



**FALLBROOK PUBLIC UTILITY DISTRICT
MEETING OF THE ENGINEERING & OPERATIONS COMMITTEE**

AGENDA

**TUESDAY, FEBRUARY 18, 2025
1:30 P.M.**

**FALLBROOK PUBLIC UTILITY DISTRICT
990 E. MISSION RD., FALLBROOK, CA 92028
PHONE: (760) 728-1125**

THIS MEETING WILL BE HELD AT THE ABOVE DATE, TIME, AND LOCATION AND MEMBERS OF THE PUBLIC MAY ATTEND IN PERSON AT THE DISTRICT OFFICE LOCATED AT 990 E. MISSION RD., FALLBROOK, CA 92028. FOR THE CONVENIENCE OF MEMBERS OF THE PUBLIC WHO DO NOT WISH TO ATTEND IN PERSON, FALLBROOK PUBLIC UTILITY DISTRICT PROVIDES A MEANS TO OBSERVE AND PROVIDE PUBLIC COMMENTS AT THE MEETING VIA WEB CONFERENCE USING THE BELOW CALL-IN AND WEBLINK INFORMATION. PLEASE NOTE THAT IN THE EVENT OF TECHNICAL ISSUES THAT DISRUPT THE ABILITY OF MEMBERS OF THE PUBLIC TO VIEW THE MEETING OR PROVIDE PUBLIC COMMENTS THROUGH THE WEB CONFERENCE OPTION, THE MEETING WILL CONTINUE.

Join Zoom Meeting

<https://us06web.zoom.us/j/82727696122?pwd=Cuxy5sAB12srIBYGc2HgyOT9he4vfJ.1>

MEETING ID: 827 2769 6122

AUDIO PASSCODE: 260097

Dial by your location

+1 346 248 7799 US (Houston); +1 720 707 2699 US (Denver); +1 253 215 8782 US (Tacoma);
+1 312 626 6799 US (Chicago); +1 646 558 8656 US (New York); +1 301 715 8592 US (Washington DC)

Find your local number: <https://us06web.zoom.us/u/kvRWv7LrC>

PUBLIC COMMENTS: Members of the public may submit public comments and comments on agenda items in one of the following ways:

SUBMIT COMMENTS BEFORE THE MEETING:

- By emailing to our Board Secretary at leckert@fpud.com
- By mailing to the District Offices at 990 E. Mission Rd., Fallbrook, CA 92028
- By depositing them in the District's Payment Drop Box located at 990 E. Mission Rd., Fallbrook, CA 92028

All comments submitted before the meeting by whatever means must be received at least 1 hour in advance of the meeting. All comments will be read to the Committee during the appropriate portion of the meeting. Please keep any written comments to 3 minutes.

REMOTELY MAKE COMMENTS DURING THE MEETING: The Committee Chair will inquire prior to Committee discussion if there are any comments from the public on each item.

- Via Zoom Webinar go to the "Participants List," hover over your name and click on "raise hand." This will notify the moderator that you wish to speak during oral communication or during a specific item on the agenda.
- Via phone, you can raise your hand by pressing *9 to notify the moderator that you wish to speak during the current item.

MAKE IN-PERSON COMMENTS DURING THE MEETING: The Committee Chair will inquire prior to Committee discussion if there are any comments from the public on each item, at which time members of the public attending in person may make comments.

THESE PUBLIC COMMENT PROCEDURES SUPERSEDE THE DISTRICT'S STANDARD PUBLIC COMMENT POLICIES AND PROCEDURES TO THE CONTRARY.

If you have a disability and need an accommodation to participate in the meeting, please call the Board Secretary at (760) 999-2704 for assistance.

