreement. The District will consider the request in good faith taking into consideration, among other things, whether DEVELOPER has complied with the terms of the AGREEMENT during the initial term, the administrative burden of prior reimbursement fee collection and distribution efforts, and the likelihood that additional reimbursement payments would be made during an extended term.

9. Reimbursement. During the ten (10) year term of this Agreement, and if extended, during the extended term of this Agreement, subject to DISTRICT's actual ability to collect such costs, DISTRICT shall charge property owners who utilize the new facilities their proportionate share of the Reimbursable Construction Costs plus 3 percent (3%) interest per annum from the effective date of this Agreement ("Reimbursement Fee"). The Reimbursement Fee for each property owner shall be determined by the DISTRICT, using its best estimate of the number of parcels that could utilize the new facilities. The DISTRICT's determination of what properties would be subject to a Reimbursement Fee and the amount each would be charged is set forth on Exhibit B. The DISTRICT shall also charge an administrative fee equivalent to 5% of the pro rata share charged to a property owner, which shall be paid to the DISTRICT. The Reimbursement Fee and administrative fee shall be in addition to the standard fees charged by the DISTRICT for new service. Reimbursement Fees actually collected shall then be distributed to DEVELOPER. Reimbursement Fees paid to the DISTRICT shall not accrue additional interest. Payment of interest to DEVELOPER shall be limited to interest received from property owners as part of their Reimbursement Fee. In the event DISTRICT reimburses DEVELOPER its share of the total Reimbursable Construction Costs prior to the end of the Agreement term, DISTRICT's obligation to reimburse the DEVELOPER shall terminate.

10. Termination. In the event of termination of this Agreement, DEVELOPER shall have no further interest or right of reimbursement from DISTRICT and all revenues subsequently received by DISTRICT shall be the sole property of DISTRICT.

11. Records. DEVELOPER warrants that DEVELOPER has kept accurate records of the actual construction costs, according to accepted engineering and accounting principles. DEVELOPER has provided such records to the DISTRICT offices for inspection as requested by DISTRICT.

12. Warranties. DEVELOPER further warrants that there are no liens, stop notices or claims against the project; that the legal time for filing any such claims, notices or liens has expired; and agrees to defend, indemnify and hold DISTRICT harmless for any or all such liens, notices or claims.

13. Reimbursement Payments. Reimbursement checks shall be hand delivered or be mailed to DEVELOPER at the address provided pursuant to Paragraph 15.8 of this Agreement within ninety (90) days of receipt by DISTRICT. In the event a reimbursement check is not cashed within ninety (90) days of hand delivery or mailing, it shall be deemed unclaimed, and the DISTRICT shall have the right to retain the payment and shall have no further obligation to pay the DEVELOPER. Further, if a payment mailed to the most current address provided to the DISTRICT in accordance with Paragraph 15.8 is returned to the DISTRICT because the address is no longer valid and the DEVELOPER fails to provide a change of address in accordance with Paragraph 15.8 or personally appear at the DISTRICT office to claim the payment within an additional ninety (90) days, the DISTRICT shall have the right to retain the DEVELOPER's proportionate share and shall have no further obligation to pay DEVELOPER.

14. No Guarantees. DEVELOPER understands and acknowledges that that DISTRICT will not compel property owners to utilize the sewer facilities. Further DISTRICT cannot guarantee that DISTRICT will be able to collect Reimbursable Costs from all property owners who connect to the facilities. DISTRICT agrees to make reasonable efforts to collect costs from new connections. Further, DEVELOPER understands that the Reimbursement Fee calculated by DISTRICT may not reflect the number of properties that will ultimately utilize the sewer facilities. The number of Equivalent Dwelling Units (EDUs) could be more or less than 19 (nineteen), including 5 (five) EDUs for the DEVELOPER property at 905 Orpheus.

15. Miscellaneous Provision.

15.1 Applicable Law. This Agreement and any disputes relating to this Agreement shall be construed under the laws of the State of California.

15.2 Venue. In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the parties agree that venue shall lie only in the federal or state courts in or nearest to the North County Judicial District, County of San Diego, State of California.

