

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 2

To be held at the OFFICE OF THE DISTRICT  
1955 Workman Mill Road, Whittier, California

*For the public to join the meeting virtually, click <https://us02web.zoom.us/j/8091438308> or enter the Meeting ID 809 143 8308 into the Zoom app on your smartphone or computer. Alternatively, you may join by phone by calling (669) 900-9128 and entering the Meeting ID. The meeting is not required to be broadcast via Zoom, but as a courtesy for public attendance. You may find further information at: <http://www.lacsd.org/agendas>*

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

WEDNESDAY	November 8, 2023	At 1:30 P.M.
<b>Governing Body</b>	<b>Director</b>	<b>Alternate</b>
ALHAMBRA	MAZA	S. PEREZ
ARTESIA	MANALO	TAJ
BELL	ARROYO	SALEH
BELL GARDENS	SANCHEZ	BARCENA
BELLFLOWER	SANTA INES	KOOPS
CERRITOS	BARROWS	SOLANKI
COMMERCE	ARGUMEDO	ALTAMIRANO
COMPTON	SHARIF	-----
DOWNEY	FROMETA	TRUJILLO
LONG BEACH	RICHARDSON	SARO
LOS ANGELES CITY	KREKORIAN	MC OSKER
MONTEBELLO	TORRES	JIMENEZ
MONTEREY PARK	SANCHEZ	WONG
NORWALK	VALENCIA	J. PEREZ
PARAMOUNT	AGUAYO	DELGADILLO
PICO RIVERA	LUTZ	CAMACHO
SAN GABRIEL	HARRINGTON	DING
SOUTH GATE	AVALOS	DAVILA
VERNON	LARIOS	MERLO
WHITTIER	VINATIERI	WARNER (Chairperson)
LOS ANGELES COUNTY	HAHN	HORVATH

**CONSENT AGENDA**

1. Public Comment
2. Approve Minutes of Regular Meeting Held October 25, 2023
3. Approve August 2023 Expenses in Amount of \$82,087,949

Summary: Local District expenses represent costs that are the sole responsibility of the individual District. Allocated expenses represent the District’s proportionate share of expenses made by District No. 2, the Administrative District, on its behalf pursuant to either the Joint Administration Agreement or the Joint Outfall Agreement. These Agreements provide for the joint administration, technical support and management of the operations, maintenance, and capital costs associated with all of the shared facilities for all the signatory Districts, along with the methodology for determining the proportionate costs for each participating District. District No. 2 also acts as the Administrative District for the Solid Waste System expenses which are managed pursuant to the Solid Waste Management System Agreement, the Los Angeles County Refuse Disposal Trust Fund Agreement, and a series of Joint Powers Agreements. District No. 2 also acts as the Administrative District for Stormwater Management expenses the Districts incur, and are later reimbursed for, in assisting their member cities and unincorporated Los Angeles County address stormwater compliance issues. A listing of Districts’ payments and previously approved budgets can be found on the Districts’ website at [lacsd.org/financial-documents](http://lacsd.org/financial-documents). This item is consistent with the Districts’ Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship.

3. Contd.

	District No. 2	Joint Administration	Technical Support	Joint Outfall System	Solid Waste System	Stormwater
Operations & Maintenance	<u>\$5,758</u>	\$5,313,677	\$5,221,964	\$24,875,686	\$11,313,069	<u>\$5,259</u>
Capital		<u>498,664</u>	<u>27,375</u>	21,119,699	2,838,041	
Allocated Expenses:						
Joint						
Administration				4,701,600	1,609,360	
Technical Support				<u>4,293,386</u>	<u>264,411</u>	
Total Expenses:	<u>\$5,758</u>	<u>\$5,812,341</u>	<u>\$5,249,339</u>	<u>\$54,990,371</u>	<u>\$16,024,881</u>	<u>\$5,259</u>

**REGULAR AGENDA**

1. Re: Contract with ARC Construction, Inc., in Amount of Approximately \$3,540,000, for Construction of Joint Administration Office (JAO) Building Access Improvements (Project)

