

File No. 131183

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: 1/8/2014

Board of Supervisors Meeting

Date: _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER

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Completed by: Victor Young

Date January 3, 2014

Completed by: _____

Date _____

1 [Emergency Contract - Fixed Gas Monitoring System - Southeast Water Pollution Control
2 Plant - Not to Exceed \$225,000]

3 **Resolution approving an emergency procurement contract of the Public Utilities**
4 **Commission under Administrative Code, Section 21.15, to obtain materials needed to**
5 **repair the Fixed Gas Monitoring System at the Southeast Water Pollution Control Plant**
6 **with a contract amount not to exceed \$225,000.**

7
8 WHEREAS, On November 18, 2013, the SFPUC Wastewater Enterprise maintenance
9 staff at the Southeast Water Pollution Control Plant (SEP) observed a failure of the fixed gas
10 monitoring system during an inspection; and,

11 WHEREAS, If the fixed gas monitoring system is not repaired and expeditiously
12 returned to service, the facility will not maintain compliance with regulatory requirements and
13 there would be an unacceptable threat to treatment infrastructure, as well as the health and
14 safety of treatment plant personnel; and,

15 WHEREAS, San Francisco Administrative Code, Section 21.15, authorizes department
16 heads responsible for public work to award an emergency contract, exempt from the
17 competitive bidding process, in the event of an actual emergency which is defined as, "...
18 when it becomes necessary to immediately procure Commodities or Services to make repairs,
19 to safeguard the lives or property of the citizens or the property of the City or to maintain
20 public health or welfare as a result of extraordinary conditions..."; and,

21 WHEREAS, On November 18, 2013, the SFPUC General Manager declared an
22 emergency, approved by the President of the San Francisco Public Utilities Commission, to
23 repair the fixed gas monitoring system at the SEP and thereby protect public health and
24 safety; and,

1 WHEREAS, Administrative Code Section 21.15(C) requires that the General Manager
2 immediately notify the Controller, and seek Board of Supervisors approval of emergency
3 procurement with an estimated cost in excess of \$100,000; and,

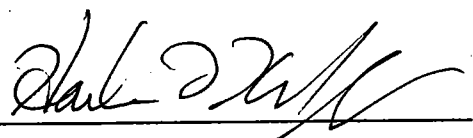
4 WHEREAS, The SFPUC General Manager estimates that the emergency procurement
5 of resources and materials to repair the fixed gas monitoring system at the SEP will cost
6 approximately \$225,000; and,

7 WHEREAS, The Controller has certified that funds are available for this emergency
8 work and contract; now, therefore, be it

9 RESOLVED, That the Board of Supervisors approves the emergency procurement
10 under Administrative Code Section 21.15, to obtain materials for the repair of the fixed gas
11 monitoring system at the SEP with a contract amount not to exceed \$225,000; and, be it

12 FURTHER RESOLVED, That actions taken to date by the San Francisco Public
13 Utilities Commission to secure such emergency contracts and resolve the emergency
14 condition are hereby ratified.

15
16 RECOMMENDED:

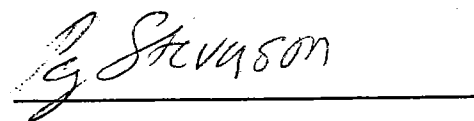
17 
18 _____

19 Harlan L. Kelly, Jr.

20 General Manager

21 San Francisco Public Utilities Commission
22
23
24
25

FUNDS AVAILABLE:

26 
27 _____
28 for Ben Rosenfield, Controller

Item 1

File 13-1183

Department:

Public Utilities Commission (PUC)

EXECUTIVE SUMMARY**Legislative Objectives**

- The proposed resolution would approve an emergency procurement contract between the Public Utilities Commission (PUC) and NTK Construction, Inc. (NTK Construction) to obtain materials needed to repair the fixed gas monitoring system at the Southeast Water Pollution Control Plant in an amount not to exceed \$225,000 in accordance with Administrative Code Section 21.15.