15.3 Attorney's Fees. In the event a lawsuit to enforce or interpret the terms of this Agreement is brought by either party, the prevailing party shall be entitled to all reasonable attorney's fees and costs in addition to any other relief granted by law.

15.4 Assignment. DEVELOPER shall not be entitled to assign all or any portion of their respective rights or obligations as specified in the Agreement without obtaining the prior written consent of the DISTRICT. Any purported assignment without the DISTRICT's prior written consent shall be void.

15.5 Entire Agreement. This Agreement, together with all exhibits attached hereto, contains all representations and the entire understanding regarding reimbursement between the parties. No other representations are intended or shall be implied. Any prior correspondence, memoranda or agreements, whether or not such correspondence, memoranda or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and any exhibits to this Agreement. However, this Agreement does not supersede other DISTRICT ordinances and agreements relating to DEVELOPER'S construction of sewer facilities, including among other things, the DISTRICT Standard Specifications and the Agreement to Improve Sewers.

15.6 Personal Nature of Agreement and Binding Effect. This Agreement is personal and does not run with the land. The transfer or sale of any DEVELOPER property does not alter the DEVELOPER's right of reimbursement. Further, the terms of this agreement are binding on all successors, heirs and assigns, and they must comply with the terms of this Agreement, including provisions regarding assignment in Paragraph 15.4 and Notice in Paragraph 15.8.

15.7 Unenforceable Provision. The terms, conditions and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provisions of the Agreement as so interpreted are held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.

15.8 Notices. All reimbursements, letters, statements or notices required pursuant to this Agreement shall be deemed effective upon posting in the United States mail to the following addresses:

TO DISTRICT:

Attention: General Manager
Leucadia Wastewater District
1960 La Costa Avenue
Carlsbad, CA 92009

TO DEVELOPER:

Marquee Enterprises, LLC
C/O Sean Pourteymour
9255 Towne Centre, Suite 950
San Diego, CA 92121

The addresses above shall be presumed correct, unless a party is notified in writing of a change. Any change of address notice shall clearly state that it is intended to replace the address set forth in Paragraph 15.8 of this Agreement. FURTHER, notice of an address change shall not be valid unless it has been delivered personally to the DISTRICT or by way of certified mail that has been signed and acknowledged by the DISTRICT.

15.9 Effective Date. This Agreement shall become effective as of February 13, 2013, upon execution by the parties.

"DISTRICT"