- (a) Report on Bids and Award and Order Executed Contract
- (b) Order Staff to Review Insurance and Surety Bonds for Performance and Payment and, if Sufficient, Order Secretary to Execute Contract Evidencing Approval of Bonds and Insurance

Summary: The Project will consist of improvements to increase the safety of employees and visitors as they walk through the parking lot into the JAO building. The Project will include installation of walkways, safety barriers, an Americans with Disabilities Act ramp and other modifications to the main entrance, asphalt paving, and landscaping improvements. The bid summary/recommendation to award is attached. Staff has determined that the Project is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21084 and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Sections 15301. This item is consistent with the Districts’ Guiding Principles to protect financial and facility assets through prudent investment and maintenance programs; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

2. Re: Contract with Mladen Buntich Construction Co., Inc., (MBC) in Amount of Approximately \$8,682,606, for Construction of Joint Outfall A Unit 3C Trunk Sewer Rehabilitation Phase 2 (Project)

- (a) Report on Proposals and Award and Order Executed Contract
- (b) Order Staff to Review Insurance and Surety Bonds for Performance and Payment and, if Sufficient, Order Secretary to Execute Contract Evidencing Approval of Bonds and Insurance

Summary: The Project will consist of rehabilitation of approximately 3,099 feet of 78-inch semi-elliptical clay tile-lined corroded concrete pipe and appurtenant structures that were constructed in 1927. Due to the severely corroded pipe, rehabilitation is considered urgent. The Project is located in unincorporated Los Angeles County, as shown on the attached map. Pursuant to provisions in the Districts’ Purchasing Policy, competitive proposals were solicited from a preselected group of seven contractors to expedite completion of the work. The competitive proposal approach shortens the time for design and construction and assures selection of a well-qualified contractor. MBC was the highest rated contractor based on cost, approach to the project, and ability to perform the work. Staff has determined that the Project is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21080(b)(4) and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15301. This item is consistent with the Districts’ Guiding Principles to protect financial and facility assets through prudent investment and maintenance programs; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

3. Report on Bids and Award of Order for Loadout Port Metal Chutes Modification and Push Walls Repair at Puente Hills Materials Recovery Facility (PHMRF) (Project)

Summary: The Project will modify metal chutes for loadout ports at the PHMRF and repair the damaged push walls. The chutes modification will minimize material spillage, reducing maintenance cost, and free up manpower for other critical tasks. The push walls, which are essential for material loadout, will require repair to prevent further deterioration and possible collapse. The bid summary/recommendation to award is attached. Staff has determined that the Project is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section

## 3. Contd.

21084 and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15302. This item is consistent with the Districts’ Guiding Principle to protect financial and facility assets through prudent investment and maintenance programs.

## 4. Authorize Issuance of Purchase Order to Pacific EcoRisk in Amount of Approximately \$260,000 for Toxicity Testing Services in Support of Pure Water Southern California (PWSC)

Summary: The Districts previously approved the *Regional Recycled Water Program Agreement* with Metropolitan Water District of Southern California to jointly investigate production and distribution of purified water for the PWSC project. A key component of these investigations has been pilot testing at the demonstration facility, now known as the Grace F. Napolitano PWSC Innovation Center (GNIC). To evaluate if the PWSC project would comply with toxicity limitations specified in the ocean discharge permits for the A.K. Warren Water Resource Facility, the Districts have been conducting marine toxicity testing on reverse osmosis concentrate from the GNIC. Pacific EcoRisk has successfully provided toxicity testing services in support of PWSC to the Districts since 2020 and was previously selected to perform these services through a competitive request for proposals process. Staff is recommending continued assistance from them for calendar years 2024 and 2025. This item is consistent with the Districts’ Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

## 5. Authorize Issuance of Purchase Orders to Contract Laboratories to Perform Sample Analyses as Follows:

- (a) To Eurofins Eaton in Amount of Approximately \$33,000
- (b) To Eurofins Environmental Testing in Amount of Approximately \$58,000
- (c) To Eurofins Environmental Testing N.A. in Amount of Approximately \$139,000
- (d) To Weck Laboratories in Amount of Approximately \$355,000