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT

II. ACTION / DISCUSSION -----(ITEMS A-D)

- A. ENGINEERING AND OPERATIONS KEY PERFORMANCE INDICATORS
- B. APPROVAL OF 5-YEAR SERVICE AGREEMENT FOR THE TURBO BLOWERS AT THE WATER RECLAMATION PLANT
- C. AMENDMENT OF ADMINISTRATIVE CODE SECTION 5 – PURCHASING PROCEDURES
- D. RECOMMENDATION FOR AMENDMENT TO ANNUAL ONGOING PAVEMENT AND ASPHALT REPAIR CONTRACT

III. ADJOURNMENT OF MEETING

* * * * *

DECLARATION OF POSTING

I, Lauren Eckert, Executive Assistant/Board Secretary of the Fallbrook Public Utility District, do hereby declare that I posted a copy of the foregoing agenda in the glass case at the entrance of the District Office located at 990 East Mission Road, Fallbrook, California, at least 72 hours prior to the meeting in accordance with Government Code § 54954.2.

I, Lauren Eckert, further declare under penalty of perjury and under the laws of the State of California that the foregoing is true and correct.

February 13, 2025
Dated / Fallbrook, CA

/s/ Lauren Eckert
Executive Assistant/Board Secretary

M E M O

TO: Engineering and Operations Committee
FROM: Aaron Cook, Engineering Manager
Carl Quiram, Operations Manager
DATE: February 18, 2025
SUBJECT: Engineering and Operations Key Performance Indicators

Purpose

To provide information to the Board on the Key Performance Indicators (KPIs) that have been developed for Engineering and Operations.

Summary

The primary purpose for developing and tracking KPIs is to provide a performance measurement system that gives management the ability to analyze data, make better decisions, and improve the organization. District KPIs are largely focus on Capital Improvement Projects (CIP), Preventative Maintenance (PM), leak response, and regulatory compliance.

Recommended Action

This is an information item. No board action needed.

M E M O

TO: Engineering & Operations Committee
FROM: Jesse Perez, Chief Plant Operator
DATE: February 18, 2025
SUBJECT: Approval of 5-Year Service Agreement for the Turbo Blowers at the Water Reclamation Plant

Description

To request renewal of the service agreement for service plan for the maintenance of the six specialized turbo blowers at Water Reclamation Plant.

Purpose

The turbo blowers are essential components of the District’s wastewater treatment operations, specifically for the Conventional Activated Sludge (CAS) and Aerobic Digestion (AD) processes. These highly specialized machines operate at 26,450 RPM, delivering the necessary airflow to maintain optimal dissolved oxygen levels, which support the microbiological population responsible for treating the District’s wastewater. The blowers are also a specialized and expensive piece of equipment with each unit costing over half a million dollars. In order to ensure proper maintenance the District previously entered into a five-year service agreement with the manufacturer (Nueros) in 2019. The agreement period is ending and to continue the service agreement renewal of the agreement is required.

The cost of the proposed service plan is \$72,456 annually for a five-year period, which is a 5% increase, compared to the previously approved 2019-2024 service agreement.

Service Agreement	2019-2024 MSP	2024-2029 MSP
5 – Year Total Cost	\$344,927.00	\$362,280.00
Annual Cost	\$68,985.40	\$72,456.00

Note: *This price includes a discounted rate for signing a 5-year MSP. Without this agreement, the standard annual service plan cost is \$96,600 per year.*

Budgetary Impact

The cost of the service agreement renewal was included in the District’s Annual Operating Budget.

Recommended Action

Staff recommends that the Committee support the 5-year service agreement for the turbo blowers with Nueros at a total cost of \$362,280. This agreement ensures the continued operation and efficiency of these critical components, maintaining the necessary airflow for the CAS and AD treatment processes at the Water Reclamation Plant.

M E M O

TO: Engineering & Operations Committee
FROM: Kevin Collins, Purchasing/Warehouse/Fleet Supervisor
DATE: February 18, 2025
SUBJECT: Amendment of Administrative Code Section 5 – Purchasing Procedures

Description

The Fallbrook Public Utility District is subject to the provisions of the Uniform Public Construction Cost Accounting Act (UPCCAA). This act provides procedures for the bidding and awarding of public contracts, including maintenance work and all other purchases subject to the Public Contract Code. In order to align with the UPCCAA's recent adjustments in 2025, Article 5 of the FPUD administrative code is requested to be amended.

