



June 17, 2021

Board of Directors
Ventura Regional Sanitation District
Ventura, California

AUTHORIZE STAFF TO INITIATE THE DISMANTLING AND DISPOSAL OF OBSOLETE BIO-SOLIDS DRYING AND MICROTURBINE FACILITIES AND EQUIPMENT

RECOMMENDED ACTIONS

- A. Waive the \$10,000 book value limit under Part VI—Disposition of Surplus Personal Property, Section 600, -- Disposition by Purchasing Agent, of VRSD Purchasing Resolution No. 89-13, to dismantle and dispose of the obsolete bio-solids drying and micro-turbine facilities and equipment.
- B. Authorize General Manager to initiate obtaining competitive bids for dismantling and disposal of obsolete bio-solids drying and micro-turbine facilities and equipment and to execute contracts for such services pursuant to Section 302 of VRSD Resolution No. 89-13.

FISCAL IMPACT

Savings to the District over previously estimated costs of \$36,000 for the dismantling and disposal of the bio-solids drying and micro-turbine facilities and equipment. Additionally, the District will save approximately \$17,000 annually in electrical costs upon dismantling and disposal of this equipment.

BACKGROUND/ANALYSIS

The Bio-solid drying and micro-turbine facilities have been permanently non-operational since 2017. The Board approved the write-off of these obsolete assets in FY 2018/19. In the past year, the District obtained a quote of approximately \$36,000, for the dismantling and disposal of the bio-solids drying equipment to free up the space which is needed for covered equipment storage, leachate treatment, and new landfill gas flare blower skid. Due to the lack of designated funding in the adopted budget, the District chose to put this project off until sufficient funding could be obtained.

In addition to the space taken up by the obsolete bio-solids drying equipment, the District is incurring charges for Micro-turbine power generation facilities of approximately \$17,000 annually. Southern California Edison has indicated that those charges will continue until the equipment is dismantled.

PROPOSAL

In hopes of taking advantage of the recent spike in the value of steel and other building materials, District staff obtained an updated quote from the same vendor that had provided the previous quote for dismantling the bio-solids drying equipment. The revised quote received in early May 2021 was a no-cost/zero quote District because of the scrap metal value was enough to offset the vendor's dismantling cost.

District staff would like to obtain additional quotes to ensure the District is maximizing the value it could get by disposing of the obsolete equipment. Unfortunately, with a rapidly changing scrap metal market, these quotes have very short acceptance periods (15-30 days). Additionally, scrap metal dismantlers and vendors are quite busy now so that scheduling multiple site visits within a short timeframe that allows for Board approval before expiration of the quotes is extremely difficult at best.

The District's Purchasing Resolution (No. 89-13) and VRSD Policy 3.3.01 allows the Purchasing Agent/District to dispose of assets with a book value of \$10,000, and less. While the bio-solids drying and micro-turbine items were almost written off, minimal value was left on the books to account for the residual value of the equipment. Since the most recent vendor quote puts the value of the scrap metal at above \$10,000, Board waiver of this \$10,000 limit is requested to accommodate the short validity period of the quotes. This expedited action, which is also supported by VRSD Resolution No. 89-13, Section 302, will enable the District to capitalize on the current salvage market conditions while completing the necessary project to meet the District's space needs and to achieve cost savings.

This letter has been reviewed by Legal Counsel as to form.

If you should have any questions or need additional information, please contact me by phone at (805) 658-4648 or via email at RichardJones@vrzd.com.




RICHARD JONES, DIRECTOR OF OPERATIONS

APPROVED FOR FISCAL IMPACT:



Alvertina Rivera, Director of Finance

APPROVED FOR AGENDA:



Chris Theisen - General Manager

- Attachments: 1. VRSD Purchasing Resolution No. 89-13
2. VRSD Policy No. 3.3.01 Disposition of Surplus Property

**VENTURA REGIONAL SANITATION DISTRICT
RESOLUTION NO. 89-13**

**PERTAINING TO PURCHASE OF SUPPLIES, EQUIPMENT & SERVICES;
CONSULTANT CONTRACTING PROCEDURE; AND
DISPOSITION OF SURPLUS PERSONAL PROPERTY**

WHEREAS, the Ventura Regional Sanitation District Board of Directors wishes to establish policy pertaining to the purchase of supplies, equipment & services; contracts for consultants; and disposition of surplus personal property; and

WHEREAS, it is necessary for efficiency of critical public health and safety operations to delegate responsibility and authority to the appropriate officials who will carry out these responsibilities on a day-to-day basis;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

PART I - GENERAL

Section 100 - Short Title and Purpose of Resolution

This Resolution shall be known as the VRSD Purchasing Resolution, effective November 9, 1989, and may be cited as such. Its purposes are to establish policy for purchase of supplies, equipment & services at the lowest possible cost commensurate with the quality needed; exercise positive financial control over purchases; clearly define authority for the purchasing function; assure the quality of purchases; establish policy for negotiated procurement of consulting services; and establish policy for disposal of surplus personal property.