Summary: Some sample analyses in support of various compliance and special projects cannot be cost effectively performed using Districts’ resources because they require specialized equipment or methods to complete. To obtain contract laboratories to provide these services, the Districts initiated a Request for Proposal (RFP) process. After reviewing the proposals and applying the selection criteria scoring, staff recommends that award of these services be split amongst the responsive bidders, as no single laboratory had the ability to perform all sample analyses specified in the RFP. Accordingly, staff is seeking Board approval for purchase orders to be issued to four contract laboratories for one year of contract laboratory analytical services at an estimated total cost of \$585,000. If these contract laboratories perform successfully and pricing remains competitive, the RFP states that these services can be extended for up to two additional years. Staff has determined that approval of the purchase orders does not constitute a “Project” under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15378. This item is consistent with the Districts’ Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

## 6. Re: New Heavy-Duty Trucks

## (a) Authorize Issuance of Purchase Orders as Follows:

- 1. To Haaker Equipment Company in Amount of Approximately \$2,723,988 for Four Vector Sewer Cleaning Trucks
- 2. To Inland Kenworth in Amount of Approximately \$4,123,707 for Seven Boom/Crane Trucks and Two Vacuum Trucks

## (b) Find that 14 Heavy-Duty Trucks are No Longer Required for Districts’ Purposes and Authorize Disposal

Summary: The purchase of the heavy-duty trucks is required to replace equipment at various Districts’ wastewater facilities that are no longer cost-effective to maintain or meet emission compliance requirements. The trucks will be powered by near-zero emission natural gas engines using renewable natural gas, making a concerted effort to reduce emissions. Staff recommends the purchase of the heavy-duty trucks through the Sourcewell Cooperative Purchase Agreements (Sourcewell). Sourcewell provides nationally leveraged and competitively solicited purchasing contracts. Purchasing the equipment through Sourcewell is the most cost-effective means of procurement. This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

## 7. Approve and Order Executed Documents as Follows:

- (a) [Sewer Relocation Agreement](#) (Agreement) with City of Inglewood (City) for Relocation of Portion of Prairie Avenue Trunk Sewer (Sewer)

Summary: To accommodate construction of an elevated transit system known as the Inglewood Transit Connector Project, the City has requested the Districts' permission to relocate approximately 800 feet of the Sewer located in Prairie Avenue. The proposed Agreement requires the City to prepare the necessary environmental documents and relocate the affected portion of the Sewer in accordance with the Districts' specifications at no cost to the Districts. Staff has determined that approval of the Agreement does not constitute a "Project" under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations ("CEQA Guidelines") Section 15378. This item is consistent with the Districts' Guiding Principles to provide reliable and responsible services with safety first; and to protect financial and facility assets through prudent investment and maintenance programs.

- (b) [Modification to Contract](#) with South Coast Air Quality Management District (SCAQMD) Related to Funding for Purchase of Five Zero-Emission Heavy-Duty Electric Vehicles (EVs)

Summary: The Board previously approved the contract that provided for receipt of \$1,000,000 in funding from SCAQMD through their *Volkswagen Environmental Mitigation Trust Program*. The contract required the new EVs to be delivered and put into in-service by July 1, 2023. This milestone could not be achieved due to extended manufacturing delays. The revised contract terms extend the EVs delivery and in-service requirements to May 1, 2024, and extend the duration of contractual commitments to December 1, 2027. There is no change to the funding amount. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

8. Ratify [UCM/CSDA Co-Operative Agreement to Provide Utility Bill Analysis Service](#) (Agreement) with Utility Cost Management LLC (UCM) for Utility Bill Analysis Services