BY:  _____

BY: _____

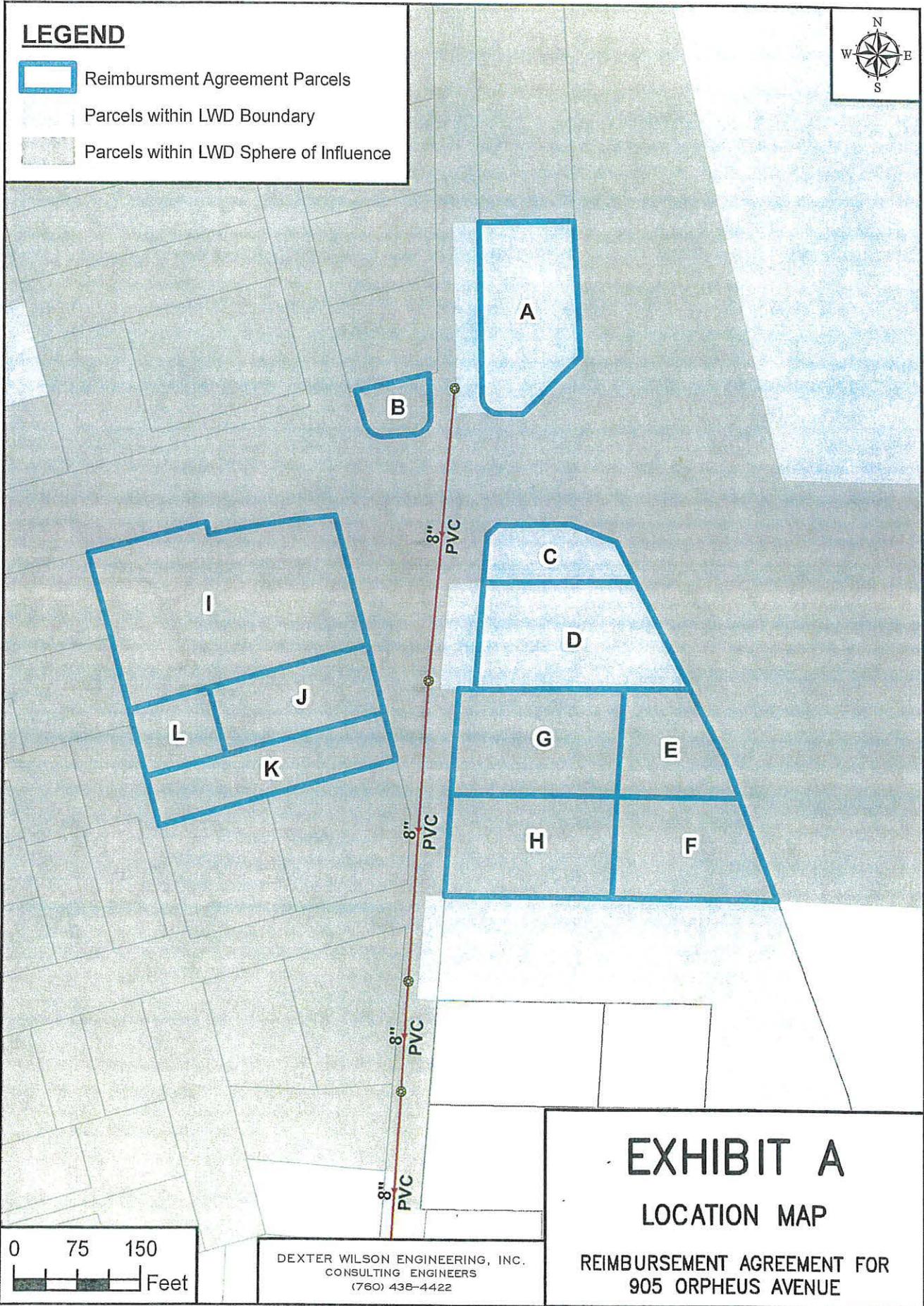
"Marquee Enterprises, LLC"

BY:  _____

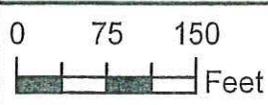
BY: _____

LEGEND

-  Reimbursement Agreement Parcels
-  Parcels within LWD Boundary
-  Parcels within LWD Sphere of Influence



Date Saved: 9/1/2023 8:36:50 AM
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DEXTER WILSON ENGINEERING, INC.
CONSULTING ENGINEERS
(760) 438-4422

EXHIBIT A
LOCATION MAP
REIMBURSEMENT AGREEMENT FOR
905 ORPHEUS AVENUE

Exhibit B - Revised on 8/19/21
Reimbursement Agreement for 905 Orpheus Avenue
Updated Reimbursement Cost Schedule

905 Orpheus Avenue Sewer Extension Reimbursement Area (1)							
Exhibit A Parcel	Assessor Parcel No	Encinitas Zoning	Approx. Acres	Est. EDU's	Share of \$218,981.25 Cost	Amount to Reimburse Parcel A	Notes
A	254-270-18	VSC	0.59	5	\$57,626.64	\$57,626.64	Original 2012 share of cost - does not change
A1	254-270-18	VSC	0.59	1			Update Parcel A from 5.0 total EDU's to 6.0 total EDU's
B	256-243-14	R3	0.33	1	\$9,491.45	\$9,491.45	Est. EDU's remain unchanged - update cost share
C	256-121-34	VSC	0.14	6	\$56,948.68	\$56,948.68	Update Parcel C + D from 3.0 total EDUs to 6.0 total EDU's
D	256-121-29	VSC	0.66				
E	256-121-04	R3	0.31	1	\$9,491.45	\$9,491.45	Est. EDU's remain unchanged - update cost share
F	256-121-05	R3	0.49	1	\$9,491.45	\$9,491.45	Est. EDU's remain unchanged - update cost share
G	256-121-03	R3	0.54	1	\$9,491.45	\$9,491.45	Est. EDU's remain unchanged - update cost share
H	256-121-06	R3	0.56	1	\$9,491.45	\$9,491.45	Est. EDU's remain unchanged - update cost share
I	256-242-52	R3	1.25	3	\$28,474.34	\$28,474.34	Est. EDU's remain unchanged - update cost share
J	256-242-32	R3	0.33	1	\$9,491.45	\$9,491.45	Est. EDU's remain unchanged - update cost share
K	256-242-57	R3	0.41	1	\$9,491.45	\$9,491.45	Est. EDU's remain unchanged - update cost share
L	256-242-58	R3	0.17	1	\$9,491.45	\$9,491.45	Est. EDU's remain unchanged - update cost share
Total				23	\$218,981.25	\$104,405.93	Change EDU total from 22.0 to 23.0 and keep the original cost by Parcel A the same