Section 101 - Definitions

The definitions given in this section shall be used in the interpretation of this Resolution unless another meaning for the word is apparent from the context.

- (a) "Board" means the Ventura Regional Sanitation District Board of Directors.
- (b) "Consultant" means any specially trained and experienced person, firm or corporation, including but not limited to those providing services in the area of accounting, administrative, economic, engineering, environmental, financial, legal or personnel matters.
- (c) "District" means the Ventura Regional Sanitation District.
- (d) "Emergency" means circumstances or conditions that pose an immediate threat to public health, welfare or safety as determined by the General Manager in which no time exists to seek Board action or approval, if otherwise such action or approval were required.

- (e) "General Manager" means the Ventura Regional Sanitation District General Manager or his/her designee.
- (f) "Impossible" means actual impossibility or extremely and unreasonably difficult or expensive.
- (g) "Impractical" means incapable of being performed by the bid procedure.
- (h) "Incongruous" means not suitable or compatible with the bid procedure.
- (i) "Negotiated Procurement" means any contract awarded as a result of negotiations rather than competitive bids.
- (j) "Purchase" includes rental or lease.
- (k) "Purchasing Agent" means the Ventura Regional Sanitation District Finance Officer or his/her designee.
- (l) "Supplies, equipment & services" means all supplies, equipment & services generally referred to as part of the 200, 300 and 400 series in the District object of expense accounts except contracts for consultants, and equipment generally referred to as part of the 700 series in the District object of expense accounts.

Section 102 - Public Projects

"Public projects" as defined in the Uniform Public Construction Cost Accounting Act, Public Contract Code, Section 22000, et. seq. shall be administered by the General Manager in conformance with said code. This Resolution does not apply to such public projects.

Section 103 - Administrative Rules & Procedures

The General Manager and/or Purchasing Agent shall promulgate and enforce such administrative rules & procedures as required and necessary to carry out the intent and purposes of this Resolution. Among these shall be a prohibition against "splitting" orders to avoid established purchasing or contracting requirements.

Section 104 - Purchasing Agent

The Purchasing Agent shall have authority to:

- (a) Purchase or contract for the supplies, equipment & services required by the District in accordance with the purchasing policies set forth in this Resolution and such administrative rules & procedures as shall be issued from time-to-time;
- (b) Negotiate and recommend the execution of contracts for the purchase of supplies, equipment & services;
- (c) Act to procure the needed quality in supplies, equipment & services at the least overall expense to the District;

- (d) Endeavor to obtain as full and open competition as reasonable on purchases;
- (e) Prepare, update, and implement administrative rules & procedures governing the purchasing of supplies, equipment & services for the District;
- (f) Keep informed of current developments in the field of purchasing as well as prices, market conditions, and new products;
- (g) Prescribe and maintain such records as are reasonably necessary to document compliance with the provisions of this Resolution and other administrative rules & regulations;
- (h) Approve the transfer of surplus or unused supplies & equipment between groups as needed, and dispose of all supplies & equipment which cannot be used by any group or which have become unsuitable for District use; and
- (i) Maintain records needed for efficient operation of the purchasing function.

PART II - AUTHORIZATION TO PURCHASE

Section 200 - Authorization by Board of Directors

The Board of Directors must specifically authorize the purchase of any supplies, equipment &/or services having an estimated value greater than \$25,000. Authorization shall be in the form of an adopted District budget which includes such supplies, equipment &/or services or other specific Board action.

Section 201 - Specific Authorization for District Employees to Purchase

Purchase of any supplies, equipment &/or services having an estimated value of \$25,000 or less may be authorized by the Purchasing Agent. The Purchasing Agent shall require that such purchases or contracts be made in conformity with the policies established by this Resolution, and may further require periodic reports from District employees regarding purchases and contracts made under such authorization.

Section 202 - Encumbrance of Funds

Except in cases of emergency, no contract or purchase order shall be issued for supplies, services or equipment unless there exists an unencumbered appropriation against which the current year's portion of such purchase is to be charged.