Purpose

Section 5.5 of article 5 of the FPUD administrative code details the following purchasing procedures dollar amounts:

- Small Purchase Procedures - \$60,000 or less may be approved by General Manager.
- Informal Bid Procedures - \$60,001 to \$200,000 or less must be approved by the Board of Directors, but may be informally bid.
- Formal Bid Procedures - \$200,001 and above must be approved by the Board of Directors and must be formally bid.

These dollar amounts are no longer in-line with the UPCCAA. As of January 2025, the UPCCAA has been amended with the following amounts:

- Small Purchase Procedures - \$75,000 or less.
- Informal Bid Procedures - \$75,001 to \$220,000.
- Formal Bid Procedures - \$220,001 and above.

Budgetary Impact

There is no budgetary impact for this amendment.

Recommended Action

The Committee recommend that the Board authorize Article 5 of the FPUD Administrative Code to be amended with the changes noted above.

Article 5. District Procurement Procedures.

Sec. 5.1 Authority.

California Public Contract Code Sections 20200-20207.7, as well as other provisions in the California Public Contract Code, certain miscellaneous statutes found in the Public Utility District Act (Public Utilities Code Section 15501 et seq.), and the California Government Code, govern procurement (purchasing and contracting) by the District of the following:

- Articles such as goods, materials, supplies, equipment, capital assets, and advertising
- Works of construction, alteration, and non-professional services (including repair and maintenance)
- Professional services

The District has elected to become subject to the provisions of the Uniform Public Construction Cost Accounting Act (the "Act"), Public Contract Code Section 22000 et seq., which provides alternative procedures for the bidding and awarding of public contracts. As provided in Public Contract Code Section 22003, these procedures may also be utilized for maintenance work and other work that does not fall within the definition of "public project." Accordingly, it is the District's intent to utilize these procedures for "public projects" and all other purchases otherwise subject to Public Contract Code Sections 20200-20207.7.

The provisions of this Article 5 shall not apply to the acquisition of land by the District.

Sec. 5.2 General.

The ongoing operation of the District requires the procurement of various items, construction and services. Since it is necessary to procure these items, construction and services on a regular basis to carry on the day-to-day operations of the District, and since the Board of Directors reviews and approves all procurements through the budgeting process, or otherwise approves procurements by separate action from time to time, the following formal procurement policies and procedures are provided for implementation by District staff. These formal procedures are intended to implement the above-listed requirements of the California Public Contract Code, California Government Code, and California Public Utilities Code, which are mandatory for Public Utility Districts located within the State of California. State law forbids any director or other officer of the District from being interested, directly or indirectly, in any contract awarded or to be awarded by the Board, or in the profits to be derived from it.

Sec. 5.3 Procurement Philosophy.

Purchases of goods, materials, supplies, equipment, and capital assets shall be made from time to time, in the most economical quantity, in order to provide the District with maximum benefit for minimum expenditures. Quality and reliability of products are also important factors which may, on a case-by-case basis, cause rejection of an inferior product that does not meet specified requirements. It is also essential that purchases of all goods, materials, supplies, equipment, and capital assets be done by the District in a fair and open manner that promotes public confidence in the District and reinforces the public perception of fairness and equal opportunity for all competing vendors offering their products or services to the District. Contracts for works of construction and all services shall be made from time to time, after complying with applicable legal requirements and these procurement policies and procedures. To the extent permitted by law, and subject to the limitations established in Section 5.10, purchases should be made from vendors located within the boundaries of the District.

Sec. 5.4 Definitions.