(1) The reimbursement fee is calculated by dividing the Reimbursable Construction Costs by the assumed number of EDUs per parcel that could connect to the new facilities. Current calculations assume a total of 11 eligible EDUs. Once a reimbursement fee has been paid, it is final and not subject to adjustment. However, if during the term of this Agreement, the number of eligible EDUs changes due to a parcel split or other circumstance, then the reimbursement fee may be adjusted for new connections by dividing the balance of unpaid Reimbursable Construction Costs by the revised estimate of eligible EDUs that still could connect to the sewer system. Such adjustments shall only be made for new connections to the sewer system. No adjustment to past reimbursement will be made.

MEMORANDUM

DATE: September 28, 2023
TO: Engineering Committee
FROM: Paul J. Bushee, General Manager 
SUBJECT: Award of Sole Source Agreement to Ayala Engineering Inc. for the District's Fiscal Year 2024 Manhole Rehabilitation Project Construction Contract

RECOMMENDATION:

Staff requests that the Engineering Committee recommend that the Board of Directors:

1. Authorize the General Manager to execute a sole source Agreement with Ayala Engineering Inc. (Ayala) for construction services to complete the Fiscal Year 2024 (FY 24) Manhole Rehabilitation Project in an amount not to exceed \$396,200.
2. Discuss and take other action as appropriate.

BACKGROUND:**Tactical Goal: Infrastructure and Technology / FY 2024 Manhole Rehabilitation Project**

In July 2023 staff executed a Task Order with Water Works Engineers (WWE) to develop specifications for the FY 24 Manhole Rehabilitation Project (FY 24 Project). The goal of the FY 24 Project is to repair sewer manholes that require rehabilitation with an epoxy manhole liner. Typically, the fiscal year projects are for the rehabilitation of gravity pipelines and typically include some manhole rehabilitations. However, given the high number of manholes in need of rehabilitation, staff elected to focus on manholes instead of gravity lines for FY 24. Manhole rehabilitation is a specialty service and pipeline companies have historically subcontracted these services on District projects.

DISCUSSION:

The FY 24 Project consists of fifty-nine (59) gravity sewer manholes that require an epoxy liner and sixteen (16) sewer manhole frame and cover replacements. Out of the fifty-nine (59) manholes, twenty-seven (27) are located in easement areas which are more difficult to access to complete the work. Included in the project are the necessary traffic control plans and the personnel and equipment to implement those plans.

Why Sole Source?

As previously mentioned, manhole rehabilitation is a specialty service and there are relatively few contractors who perform this work in our area. Staff is aware of three such companies and has utilized two over the past ten to fifteen years. Of the two, the District has had a very positive experience with Ayala and not so positive experience with the other company. Ayala has been the primary subcontractor on the District's pipeline projects over the past several years and the District has utilized Ayala to rehabilitate 80 manholes over the past 10 years as part of the District's Miscellaneous Pipeline and Manhole Repair budget work. Over this period, Ayala has provided excellent workmanship and very competitive pricing.

