

MINUTES OF SILICON VALLEY CLEAN WATER
REGULAR MEETING – JULY 13, 2017

ITEM 1

CALL TO ORDER

Commissioner Grassilli called the meeting to order at 8:02 a.m.

Due to a last-minute scheduling conflict, Vice-Chair Lieberman was unable to attend and Mr. Child deferred to Legal Counsel Christine Fitzgerald for direction. The Commission was advised to elect a Chair Pro-Tem and Commissioner George Otte was selected by unanimous roll call vote.

ITEM 2

ROLL CALL Commissioners Duly Appointed by Each Agency

Council Member Jeffrey Gee, Redwood City – Alternate Commissioner

Board Member George S. Otte, P.E., West Bay Sanitary District

Mayor Robert Grassilli, San Carlos – Secretary

Absent: Council Member Warren Lieberman, PhD., Belmont – Vice-Chair

Mayor John Seybert, Redwood City - Chair

Staff, Consultants and Visitors Present

Christine C. Fitzgerald, SVCW Legal Counsel

Daniel T. Child, SVCW Manager

Teresa Herrera, SVCW Assistant Manager/Authority Engineer

Matt Anderson, SVCW Chief Financial Officer

Kim Hackett, SVCW Engineering Director

Bruce Burnworth, SVCW Senior Engineer

Cindy Hui, SVCW Financial Analyst

Ilana Schmidt, SVCW Administrative Assistant

Robert Huffstutler, SVCW Operations Director

Bill Tanner, Tanner Pacific, Inc.

Derek Rampone, City of Redwood City

Jay Walter, City of San Carlos

Aren Hansen, Brown & Caldwell

ITEM 3

PLEDGE OF ALLEGIANCE

Chair Pro-Tem Otte asked those in attendance to rise for recital of the Pledge of Allegiance.

ITEM 4
PUBLIC COMMENT

There was no Public Comment.

ITEM 5A
SAFETY MOMENT

Mr. Child discussed safety tips to prevent heat exhaustion.

ITEM 5B
MANAGER'S REPORT

West Bay Sanitary District: West Bay has purchased 100% of their allocated capacity in the facility.

CalPERS Hearing: Mr. Child updated the Commission on his recent trip to Sacramento with Administrative Services Director, Linda Bruemmer, for the CalPERS hearing related to the Management Performance Incentive Pay program and its eligibility for CalPERS retirement benefits. Both Mr. Child and Ms. Bruemmer testified. The CalPERS attorney only called one witness. The Administrative Law Judge appeared very interested in what was going on and asked several pertinent questions of witnesses himself. He asked the Attorneys to submit written briefs of their arguments after the fact, which is usually done prior to a hearing. The attorneys have until September 15, 2017 to submit their briefs. The judge then provided them with two weeks to rebut the other written arguments. At that point, the judge will have all information and arguments in his possession and will make his decision. Mr. Child said that he expects the decision won't be made available until Thanksgiving 2017 or later.

On Wednesday July 19, 2017, BioForceTech is having a small inauguration kickoff party for the start-up of their biosolids drying and disposal facility and invited Commissioners to attend if they are available.

ITEM 5C
FINANCIAL REPORTS

There were no questions on the Financial Reports.

ITEM 5F
RESCU PROGRAM DESIGN-BUILD PROJECT STATUS UPDATE

There was no discussion held.

ITEM 6

MATTERS OF COMMISSION MEMBER'S INTEREST

There were no matters of Commission Member's Interest.

ITEM 7

CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR

Motion/Second: Mr. Grassilli / Mr. Gee

The Motion carried by Unanimous Roll Call Vote.

ITEM 8A

PUBLIC HEARING - CONSIDERATION OF RESOLUTIONS DETERMINING THE GRAVITY PIPELINE AND FRONT OF PLANT PROJECTS AS "SUBSTANTIALLY COMPLEX"

Ms. Herrera provided a brief description of retention and projects. Typically, retention is held on every construction project's progress payment and is available in the event of something going wrong, warranty issues, etc. In 2012, the CA Public Contracts Code was modified by the Legislature and limits retention to 5% of the contract amount with an exception that if the project is substantially complex, the public agency can increase the retention. SVCW staff is recommending the retention increase to 10% for both the Gravity Pipeline and Front of Plant Projects due to their determination that the projects are "substantially complex". Ms. Herrera then described each project and explained why they're unique, very complex and not regularly or routinely performed by the Authority. Ms. Herrera continued by showing an aerial photo of the tunnel boring machine launch shaft and auxiliary facilities and explained the complexity of earth pressure balancing technology, deep shafts and multifaceted geologic conditions. Ms. Herrera concluded by recommending the Commission adopt findings and authorize Mr. Child to increase the retention to 10% for the two specified "substantially complex" projects.

- i. Chair Pro-Tem Otte opened the public hearing and no public testimony was received.
- ii. Chair Pro-Tem Otte closed the public hearing.

Motion/Second: Mr. Gee / Mr. Grassilli

- iii. Move adoption of RESOLUTION FINDING THAT THE GRAVITY PIPELINE PROJECT (CIP #6008) IS "SUBSTANTIALLY COMPLEX" AND APPROVING RETENTION OF 10% OF EACH PROGRESS PAYMENT FOR STAGE 2 OF THE PROJECT

The Resolution carried by Unanimous Roll Call Vote.