Summary: Districts staff receive and manage utility bills to identify savings and errors; however, ongoing changes to rates, regulations, and accounts require specialized analyses. In May 2023, staff solicited and received three proposals for utility bill analysis services with the intent of reducing rates, identifying billing errors, and recovering refunds. UCM was selected for their proven expertise with California utilities, tariffs, California Public Utilities Commissions decisions, and successful collaboration with other public agencies. Under a no-cost Agreement executed by the Chief Engineer and General Manager, UCM conducted a preliminary analysis for the Districts and found potential savings of over \$1.1 million annually and refunds exceeding \$1 million. Board approval is now sought to ratify the Agreement given the significant financial benefits that would be shared. If the findings are implemented, UCM would receive 42 percent of any refunds and 42 percent of future savings over a three-year period. UCM will handle all implementation directly with utilities without upfront costs. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

## 9. Re: Joint Outfall System Recycled Water Rates

- (a) Introduce *An Ordinance Prescribing Rates for Recycled Water Produced by or Through the Joint Outfall System and Providing for the Collection of Such Charges* and Waive Reading of Ordinance in its Entirety
- (b) Introduce *An Ordinance Prescribing Recycled Water Rates for the Joint Outfall System* and Waive Reading of Ordinance in its Entirety

Summary: As part of the continuing effort to ensure the Districts follows best practices as it relates to financial matters, implementation of new Recycled Water Rate Ordinances are recommended. These ordinances will improve consistency and transparency in pricing across all recycled water customers and provide a better framework for capturing costs of providing recycled water. A letter summarizing these proposed changes and the proposed Recycled Water Rate Ordinances are attached. In September 2023, the Personnel Committee endorsed these ordinances. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

## 10. Adopt Purchasing Policy

Summary: As part of the continuing effort to ensure the Districts follows best practices as it relates to financial matters, revisions to the Purchasing Policy are being recommended. The Districts' Purchasing Policy establishes rules for purchase of materials, supplies, equipment, services, and construction projects. Proposed revisions to the policy clarify several sections and modify the provisions for emergency orders and contracts. In September 2023, the Personnel Committee, comprised of the Chairs

10. Contd.

of all of the active Districts, unanimously endorsed the proposed revisions. A letter summarizing the proposed changes is attached. This item is consistent with the Districts' Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to plan for both short-term and long-term needs to minimize the need for significant rate increases.

Adjourn to Thursday, November 16, 2023, 1:30 p.m., at Joint Administration Office, 1955 Workman Mill Road, Whittier

**Status Report:** Prior to or during the meeting session, the Chief Engineer and General Manager may update the Directors on various matters concerning the Districts that may be of current interest to the Directors.

**Public Comment:** Members of the public may address the Board of Directors on any item shown on the agenda or matter under the Board's authority. A "Request to Address Board of Directors" form is available. In compliance with the Americans with Disabilities Act, if you require special assistance to participate in this meeting, please contact the Secretary to the Boards' Office (562) 908-4288, extension 1100. Notification of 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to this meeting. (28CFR 35.101 et seq. ADA Title II).

**Document Requests:** Links to supporting documents are available online at the time of posting. Agendas and supporting documents or other writings that will be distributed to Board members in connection with matters subject to discussion or consideration at this meeting that are not exempt from disclosure under the Public Records Act are available for inspection following the posting of this agenda at the office of the Secretary to the Boards of Directors located at the Districts' Joint Administration Building, 1955 Workman Mill Road, Whittier, California, 90601, or at the time of the meeting at the address posted on this agenda.



TO: BOARD OF DIRECTORS OF COUNTY SANITATION  
DISTRICT NO. 2 OF LOS ANGELES COUNTY

RE: AGENDA ITEM NO. R-1(a)

FOR BOARD MEETING November 8, 2023

BIDS were received at the District Office on October 5, 2023

FOR JOINT ADMINISTRATION OFFICE BUILDING ACCESS IMPROVEMENTS

No. of Bids Received: 4

<u>BIDDER</u>	<u>TOTAL BID</u>
Kemcorp Construction, Inc.	\$2,020,000.00*
ARC Construction, Inc.	<u>3,540,000.00</u>
Pub Construction, Inc.	3,888,688.00
Green Building Corporation	4,735,000.00

\*Bidder requested its bid be withdrawn due to a clerical error.