- a. Articles. Goods, materials, supplies, equipment, capital assets, and advertising required to carry on the day-to-day operations of the District, including without limitation, office supplies, computer hardware and software, communications equipment, equipment, materials and supplies for distribution and treatment, including meters, meter parts, and pipeline materials.
- b. Commission. The California Uniform Construction Cost Accounting Commission.
- c. Designee. The General Manager may authorize persons as his designee in those areas in which they exercise budgeting control.
- d. Maintenance. As defined in Public Contract Code § 22002, Maintenance includes all of the following: (1) routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes (2) minor repainting (3) resurfacing of streets and highways at less than one inch (4) landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems (5) work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, power plants, and electrical transmission lines of 230,000 volts and higher.
- e. Open Purchase Order. A purchase order for Articles which is effective for a specified period of time, not more than annually, and within the same budget year, i.e., office supplies and auto parts.
- f. Professional Services. Professional services, such as services involving provision of a report, study, plan, design, specification, document, program, advice, recommendation, analysis, review, inspection, investigation, audit, brokering or

representation of the District before or in dealings with another party, or any other services which require a special skill or expertise of a professional, scientific or technical nature. Professional Services include architectural, landscape architectural, engineering, environmental, land surveying, construction project management services. Professional Services also include legal, financial, accounting, and planning services.

- g. **Public Project.** Defined in Cal. Public Contract Code § 22002, means any of the following: (1) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility and (2) Painting or repainting of any publicly owned, leased, or operated facility.

Sec. 5.5 Procedures for the Purchase of Public Projects, Maintenance, and Articles

- a. Purchase Procedures for Public Projects, Maintenance, and Articles in the Amount of \$75,000 or Less (“Small Purchase Procedures”).

Deleted: 60

The General Manager or Designee may make purchases of Public Projects, Maintenance, and Articles in an amount of \$75,000 or less, in accordance with the following Small Purchase Procedures, which the Board has imposed for such purchases, in the interests of sound business judgment.

Deleted: 60

(1) Purchases of \$10,000 or more shall be made after obtaining three (3) written quotations. Purchases under \$10,000 shall be purchased in the most prudent and economical manner possible, but do not require multiple competitive quotations.

(2) The requirement for three (3) quotations is not required in those cases where the Board has approved the purchase as a “standardized item” such as meters, or for Open Purchase Orders as provided below.

Deleted: ¶
If the purchase utilizes federal funding, three (3) written quotes shall be required for all purchases over \$10,000.¶

Formatted: Font: Times New Roman, 12 pt

(3) Small Purchase Procedures specific to Articles. All purchases shall be made by purchase order after a properly authorized Purchase Order Requisition (POR) has been completed, signed and forwarded in the required manner. The only exceptions to this requirement are purchases made under a pre-existing Open Purchase Order, purchase of small routine items from suppliers with open purchase order or accounts, or purchases made during emergency. The purchase order must indicate the name of the suggested vendor and an exact description and price of each Article. Shipping charges, if any, and applicable taxes must also be included in the total price. The purchase order shall be reviewed and signed by the General Manager or Designee.

Open Purchase Orders shall generally be utilized for the purchase of repetitive need, low-valued Articles or for the purchase of Articles (such as

automotive supplies) which must be available on short notice. Open Purchase Orders shall not be utilized as a substitute for the normal requisition and purchase order process described in this section. Open Purchase Orders may be written for a single class of consumable Articles i.e., office supplies, without listing specific, exact descriptions of each Article, but not to exceed the authority listed above and cannot span a period of time which includes more than one fiscal year.