PART III - SUPPLIES, EQUIPMENT & SERVICES PURCHASING PROCEDURE

Section 300 - Formal Bidding Procedures

Except as otherwise provided in this Resolution, the following formal bidding procedure shall apply to purchases of supplies, equipment & services having an estimated value greater than \$60,000:

- (a) Notice Inviting Bids. Notices inviting bids shall include a general description of the articles &/or services to be purchased, and state where bid blanks & specifications may be secured and the time & place for opening bids.
- (1) Published Notices. Notices inviting bids shall be published at least ten (10) days before the date of the bid opening.
 - (2) Bidders List. The Purchasing Agent shall solicit sealed bids from all responsible prospective suppliers whose names are on the bidders list which the Purchasing Agent shall maintain, or who have requested their names to be added thereto.
- (b) Bid Opening Procedure. Sealed bids shall be submitted to the Purchasing Agent and be identified as bids on the envelope. Such bids shall be opened in public at the time and place stated in the public notice. A tabulation of all bids received shall be available for public inspection during regular business hours for a period of not less than fifteen (15) calendar days after the bid opening.
- (c) Rejection of Bids. At its discretion, the Board may reject any and all bids presented and readvertise for bids. The Board may also waive any and all irregularity in any bid.
- (d) Award of Bids. Bids shall be awarded to the lowest responsible bidder provided that the Board may give consideration to factors other than price when such factors are identified in District specifications or are related to availability of merchandise or relevant administrative considerations.
- (e) Tie Bids. If two (2) or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the Board may accept the bid it chooses or accept the lowest bid by negotiation with the bidders at the time of its next regularly-scheduled meeting.
- (f) No Bids. If no bids are received, the Board may authorize the purchase of goods &/or services in compliance with informal bidding procedures.

Section 301 - Informal Bidding Procedures

Except as otherwise provided in this resolution, the following informal bidding procedures shall apply to the purchase of supplies, equipment & services having an estimated value of \$60,000 or less.

- (a) Minimum Number of Bids. Open market purchases shall, wherever possible, be based on at least three (3) bids and shall be awarded to the lowest responsible bidder provided that the Board of Directors (for purchases of more than \$25,000) or the Purchasing Agent (for purchases of \$25,000 or less) may consider factors other than price when such factors are identified in District specifications or are related to availability of merchandise or relevant administrative considerations.
- (b) Notice Inviting Bids. The Purchasing Agent shall solicit bids by written request, telephone or legal advertising.

- (c) Retention of Bids. Informal written bids shall be submitted to the Purchasing Agent who shall keep a record of all open market orders and bids until the affected fiscal year's financial audit is completed. All such records, while so kept, shall be open to public inspection.

Section 302 - Negotiated Procurement

Notwithstanding the provisions of Sections 300 and 301 of this Resolution, supplies, equipment or services may be purchased by negotiated procurement: (1) where competitive bidding would be impossible, impractical or incongruous; (2) in an emergency; (3) when the supply, equipment or service can be obtained from only one vendor or the price is controlled by law; (4) when the amount involved is \$25,000 or less; (5) when the purchase is for provision of landfill cover pursuant to VRSD Resolution No. 88-11; or (6) where compelling economic or administrative considerations warrant employment of alternate purchasing procedures. Such considerations may include circumstances where service has been previously rendered by a supplier who has thereby gained and exhibited unique and/or superior experience and/or expertise in relation to District's operational requirements. Purchases made pursuant to Section 302(6) of this Resolution shall be approved by the Board.

Section 303 - Cooperative Agreements

No provision of this Resolution shall be interpreted or construed to prohibit or prevent the District from purchasing supplies, equipment or services by contracts or arrangements for cooperative purchasing with the State of California, the County of Ventura, or any other public or municipal agency; provided, however, the contract or arrangement for such purchases shall be approved by the Board if such approval would otherwise be required.

Section 304 - Annual Contracts for Supplies, Equipment & Services

No provision of this resolution shall be interpreted or construed to prohibit or prevent the District from contracting with suppliers on an annual basis to provide supplies, equipment or services as needed; provided, however, that normal selection procedures are used in the original supplier selection. A maximum of four annual extensions of such contracts, based on satisfactory performance documented by written evaluation, shall be allowed. Such contracts obligating the District to any payment exceeding \$25,000 per year shall be approved by the Board if such approval would otherwise be required.