RECOMMENDATION:

Award contract to ARC Construction, Inc., low, responsive bidder, in the amount of approximately \$3,540,000.00.

Engineer's Estimate: \$3,300,000.00

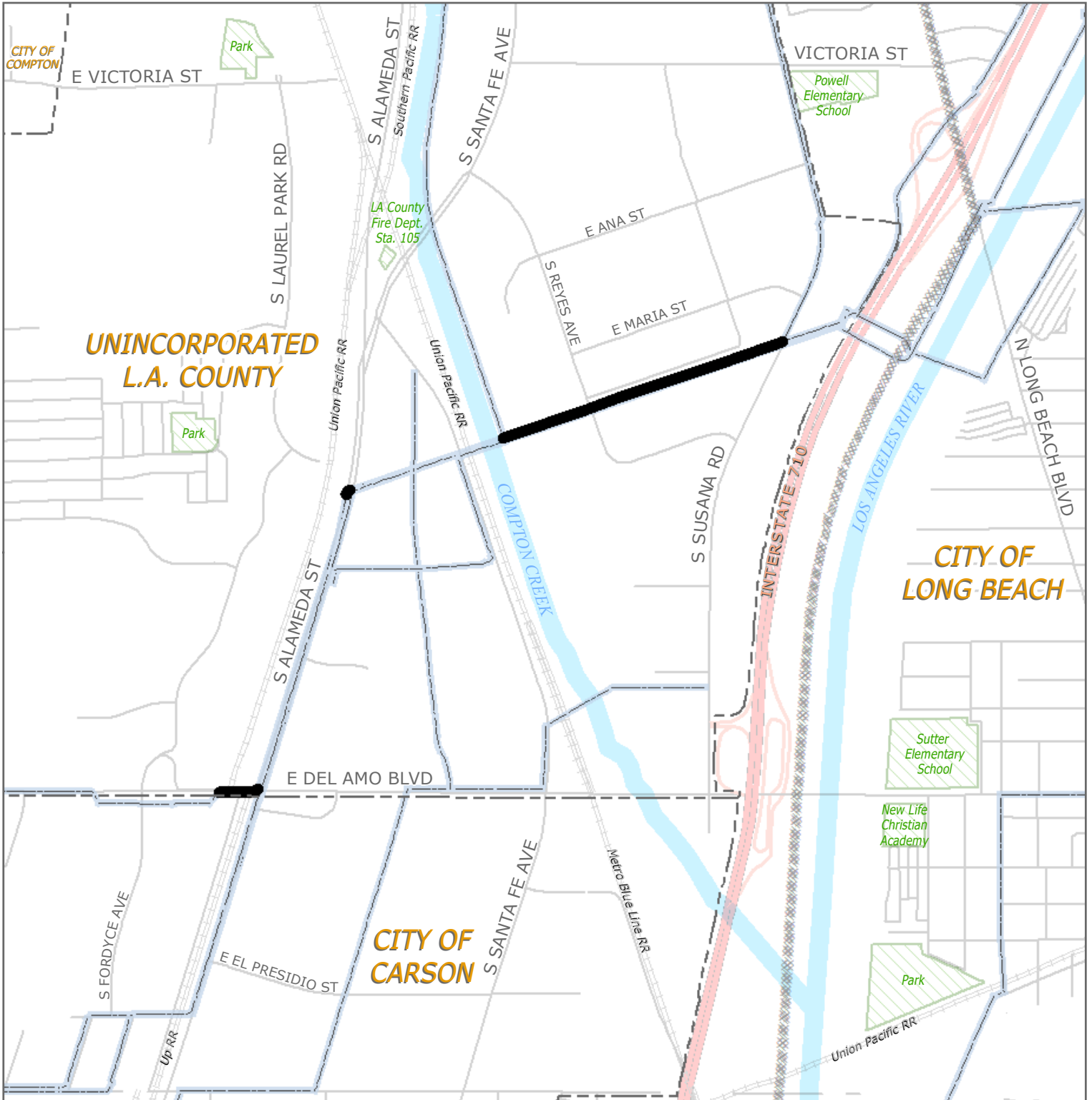


Robert C. Ferrante  
Chief Engineer and  
General Manager

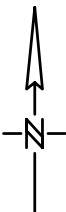




# JOINT OUTFALL A UNIT 3C TRUNK SEWER REHABILITATION PHASE 2



 PROJECT ROUTE





TO: BOARD OF DIRECTORS OF COUNTY SANITATION  
DISTRICT NO. 2 OF LOS ANGELES COUNTY

RE: AGENDA ITEM NO. R-3 FOR BOARD MEETING NOVEMBER 8, 2023

BIDS were received at the District Office on Thursday, October 5, 2023 at 11:00 a.m.

FOR LOADOUT PORT METAL CHUTES MODIFICATION AND PUSH WALLS REPAIR AT THE PUENTE HILLS MATERIALS RECOVERY FACILITY (PHMRF)

No. of Bids Received: 2

<u>BIDDER</u>	<u>TOTAL BID AMOUNT</u>
Vicon Enterprises	<u>\$700,000.00</u>
Metro Builders & Engineers Group	1,013,338.00

RECOMMENDATION:

Award purchase order to Vicon Enterprises, the lowest, responsive, and responsible bidder, in the amount of approximately \$700,000.00 for loadout port metal chutes modification and push walls repair at the Puente Hills Materials Recovery Facility (PHMRF).

Engineer's Estimate: \$550,000.00



Robert C. Ferrante  
Chief Engineer and  
General Manager





November 2, 2023

Board of Directors  
County Sanitation District No. 2  
of Los Angeles County

Directors:

**Joint Outfall System Recycled Water Rate Ordinances**

The agenda for the November 8, 2023, Board meeting, contains an item regarding Joint Outfall System (JOS) Recycled Water Rate Ordinances. As part of the continuing effort to ensure the Districts follow best practices, implementation of new Recycled Water Rate Ordinances for the Joint Outfall System are being recommended.

The JOS includes six water reclamation plants which produce a total of 110 million gallons of treated wastewater, of which 78% is beneficially reused at nearly 900 locations. There are currently 13 active contracts for non-potable “purple pipe” uses<sup>1</sup>. These agreements specify the pricing paid to the Districts for the water, in addition to defining water quantity, connection