- (4) Small Purchase Procedures specific to Public Projects and Maintenance. All purchases shall be made by written contract. Any such contracts shall be awarded on the basis of price and such other criteria established by the General Manager or Designee, as may be in the best interest of the District, in light of the type of work involved. Contracts for Public Projects shall require the successful bidder to execute a bond, in a form approved by the Board, for the faithful performance of the contract. Additionally if the contract exceeds \$25,000 and involves erection, construction, alteration, repair or improvement of any public structure, building, road or other public improvement of any kind, the successful bidder shall execute a payment bond, as required by the provisions of the California Civil Code.
- (5) Petty cash. Occasionally purchases of minor items may be required. Payments for such items may be authorized from petty cash funds by the General Manager or Designee. In no case will approval exceed \$50.00.
- (6) Quote information shall be retained until completion of the annual audit for the fiscal year in which purchased, or as otherwise established in the District's Records Retention Schedule.
- (7) Nothing in these Small Purchase Procedures shall prevent the General Manager, or Designee, from obtaining multiple quotations or from implementing the Informal Bid Procedures or Formal Bid Procedures if it is in the best economic interests of the District to do so. This judgment shall be made in the sole discretion of the General Manager or Designee.
- (8) Nothing in these Small Purchase Procedures shall prohibit the District from doing or causing to be done directly by the District, and without any contract, any or all work necessary or proper in or about the making of all current and ordinary repairs or in or about current and ordinary upkeep or maintenance.
- (8) Under no circumstances shall purchases be split or separated into multiple purchases in order to avoid the Small Purchase Procedures, Informal Bid Procedures and/or Formal Bid Procedures set forth herein

b. Purchase Procedures for Public Projects, Maintenance, and Articles in Excess of \$75,000 and \$220,000 or Less ("Informal Bid Procedures").

Deleted: 60

Deleted: 0

In accordance with Public Contract Code Section 22034, the District adopts the following Informal Bid Procedures, applicable to purchases of Public Projects, Maintenance, and Articles in excess of \$75,000 and \$220,000 or less. Contract award shall be made by the Board.

Deleted: 60

Deleted: 0

- (1) The District shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be as required by the Commission.
- (2) All contractors on the list for the category of work being bid or all construction trade journals pursuant to in Public Contract Code Section 22036, or both all contractors on the list for the category of work being bid and all construction trade journals pursuant to in Public Contract Code Section 22036, shall be mailed, faxed or emailed, a notice inviting informal bids unless the product or service is proprietary.
- (3) All delivery of notices inviting informal bids to contractors and construction trade journals shall be completed not less than 10 calendar days before bids are due. The notice inviting informal bids may also be published in a newspaper of general circulation.
- (4) The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.
- (5) If all bids received are in excess of \$220,000, the Board may, by adoption of a resolution by a four-fifths (4/5) vote, award the contract, at one \$245,000 or less, to the lowest responsible bidder, if it determines the cost estimate of the District is reasonable.
- (6) If awarded, a contract will be awarded to the lowest responsible bidder, consistent with the quality and delivery requirements.
- (7) All contracts for Public Projects shall require the successful bidder to execute a bond, in a form approved by the Board, for the faithful performance of the contract. Additionally if the contract involves erection, construction, alteration, repair or improvement of any public structure, building, road or other public improvement of any kind, the successful bidder shall execute a payment bond, as required by the provisions of the California Civil Code.
- (8) The Board shall have the right to reject all or any of the bids received.

Deleted: 0

Deleted: 212

Deleted: 5

c. Purchase Procedures for Public Projects, Maintenance, and Articles in Excess of \$220,000 ("Formal Bid Procedures").

Deleted: 200

Purchases of Public Projects, Maintenance, and Articles in an amount exceeding \$220,000 shall be procured pursuant to the following Formal Bid Procedures. Contract award shall be made by the Board. Additionally, all plans and specifications for Public Projects shall be adopted by the Board or General Manager/ Designee.

Deleted: 200

- (1) In accordance with Public Contract Code Section 22037, a notice inviting formal bids shall be published in a newspaper of general circulation, printed and published, at least 14 calendar days before the date of opening the bids, in the jurisdiction of the District and any such other newspaper publications deemed appropriate by the General Manager or Designee. Notice inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project.

If applicable, the notice inviting formal bids shall also be sent electronically, if available, by either facsimile or electronic mail and mailed to all construction trade journals. The notice shall be sent at least 15 calendar days before the date of opening the bids.

- (2) All bids for shall be presented under sealed cover. If awarded, a contract will be awarded to the responsible bidder who submits the lowest responsive bid.
- (3) All bids for Public Projects shall be accompanied by one of the following forms of bidder's security:
 - i. Cash
 - ii. A cashier's check made payable to the District
 - iii. A certified check made payable to the District
 - iv. A bidder's bond executed by an admitted surety insurer made payable to the District in the form provided by the District

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the District beyond 60 days from the time the award is made.