Key Points

- On November 18, 2013, the PUC's Wastewater Enterprise Maintenance Division requested the Public Utilities Commission President to declare an emergency to replace the fixed gas monitoring system at the Southeast Water Pollution Control Plant due to an observation of a catastrophic failure of the system during an unscheduled inspection by the State of California Department of Industrial Relations – Division of Occupational Safety and Health (Cal- OSHA).
- On November 20, 2013, Mr. Vince Courtney, Public Utilities Commission President, approved the emergency procurement of materials needed to repair the fixed gas monitoring system for an estimated not-to-exceed amount of \$225,000.
- The procurement of the materials and the associated work related to the fixed gas monitoring system is expected to be completed by February 2014.

Fiscal Impact

- Of the not-to-exceed \$225,000 procurement contract amount to procure materials and provide associated repairs to the fixed gas monitoring system, \$150,000 is for materials and equipment and \$75,000 is for labor.
- NTK Construction, Inc. has submitted invoices to PUC totaling \$13,747 to date, which have not yet been paid.
- These emergency procurement costs will be paid from the 2013 Wastewater Revenue Bonds, previously approved by the Board of Supervisors, which were issued to pay the costs of planning, design, construction, and improvements of various wastewater capital improvement projects and are funded through the wastewater ratepayer revenues.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

In accordance with Administrative Code Section 21.15, an emergency procurement of commodities or services made by a City department that exceeds \$100,000 requires approval by the Board of Supervisors. If the emergency does not permit Board of Supervisors approval prior to the procurement being made, approval by the Board of Supervisors shall be obtained as soon thereafter as it is possible to do so.

The Administrative Code also authorizes department heads responsible for such emergency procurement to make procurements without utilizing the City's regular competitive bidding procedures. The Administrative Code Section 21.15 defines an event of an actual emergency as, "... when it becomes necessary to immediately procure Commodities or Services to make repairs, to safeguard the lives or property of the citizens or the property of the City or to maintain public health or welfare as a result of extraordinary conditions created by war, epidemic, weather, fire, flood, earthquake or other catastrophe, or the breakdown of any plant equipment, structure, street or public work."

Background

On November 18, 2013, the Public Utilities Commission's (PUC) Wastewater Enterprise Maintenance Division requested the Public Utilities Commission President to declare an emergency to replace the fixed gas monitoring system at the Southeast Water Pollution Control Plant (Plant). During an unscheduled inspection by the State of California Department of Industrial Relations – Division of Occupational Safety and Health (Cal- OSHA), the Plant maintenance staff observed a catastrophic failure of the Plant's fixed gas monitoring system.¹ PUC reported that the system needed to be repaired expeditiously in order to maintain compliance with regulatory requirements. In addition to the Cal-OSHA regulatory requirements², the hazardous conditions posed a threat to the treatment infrastructure, as well as the life and safety of the Plant's personnel. The Wastewater Enterprise Health and Safety section required manual monitoring of the Plant until the fixed gas monitoring system was repaired.

On November 20, 2013, Mr. Vince Courtney, Public Utilities Commission President, approved the emergency procurement of materials needed to repair the fixed gas monitoring system for an estimated not-to-exceed amount of \$225,000, in accordance with Administrative Code Section 21.15.

¹ The fixed gas monitoring system is part of the Plant' atmospheric monitoring system, which monitors the atmosphere for LEL (low explosive limits), low oxygen, and other potentially hazardous gases to protect the treatment plant and personnel.

² Cal-OSHA Title 8, CCR 33.28, regulates the requirements related to atmospheric monitoring systems.

Southeast Water Pollution Control Plant

The Southeast Water Pollution Control Plant, located at 750 Phelps Street in Bayview-Hunters Point, is a critical part of the PUC's wastewater treatment system, processing approximately two-thirds of the City's wastewater, before being released into the Bay.