PART IV - CONSULTANT CONTRACTING PROCEDURE

Section 400 - Authority to Contract

The Board shall have sole authority to approve and enter into consultant contracts, except that the General Manager shall have authority to enter into consultant contracts that meet all of the following criteria:

- a. The contract does not obligate the District to any payment exceeding \$25,000 per year.
- b. The work and cost has the prior approval of the Board in the form of an adopted District Budget which includes such work or other specific Board action;
- c. The contract is not for legal services or legal consultation; and

- d. The District standard consulting agreement form, preapproved as to form by District legal counsel, is used.

Section 401 - Formal Consultant Selection Procedure

Contracts with consultants having an estimated value greater than \$75,000 shall be made by written agreement pursuant to the following procedure.

- a. Qualification. The General Manager shall encourage consultants generally qualified to undertake the types of work required by the District to submit statements of qualification and performance data. Such statements shall be kept on file and may be utilized to evaluate consultant qualifications. Other evaluation criteria shall include, but not be limited to, prior experience with, personal interview with, or references of prospective consultants.
- b. Selection Committee. A Selection Committee comprised of knowledgeable District and/or outside representatives shall be appointed by the General Manager to select a consultant for each contract. Depending on the size and importance of the work to be performed, the membership of the Committee may vary.
- c. Interview of Consultants. The Selection Committee shall evaluate consultants' abilities relative to the proposed project based on information gained in accordance with Section 401a of this Resolution. The Committee may make requests for proposals to selected consultants. The Committee shall conduct discussions with no less than three (3) consultants whenever possible regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services.
- d. Selection of Consultant. The Selection Committee shall prepare a list in order of preference of the three (3) consultants deemed to be the most qualified to provide the services required based on established criteria. Price shall not be the only determining factor in the selection of a consultant. Other factors such as related experience, professional skills, approach, professional credentials, availability of personnel, understanding of scope of work, quality of response to request for proposal, references, etc., may be considered. The basis of all selection decisions shall be documented in writing.
- e. Contract Negotiations.
- (1) The General Manager shall negotiate a contract with the best qualified consultant at compensation which the General Manager determines is fair and reasonable.
 - (2) Should the General Manager be unable to negotiate a satisfactory contract with the consultant considered to be most qualified, at a price he determines to be fair and reasonable, negotiations with that consultant shall be formally terminated. The General Manager shall then undertake negotiations with the second most qualified consultant. Failing accord with the second most qualified consultant, the General Manager shall terminate negotiations. The General Manager shall then undertake negotiations with the third most qualified consultant.
 - (3) Should the General Manager be unable to negotiate a satisfactory contract with any of the selected consultants, he shall select additional consultants in order of their competence & qualification and continue negotiations until agreement is reached.

(4) The General Manager's recommendation shall be forwarded to the Board for approval.

Section 402 - Informal Consultant Selection Procedure

Contracts with consultants having an estimated value of \$75,000 or less shall be made by written agreement pursuant to the following procedure.

- a. Qualification. The General Manager shall encourage firms generally qualified to undertake the types of work required by the District to periodically submit statements of qualifications and performance data. Such statements shall be kept on file and may be utilized to evaluate consultant qualifications. Other evaluation criteria shall include, but not be limited to, prior experience with, personal interview with, or references of prospective consultants.
- b. Selection of Consultant. The General Manager shall determine the most qualified consultant to provide the services required. Price shall not be the only determining factor in the selection of a consultant. Other factors such as related experience, professional skills, approach, professional credentials, availability of personnel, understanding of scope of work, quality of response to request for proposal, references, etc., may be considered. The basis of all selection decisions shall be documented in writing.
- c. Contract Negotiations. The General Manager shall negotiate a contract with the selected consultant at compensation he/she determines is fair and reasonable. His/her recommendation shall be forwarded to the Board for approval if the contract is for more than \$25,000.

Section 403 - Negotiated Procurement

Notwithstanding the provisions of Sections 401 and 402 of this Resolution, consultant contracts may be entered into by negotiated procurement: (1) where the use of standard consultant selection procedures would be impossible, impractical or incongruous; (2) in an emergency; (3) when the amount involved is \$25,000 or less; or (4) where compelling economic or administrative considerations warrant employment of alternate consultant selection procedures. Such considerations may include circumstances where a particular consultant has previously rendered work for the District and has consequently acquired unique and/or superior experience and/or expertise in relation to District's requirements. Consultant contracts entered into pursuant to Section 403(4) shall be approved by the Board.