- (4) All contracts for Public Projects shall require the successful bidder to execute a bond, in a form approved by the Board, for the faithful performance of the contract. Additionally if the contract involves erection, construction, alteration, repair or improvement of any public structure, building, road or other public improvement of any kind, the successful bidder shall execute a payment bond, as required by the provisions of the California Civil Code.

(5) The Board shall have the right to reject all or any of the bids received.

- d. Nothing in this Section shall preclude the District from utilizing the design-build project delivery method where authorized by and in accordance with the provisions and requirements set forth in California Public Contract Code Section 22160 et seq., as it may be amended from time to time.
- e. Any federally funded project shall comply with Uniform Guidance for Procurement.

Sec. 5.6 Procedures for Procurement of Professional Services.

- a. Pursuant to California Government Code Section 4526 et seq., the District shall secure professional services on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. When specific technical expertise or experience is required, the District may negotiate the scope and fee for these services with an individual firm with this specific expertise.
- b. The District may, for procurement of architectural, landscape architectural, engineering, environmental, land surveying, and construction management services, utilize the Qualification-Based Selection procedures adopted by the Architects and Engineers Conference Committee of California, as deemed appropriate by the General Manager or Designee.
- c. If the value of the services are estimated to be \$75,000 or more, the District shall issue a formal Request for Proposals for the services. Additionally, if deemed in the best interests of the District as determined by the General Manager or Designee, the District may first issue a Request for Qualifications to solicit firms with the necessary qualifications for the services.
- d. If the value of the services are estimated to be less than \$75,000, where practical, three proposals shall be obtained unless the General Manager or Designee deems otherwise appropriate.
- e. Award of Professional Services Contracts may be made by the General Manager for contracts in the amount of \$75,000 or less. Contracts in excess of \$75,000 shall be awarded by the Board.
- f. The contract amendment procedures outlined in this Article apply to Professional Services Contracts.

Deleted: 60

Deleted: 60

Deleted: 60

Deleted: 60

Sec. 5.7 Prequalification.

The District may prequalify contractors, pursuant to the provisions and requirements of California Public Contract Code Section 20101, as determined appropriate

in the reasonable discretion of the General Manager or District Engineer. Prequalification shall be through a uniform system of rating bidders on the basis of completed questionnaires and financial statements in a form specified by the Board. The District may accordingly limit bids or proposals it receives to those contractors who are prequalified.

Sec. 5.8 Emergencies.

California Public Contract Code Section 22050 authorizes special contracting procedures in cases of “emergency.” An “emergency” for purposes of Section 22050 is defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

In the case of an emergency, as defined herein, the General Manager or Designee, may repair or replace a public facility, take any directly related and immediate action required by the emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts. The General Manager, or Designee, must report to the Board at its next meeting required pursuant to this Section 5.8, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency.

If the General Manager or Designee, orders any action specified herein, the Board shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless the General Manager or Designee, has terminated that action prior to the Board reviewing the emergency action and making a determination. When the Board reviews the emergency action, it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.

Sec. 5.9 Exceptions to Procurement Requirements.

a. Sole Source Exception.

Notwithstanding any provision in this Article 5, the procurement requirements set out in this Article 5 shall not apply to the procurement of Articles, Professional Services, Public Projects, or Maintenance that can only be obtained from one supplier or contractor and for which obtaining quotes or bids is therefore impossible or not in the public interest, such that no competitive advantage can be gained by soliciting quotes or bids. Sole source contracts or agreements up to \$75,000 may be procured by the General Manager or Designee. The Board must approve any source contracts or agreements of \$75,000 or more.

Deleted: 60

Deleted: 60

b. Purchases when Price Controlled by an Official Rate-Making Body.