points, and other operational responsibilities and typically have a term of 25 years. The pricing is normally based on a “Shared Savings” policy which factors in the price of a user’s other water sources and the District’s cost to produce the recycled water. The pricing formulas in the agreements are intended to encourage water reuse by having reduced costs for the user relative to their other water sources. In addition, funds received offset the Districts’ operational costs of producing the water.

There are several challenges with the current pricing formulas in the contracts. First, billing cannot occur until the users provide required data, which causes delays. Second, users do not have certainty on pricing as their rates are calculated after they have used the recycled water. This makes it difficult for them to budget and to make operational decisions. Third, pricing arrangements vary between users, leading to administrative complexity and inconsistency between users as some contracts and pricing formulas have been in place since the 1990s.

To address these issues, adoption of new Recycled Water Rate Ordinances is recommended. The Recycled Water Master Rate Ordinance would establish the structure for calculating rates, similar to the Master Service Charge Ordinance for sewer rates. The Recycled Water Rate ordinance would specify the actual recycled water rates and their effective dates and, in the future, would be adopted concurrently with other rate ordinances. These ordinances would provide structure for all future pricing, reducing the need to negotiate pricing for each contract. The ordinances set consistent pricing at 30% the District’s total operational costs, which provides price certainty for both the Districts and the users, eliminates the need to factor in alternative water costs, and ensures the incremental costs of producing the recycled water are covered.

---

<sup>1</sup> This number excludes the contract for recycled water from the La Cañada treatment plant and the contract for indirect potable uses.

The Personnel Committee concurred with the proposed Ordinances at their September 27, 2023, meeting.