Motion/Second: Mr. Grassilli / Mr. Gee

- iv. Move adoption of RESOLUTION FINDING THAT THE FRONT OF PLANT PROJECT (CIP #6013, 6014, 9160) IS “SUBSTANTIALLY COMPLEX” AND APPROVING RETENTION OF 10% OF EACH PROGRESS PAYMENT FOR STAGE 2 OF THE PROJECT

The Resolution carried by Unanimous Roll Call Vote.

ITEM 8B

CONSIDERATION OF RESOLUTION APPROVING TECHNOLOGY AGREEMENTS FOR PURCHASE, DEVELOPMENT AND IMPLEMENTATION OF ENTERPRISE RESOURCE PLANNING SOFTWARE SYSTEM

Mr. Anderson explained that SVCW currently uses Redwood City’s financial system, a 30-year old green screen system that is scheduled for replacement. The City of Redwood City has launched their own efforts in replacement and SVCW is in the position to greatly benefit from a standalone system with flexibility to tailor the system to the Authority’s specific needs. Mr. Anderson proceeded to explain the value of an Enterprise Resource Planning Software System (ERP) including added efficiency, improved accuracy and consistency of information, and strengthened internal operations and controls. The proposed scope for the ERP encompasses Finance, Human Resources and Asset Management and will streamline all SVCW’s processes with data being stored in one central location. In response to a Request for Proposals, SVCW received two proposals. One from Tyler Inc. and one from Cogsdale Inc.

Both proposals are in significant compliance with the RFP criteria, however, the Cogsdale system is a fully integrated system that covers all aspects of the Authority’s needs related to the ERP. The Tyler system requires integration with some of SVCW’s existing older programs in order to function and adds a significant layer of complexity.

Mr. Anderson displayed a table comparing the costs of the two proposals. He pointed out that even with the substantial price difference in costs up-front, the two system costs start to diverge when looking at other support necessary to bring in the integration efforts with Asset Management and Finance. A five-year analysis was performed and the results demonstrate that though the Tyler system is less costly initially, it requires much more long-term investment to maintain integration with the existing systems. Over the life expectancy of the system, the Cogsdale proposal is much less costly. Mr. Anderson concluded with recommending the Commission agree to move forward with Cogsdale, the more comprehensive and integrated solution for SVCW’s ERP Solution.

Commissioner Gee asked what the internal cost would be to support ongoing efforts with the new software. Mr. Anderson responded that two new positions have been created. The Business Analyst will be dedicated to ERP implementation and the go-between for all Departments. The Accounting Supervisor will oversee the Accounting Department.

Mr. Gee advised Mr. Anderson to be mindful of how the new software will impact staff’s time and to not underestimate the magnitude of the process and the cultural change to the

Agency. Mr. Anderson concurred with Mr. Gee's statement and added Cogsdale's proposal included 5-times the amount of training and implementation as Tyler's proposal because they recognized SVCW has intricate systems in place and the data must flow seamlessly.

Motion/Second: Mr. Grassilli / Mr. Otte

Move adoption of RESOLUTION APPROVING INFORMATION TECHNOLOGY PROFESSIONAL SERVICE AGREEMENTS FOR AN ENTERPRISE RESOURCE PLANNING SOFTWARE SYSTEM, AUTHORIZING AND DIRECTING EXECUTION OF AGREEMENTS AND AUTHORIZING MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS (\$1,031,710) – COGSDALE CORPORATION

The Resolution carried by Unanimous Roll Call Vote.

ITEM 8C

CONSIDERATION OF RESOLUTION APPROVING CONSTRUCTION CONTRACT DOCUMENTS FOR THE CHLORINE CONTACT TANK (CCT) CONCRETE AND STEEL PROTECTIVE COATING REPLACEMENT PROJECT (CIP #9107)

Ms. Herrera showed two pictures of the Chlorine Contact Tank's aged concrete interior as well as other areas to be addressed with this project. The Project received two bids, one from Redwood Painting and one from ERS Industrial Services. Both companies have worked for SVCW in the past, and ERS is currently on-site working on another project. Shortly after the bids were open, a call was received from Redwood Painting requesting a copy of the bid documents. Redwood painting then notified SVCW that they would be submitting a bid-protest letter. The protest letter implicated that ERS is not certified under the QP-1 Certification that the bid specifications require. After Legal Counsel's review and discussion with Mr. Child and Ms. Herrera, it was determined ERS is not a responsive bidder due to lack of the required QP-1 certification. As a result, Redwood Painting is the lowest responsible bidder. Ms. Herrera recommended awarding the contract to Redwood Painting Co. as the low responsible bidder.

Motion/Second: Mr. Grassilli / Mr. Otte

Move adoption of RESOLUTION APPROVING CONSTRUCTION CONTRACT DOCUMENTS FOR CCT CONCRETE AND STEEL PROTECTIVE COATING REPLACEMENT PROJECT (CIP #9107); ACCEPTING BID OF LOWEST RESPONSIBLE BIDDER, REJECTING ALL OTHER BIDS; AND AUTHORIZING EXECUTION OF AGREEMENT, DIRECTING RETURN OF SECURITY DEPOSITS AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT PRICE FOR SAID PROJECT - REDWOOD PAINTING CO., INC. (\$347,900)

The Resolution carried by Unanimous Roll Call Vote.

ITEM 9

CLOSED SESSION

No Closed Session held.

ITEM 10

RECONVENE IN OPEN SESSION

ITEM 11

ADJOURN

There being no further business, the meeting adjourned at 8:24 a.m.



Robert Grassilli, Secretary

By: Daniel T. Child, Manager