Based on this, staff believes that it is in the best interests of the District to sole source the FY 24 work to Ayala. Please note that staff does not typically sole source District construction projects, however, we believe that it is warranted in this case. It is important to note that the District, unlike most public agencies,

is not subject to the California Public Contract Code which allows a lot of flexibility in how we procure goods and services. The District is bound by its own Procurement Policy which has provisions to waive the policy when it is in the best interests of the District.

There are several reasons staff is recommending sole source procurement to Ayala. First, Ayala has performed high quality work over an extended period of time with reasonable pricing. Second, staff's experience with Ayala is they have demonstrated the ability to perform condition assessments which is typically done by the design engineer. In a conventional design, bid, build approach, the cost for WWE to perform this work is \$50,000 which the District thereby saves under this sole source. Lastly, given the District's experience with manhole rehabilitation, staff believes that there would be limited to no savings if the project was advertised for bid.

WWE's construction estimate for the FY 24 project is \$485,000. Staff has negotiated a not to exceed price of \$396,200 to complete the Project, including permitting and providing traffic control. Attached please find Ayala's scope of work and price quote for your review. The quote is \$89K or 18% less than the Engineer's Cost estimate. After evaluating Ayala's proposal, staff has determined that the proposal satisfies the project requirements and is fair and reasonable.

For these reasons, staff is recommending that the Board authorize the General Manager to execute this sole source Agreement with Ayala.

FISCAL IMPACT:

The FY 24 Budget appropriation for the construction of the FY 24 Manhole Rehabilitation Project is \$605K. Therefore, there is sufficient appropriation in the FY 24 Budget to cover project construction costs.

ier:PJB

Attachment

Ayala Engineering Inc.

LICENSE #959385

UNION CONTRACTOR

DIR#1000005012

8482 E. Meadowridge St

Anaheim CA, 92808

September 22, 2023

Location: Leucadia Water District – FY24 Manhole Rehabilitation Project

Attn: Ian Riffel

Scope: Based on information provided in LWD spreadsheet

Bid Item #	Description	Unit	Unit Price	QTY	Total
1	Allowance for Permits, Traffic Control Plans, and Bonds	LS	\$30,000.00	1	\$30,000.00
2	Application of Sauereisen 210 XHB Epoxy at 125 Mils in Easement	LF	\$6,400.00	27	\$172,800.00
3	Application of Sauereisen 210 XHB Epoxy at 125 Mils in Public ROW.	EA	\$3,850.00	32	\$123,200.00
4	Frame and Cover Replacement – District to Provide Covers	EA	\$2,400.00	16	\$38,400.00
5	One Lane Closure – Traffic Control per Location	EA	\$1,900.00	2	\$3,800.00
6	Two Lane Closure – Traffic Control per Location	EA	\$2,100.00	5	\$10,500.00
7	Intersection – Traffic Control per Location	EA	\$3,500.00	5	\$17,500.00

TOTAL: \$396,200.00

Assumptions:

- Working hours 7 AM – 4 PM
- District to provide a water source for manhole rehab
- City to provide access to easements
- Any permits required, 15% markup to invoice will be billed
- Performance bonds to be obtain once a contact is awarded.

Inclusions:

- Certified Payroll / Prevailing Wages / DIR Reporting & Compliance
- Mobilization of all Labor and Equipment
- All Crew Members Trained in Confined Space Entry, CPR & First Aid. Foreman Trained in OSHA 30
- Seal any infiltration with Avanti 202 Grout
- Water blast the manhole at 5,000 PSI to remove any loose debris
- Rebuild manhole to original dimensions using RapidSet Motar Mix.
- Application of epoxy at 125 mills from invert to 1” below frame and cover.
- Application performed by Certified and Trained Applicators
- Spark testing to ensure no pinholes.
- Manufacture and Contractor Warranty on installation for 5 year.
- Traffic Control per WATCH

Exclusions:

- City or County Encroachment Permit/Railroad Permits/Caltrans Permits.
- Third party inspection or any adhesion testing.

- Landscape modifications/sidewalk modifications
- Coating of any interior hardware of piping & any exterior waterproofing
- Installation of new manhole steps, pull rings, stops log, diversion gates.
- Any monitoring or replacement to hardware inside manholes.

Sincerely,

James McPherson

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