Whether approved by the General Manager or Designee, or the Board, the District is authorized to procure services or Articles without quotation or bid if the price is controlled by an official rate-making body such as is the case with wholesale water from Eastern Municipal Water District, electricity, gas and telephone, and the services are provided for in the operating budget.

Sec. 5.10 Local Procurements.

- a. It is the District's policy to encourage local businesses to provide goods and services to the District in order to maintain a healthy local economy, to increase local competition, and to lower core costs of goods and services. Local preference for the procurement of eligible contracts may be allowed, so long as it is not otherwise prohibited by funding sources, by providing a 5% local preference where the purchase or contracts with a respective local vendor or business during any fiscal year do not exceed \$75,000. In order to qualify for this local preference, a vendor or business must either (a) be a District rate payer in good standing for the past six months, or (b) receive District utility services at its business location for the past six months, paid by a third party.
- b. Eligible procurements include those contracts which are not otherwise subject to competitive bidding, including contracts for the following:
 - (1) Purchases of Public Projects, Maintenance, and Articles in the amount of \$75,000 or less, pursuant to Section 5.5(a).

Sec. 5.11 Sale of Surplus Property/Equipment and Scrap Metal.

- a. Surplus Property/Equipment. When it has been determined by the General Manager that equipment is no longer appropriate because of capability, size, age, etc., to fulfill the District's mission or if a particular piece of equipment is more costly to maintain than to replace, the item will be disposed of through the next scheduled San Diego County auction. Should property become surplus through obsolescence or through a change in operating methodology, the excess property will be disposed of, as determined by District staff, as follows:
 - (1) To other public agencies on a bid basis;
 - (2) San Diego County Auction, or
 - (3) Internet-based inline auction services.
- b. Scrap Metal. The scrap metal which accumulates through the replacing of damaged and/or unserviceable items in the course of District operations, shall be sold as scrap to local scrap dealers at prevailing rates. Sales receipts shall be miscellaneous revenues of the District.

Sec. 5.12 Use of District Credit Card.

Deleted: ¶

¶
c. Laboratory Services, I.T. Support Services, Billing, and Chemicals, Billing, and I.T. Services in Support of Administrative Functions, and Chemicals Support Services¶

¶ The District shall exempt items in these categories as these services oftentypically require certifications and specialized training possessed by a limited number of suppliers. In addition, the cost of frequently changing suppliers in these categories often exceeds any savings benefit realized through the typicalstandard bidding processItems and services within this category often have unknown costs, yet are required for day-to-day District operations. When applicable, these items and services will continue to be competitively bid and purchased in the most prudent and economical manner possible..

Formatted: Underline

Formatted: Underline

Deleted: 60

Deleted: 60

- a. There are certain transactions that are more efficient using a credit card transaction. Examples include small purchases that are lower cost on-line, travel arrangements, registration for training and other similar services.
- b. The credit card shall never be used to circumvent established competitive purchasing procedures. The credit card is prohibited from being used to purchase items for personal use under all circumstances. Personal use of the credit card will result in disciplinary action.
- c. Authorized cardholders and credit card use shall be per the District Credit Card Users Guide as approved by the General Manager.

Sec. 5.13 Contract Amendment Procedures.

As delegated by the Board of Directors of the District pursuant to the provisions of the Public Utility District Act, the General Manager is authorized to issue amendments to contracts as follows:

- a. A purchase order or contract may be amended by the issuance of a change order or amendment, provided the change which is the subject of the change order or amendment is reasonably related to the scope of the original contract. The General Manager may issue a change order or amendment which results in a total contract price of ~~\$75,000~~ or less. The General Manager may request approval authority from the Board to issue contract amendments for up to 10% of the total contract value for specific projects with an initial contract value of greater than ~~\$75,000~~.
- b. When the cumulative sum of amendments to a contract would exceed the limits in (a) above, a report of such amendments will be presented to the Board at its next meeting. Upon acceptance of the amendments by the Board, the General Manager shall have additional authorization to issue amendments as if the original contract amount were the total of the original amount and all accepted amendments.