According to the San Francisco Sewer System Master Plan issued by the PUC in 2010, the Plant was constructed in 1951, and significantly upgraded in 1982, but has now outlived its operational usefulness and is in critical need of replacement. The entire plant is slated to be replaced under the PUC's proposed Biosolids Digester Facilities Project, which is anticipated to commence in 2018, at an estimated cost of \$1.186 billion, under the larger capital program of the PUC's Sewer System Improvement Program (SSIP).

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve an emergency procurement contract between PUC and NTK Construction, Inc. (NTK Construction), without undergoing the City's regular competitive bidding procedures, to obtain materials needed to repair the fixed gas monitoring system at the Southeast Water Pollution Control Plant in an amount not to exceed \$225,000 in accordance with Administrative Code Section 21.15.

According to Ms. Erin Hagan, PUC Policy and Government Affairs Manager, PUC selected NTK Construction to provide the materials, consisting of gas monitors and other related materials, and the associated repairs of the fixed gas monitoring system because the PUC has two existing contracts with NTK Construction previously awarded through a competitive bid process to perform similar work, which consists of major electrical and mechanical work on the wastewater process buildings at the Southeast Water Pollution Control Plant. Ms. Hagan states NTK has immediate access to the technical capabilities and resources necessary to provide the needed materials and perform the emergency work, and was already present on site, therefore not incurring any additional mobilization expenses. Ms. Hagan advises that the PUC will require NTK to provide multiple quotes for the needed materials.

FISCAL IMPACT

Of the not-to-exceed \$225,000 procurement contract amount to procure materials and provide associated repairs to the fixed gas monitoring system at the Southeast Water Pollution Control Plant, \$150,000 is for materials and equipment and \$75,000 is for labor. These emergency procurement costs will be paid from the 2013 Wastewater Revenue Bonds, previously appropriated by the Board of Supervisors, which were issued to pay the costs of planning,

design, construction, and improvements of various wastewater capital improvement projects and are funded through the wastewater ratepayer revenues.

As shown in the Table below, NTK Construction, Inc. has submitted invoices to PUC totaling \$13,747 to date, which have not yet been paid.

Table. Actual Expenditures to Date and Estimated Future Expenditures

Item	Actual invoices to date	Estimated additional Expenditures to be incurred	Total Estimated Expenditures
Total	\$13,747	\$211,253	\$225,000

According to Ms. Erin Hagan, Policy and Government Affairs Manager, PUC, all of the work related to the fixed gas monitoring system is expected to be completed by February 2014.

RECOMMENDATION

Approve the proposed resolution.



Inter-Office Memorandum

DATE: November 18, 2013
TO: The Honorable Vince Courtney
President, San Francisco Public Utilities Commission
THROUGH: Harlan L. Kelly, Jr.
General Manager
FROM: Tommy T. Moala
Assistant General Manager
SUBJECT: Declaration of Emergency: Repairs to Fixed Gas Monitoring System at Southeast Water Pollution Control Plant

On November 18, 2013, the San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise (WWE) maintenance division requested an emergency to replace the hazardous gas monitoring system at the Southeast Water Pollution Control Plant (SEP). During an inspection, the SEP maintenance staff observed a catastrophic failure of the atmospheric monitoring system at the Southeast Plant Influent Lift Station and Headworks. The system needs to be repaired expeditiously in order to maintain compliance with regulatory requirements. Furthermore, the hazardous conditions pose a threat to the treatment infrastructure, as well as the life and safety of the treatment plant personnel. At this time, the SFPUC/WWE Health and Safety section has required manual monitoring protocol, until the fixed gas monitoring system is refurbished.

It is in the best interest of the City to declare an emergency for this work to repair the fixed gas monitoring system in order to mitigate the potential risks to the health and safety of facility personnel, ensure permit compliance and protect the surrounding Southeast Community.

This request for an emergency declaration is for resources and materials to perform the work beyond the capabilities of the City forces as soon as possible for an estimated cost not-to-exceed \$225,000.

I am therefore declaring the existence of an emergency. I trust that this meets with your concurrence and approval.