Section 404 - Annual Contracts

No provision of this Resolution shall be interpreted or construed to prohibit or prevent the District from contracting with consultants on an annual basis to provide services as needed; provided, however, that normal selection procedures are used in the original consultant selection. A maximum of four annual extensions of such contracts, based on satisfactory performance documented by written evaluation (Section 405), shall be allowed where no significant change in quantity or type of work is involved. Such contracts obligating the District to any payment exceeding \$25,000 per year shall be approved by the Board.

Section 405 - Performance Evaluation

The General Manager shall prepare a performance evaluation at the close of each consultant contract, or fiscal year in the case of annual contracts. The evaluation shall address such performance factors as completeness & quality of work product, timeliness, availability of personnel, etc. Such performance evaluation shall be in writing and kept on file with other consultant data for future reference.

PART V - CHANGE ORDERS

Section 500 - Purchasing Agent

The Purchasing Agent shall be authorized to approve change orders to purchase orders provided that sufficient funds have been appropriated for such expenditures. Each change order shall not exceed ten percent of the purchase order, and the aggregate total of all change orders shall not exceed \$25,000.

Section 501 - General Manager

The General Manager shall be authorized to approve change orders to contracts provided that sufficient funds have been appropriated for such expenditures. Each change order shall not exceed ten percent of the contract, and the aggregate total of all change orders shall not exceed \$25,000.

PART VI - DISPOSITION OF SURPLUS PERSONAL PROPERTY

Section 600 - Disposition by Purchasing Agent

Any District-owned personal property, which has a current book value of \$10,000 or less, and (1) which no longer can be used, (2) has not been purchased with grant funds, or (3) which is inoperative, unrepairable, or not economically repairable shall be disposed of by the Purchasing Agent. Reasonable attempts shall be made to maximize the value received from such surplus personal property.

Section 601 - Disposition by Board Approval

Prior to disposing of any salvageable personal property which has a current book value of more than \$10,000, the Purchasing Agent shall inform the Board of the condition of the item proposed for disposition and obtain the Board's determination that such item is obsolete or surplus and approval of the means of disposal before proceeding with disposition.

Section 602 - Exceptions

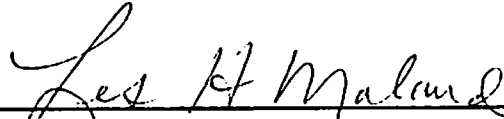
Sections 600 and 601 of this Resolution shall not apply to any items of District-owned personal property used or to be used in trade or exchange for replacement property of a similar nature.

PART VII - APPLICABILITY

This Resolution supersedes all resolutions and instructions previously adopted or issued concerning the purchase of supplies, equipment & services; consultant contracting procedures; and disposition of surplus personal property. It shall be reviewed for continuing adequacy at least once every three years.


ADOPTED AND APPROVED this ninth day of November 1989.

VENTURA REGIONAL SANITATION DISTRICT



Les Maland, Chairman
Board of Directors

ATTEST:



Sherrill Smith, CPS
Clerk of the Board



3.3.01 Disposition of Surplus Property

Date Adopted: 11/98

Source: VRSD Resolution 89-13

Date Revised: 6/6/02

3.3.01 Disposition of Surplus Property

Policy

On occasion property belonging to the District may become obsolete, unusable or unrepairable. In these instances the District may elect to dispose of these items through donation, sales or other methods. When disposing of surplus property, it is the Policy of the District to make all reasonable attempts to maximize the value received.

Definitions

Surplus Property: Property is designated as surplus if it can no longer be used or is inoperative, unrepairable or not economically repairable. The District's designated Purchasing Agent, or his/her designee, may dispose of such property valued at \$10,000 or less (that was not purchased using grant monies, or other restricted funds).

Guidelines

Any District-owned personal property which has a current book value of \$10,000 or less and 1) can no longer be used, 2) was not purchased with grant monies, or 3) is inoperative, unrepairable or not economically repairable may be disposed of by the District's designated Purchasing Agent.

When property valued in excess of \$10,000 is recommended for surplus, Board approval is required. The Purchasing Agent shall inform the Board of the condition of the item proposed for disposition. The Board will determine if the item is obsolete or qualifies as surplus. The Board will also approve the means of disposal.

All reasonable attempts shall be made to maximize the value received. This includes exploring non-conventional markets such as Internet auctions.

This policy does not apply to any property used in trade or exchange for replacement items of a similar nature.