Deleted: 60

Deleted: 60

<p>ARTICLE 14 (Renumbered as Article 5 by Resolution 5006)</p> <p>Sec. 14.7 - Rev. 4/95 Sec. 14.10 - Rev. 3/96 Sec. 14.5(a), 14.6(a) & (d), 14.7(d) - Rev. 6/99 Sec. 14.11 - Added 10/05 Sec. 14.4e(2), 14.10(c) & 14.12(g) - Rev. 6/06 Sec. 14.5(g) - Rev. 8/08 Sec. 14.4(e), Rev 01/09 Secs. 14.4(e)1,3,4,5,(f); 14.5(a)(d); 14.6(c)(d); 14.7(d); 14.9(b); 14.11(c) - Rev. 2/10</p>

Add Sec. 14.12 – Rev. 2/11
Secs. 14.4; 14.9 – Rev. 1/13
Secs. 14.4; 14.13 – Rev. 7/13
Sec. 14.4 – Rev. 5/15
Sec. 14.4(f), 14.9(c) – Rev. 1/16
All Secs. Repealed and Replaced
- Rev. 6/17
Sec. 14.4 – Rev. 5/19
Sec. 5.5 – Rev. 3/21
Secs. 5.4; 5.5; 5.6; 5.9; 5.10;
5.13 – Rev. 7/22
Sec. 5.9(b) – Rev. 5/24
Sec. 5.4(c) – Rev 10/24

RESOLUTION NO. 50xx

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK
PUBLIC UTILITY DISTRICT AMENDING ADMINISTRATIVE CODE
ARTICLE 5, DISTRICT PROCUREMENT PROCEDURES**

* * * * *

WHEREAS, the Fallbrook Public Utility District is subject to the provisions of the Uniform Public Construction Cost Accounting Act (UPCCAA); and

WHEREAS, this act provides procedures for the bidding and awarding of public contracts, including maintenance work and all other purchases subject to the Public Contract Code; and

WHEREAS, in order to align with the UPCCAA's recent adjustments in 2025, Article 5 of the FPUD administrative code is requested to be amended.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Fallbrook Public Utility District as follows:

1. That the Board approves the proposed revisions to Sections 5.5, 5.6, 5.9, 5.10, and 5.13 of Article 5 of the Administrative Code as set forth in Exhibit A and incorporated herein.
2. The remaining provisions of Article 5 are unaffected and reconfirmed hereby.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 24th day of February, 2025, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Engineering & Operations Committee
FROM: Aaron Cook, Engineering Manager
DATE: February 18, 2025
SUBJECT: Recommendation for Amendment to Annual Ongoing Pavement and Asphalt Repair Contract

Description

As leaks are repaired and valves are replaced, asphalt is frequently damaged or removed and needs to be repaired. The District entered an annual asphalt repair contract to more quickly and efficiently make these repairs. Due to the amount of work performed in the first half of the fiscal year, additional authorization is needed to continue using the asphalt repair contract.

Purpose

In May of 2024, the District approved an annual agreement with the low bidder, Asphalt & Concrete Enterprises Inc., for a two year paving contract, with the option to extend an additional two years. The contract was established at a value not to exceed \$300,000 per year. During the first 7 months of Fiscal Year 2025, the value of the work performed has already exceeded the annual limit. This is primarily due to multiple mainline breaks that caused more asphalt damage than typical, and the utilization of the pavement repair contract for larger emergency pipeline replacement capital projects. In order to continue making needed pavement repairs during the remainder of the fiscal year, staff recommend authorizing an amendment to the contract to increase the not to exceed amount to \$600,000 for FY25.

Budgetary Impact

The work will be completed within the Board authorized Capital Improvements Project and Operations budget for the 24/25 fiscal year.

Recommended Action

The Committee recommend that the Board approve an amendment to the contract with Asphalt and Concrete Enterprises to increase the not to exceed amount by \$300,000.00 for Fiscal Year 2025 for as-needed asphalt repair services.