CONCUR AND APPROVE:

[Handwritten signature of Vince Courtney]

Vince Courtney - President
San Francisco Public Utilities Commission

Edwin M...
Vince Courtney
Harlan L. Kelly, Jr.
Tommy T. Moala

SEC. 21.15. EMERGENCY PROCUREMENT PROCEDURES.

(a) The Board of Supervisors hereby declares that an actual emergency shall exist when it becomes necessary to immediately procure Commodities or Services to make repairs, to safeguard the lives or property of the citizens or the property of the City or to maintain public health or welfare as a result of extraordinary conditions created by war, epidemic, weather, fire, flood, earthquake or other catastrophe, or the breakdown of any plant equipment, structure, street or public work.

(b) For any Commodities or Services that would normally be procured by the Purchaser, a contract may be executed by the Purchaser in the most expeditious manner, and shall be promptly confirmed by issuance of a regular purchase order.

(c) The department head responsible for the operations for which Commodities or Services are needed may also enter into a contract directly in the most expeditious manner necessary in order to respond to the emergency; however, if the emergency permits, the department head shall first secure the written approval of the president of the board or commission concerned, or from the Mayor or the Mayor's designee for any department under the Mayor's jurisdiction, and in all cases the approval of the Board of Supervisors must be obtained for any contract in excess of \$100,000. If the emergency does not permit such approvals to be obtained before the contract is executed, such approvals shall be obtained as soon thereafter as it is possible to do so.

(d) The Purchaser or the department, as the case may be, shall attempt to obtain at least three Bids for emergency purchases.

(e) The Board of Supervisors hereby declares that an actual emergency shall exist during a period of material shortages when goods meeting the exact specifications as ordered are not procurable. When such goods are immediately required, the Purchaser, with the approval of the Director of Administrative Services, shall have authority to accept satisfactory substitutes and to make proper price adjustments therefor; provided, that if such price adjustment should increase the contractual obligation by more than 10 percent, the Purchaser shall first obtain approval by the Controller, who shall reserve the additional amount of money required to meet the increased obligation.

(Added by Ord. 156-99, File No. 990743, App. 6/2/99)



San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102
T 415.554.3155
F 415.554.3161
TTY 415.554.3488

TO: Angela Calvillo, Clerk of the Board

FROM: Erin Hagan, Policy and Government Affairs Manager

DATE: December 2, 2013

SUBJECT: Resolution approving Declaration of Emergency and emergency procurement contract for materials to repair the Fixed Gas Monitoring System at the Southeast Water Pollution Control Plant in an amount not-to-exceed \$225,000.

RECEIVED
 BOARD OF SUPERVISORS
 SAN FRANCISCO
 2013 DEC -2 AM 11:26
 AK

Attached please find a resolution approving a SFPUC emergency procurement contract for materials to repair the Fixed Gas Monitoring System at the Southeast Water Pollution Control Plant.

The following is a list of accompanying documents (3 sets):

1. Board resolution signed by the General Manager and the Controller.
2. General Manager's declarations of emergency for the Fixed Gas Monitoring System from November 18, 2013, signed by the President of the Commission.
3. Ethics Form SFEC-126

Please contact Erin Hagan at 554-0706 if you need any additional information on these items.

Edwin M. Lee
Mayor

Vince Courtney
President

Ann Moller Caen
Vice President

Francesca Vietor
Commissioner

Anson Moran
Commissioner

Art Torres
Commissioner

Harlan L. Kelly, Jr.
General Manager



FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
 (S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: NTK Construction, Inc.	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Tin Tran, President Sammy Kwok, VP/CFO/Secretary Dave Nosenzo, Board Member	
Contractor address: 501 Cesar Chavez Street, Ste 123, San Francisco, CA 94124	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contracts: \$ 225,000
Describe the nature of the contract that was approved: WW-596(E) Repair/Refurbish the fixed gas monitoring system in the existing Headworks facility located at the Southeast Water Pollution Control Plant.	
Comments: None.	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

 Signature of City Elective Officer (if submitted by City elective officer)

 Date Signed

 Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

 Date Signed