If approved, the new Ordinances would take effect on January 1, 2024, and staff will begin efforts to amend existing contracts and incorporate these ordinances in future contracts.

Very truly yours,

A handwritten signature in cursive script that reads "Robert C. Ferrante".

Robert C. Ferrante

RCF:MAE:av

**ORDINANCE PRESCRIBING RATES FOR RECYCLED WATER PRODUCED BY OR THROUGH THE JOINT OUTFALL SYSTEM AND PROVIDING FOR THE COLLECTION OF SUCH CHARGES.**

**ON BEHALF OF THE JOINT OUTFALL SYSTEM, THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:**

---

**TABLE OF CONTENTS**

---

**PART 1 – GENERAL PROVISIONS**

- Section 1.1 - Short Title
- Section 1.2 - Purpose
- Section 1.3 - Authority
- Section 1.4 - Additional Revenue
- Section 1.5 - Administration
- Section 1.6 - Validity
- Section 1.7 - Reserved
- Section 1.8 - Effective Date

**PART 2 – DEFINITIONS**

- Section 2.1 - Board of Directors
- Section 2.2 - Chief engineer
- Section 2.3 - District
- Section 2.4 - Districts
- Section 2.5 - Fiscal Year
- Section 2.6 - Joint Outfall Agreement
- Section 2.7 - Notice of Charges
- Section 2.8 - Prime Interest Rate
- Section 2.9 - Recycled Water Rate
- Section 2.10 - Recycled Water Charges
- Section 2.11 - Recycled Water Rate Ordinance
- Section 2.12 - Tertiary-Treated Recycled Water
- Section 2.13 - User
- Section 2.14 - Water Reclamation Plants

**PART 3 – CHARGES**

- Section 3.1 - Pricing Policy
- Section 3.2 - Imposition of Charges
- Section 3.3 - Calculation of the Recycled Water Charge

Section 3.4 - Determination of the Recycled Water Rate

**PART 4 – COLLECTION OF RECYCLED WATER CHARGES**

Section 4.1 - Collection and payment of Recycled Water Charge

Section 4.2 - Penalty and Interest Charges for Delinquent Recycled Water Charges

Section 4.3 - Manner of Payment

---

**PART 1 – GENERAL PROVISIONS**

---

**SECTION 1.1 - SHORT TITLE**

This Ordinance will be known as the *Joint Outfall System Master Recycled Water Rate Ordinance* and may be cited as such.

**SECTION 1.2 - PURPOSE**

The purpose of this Ordinance is to impose charges for the use of Tertiary-Treated Recycled Water produced by the Water Reclamation Plants and to provide for collection of these charges.

**SECTION 1.3 - AUTHORITY**

The Districts are empowered to prescribe, revise, and collect fees, tolls, rates, rentals, or other charges for services and facilities furnished by it and to collect such charges pursuant to California Health and Safety Code Sections 4744 and 5471.

**SECTION 1.4 - ADDITIONAL REVENUE**

The revenue provided for by this Ordinance will be in addition to all revenue otherwise collected by or on behalf of the District, including, but not limited to, ad valorem taxes, federal and state grants and loans, bond revenue, contract revenue, investment income, annexation fees, connection fees, service charges, and industrial wastewater surcharges imposed under the Wastewater Ordinance.

**SECTION 1.5 - ADMINISTRATION**

The Chief Engineer will administer, implement, and enforce the provisions of this Ordinance.

**SECTION 1.6 - VALIDITY**

If any court holds any part, section, subsection, paragraph, sentence, clause, or phrase of this Ordinance to be illegal, invalid, or unconstitutional for any reason, that decision will not affect the legality, validity, or constitutionality of the remainder of this Ordinance. The Board of Directors declares that it would have adopted each provision of this Ordinance irrespective of the validity of any other provision.

**SECTION 1.7 - RESERVED**

**SECTION 1.8 - EFFECTIVE DATE**

This Ordinance becomes effective 30 days after its adoption.



---

## **PART 2 – DEFINITIONS**

---

This Ordinance will be construed according to the following definitions:

### **SECTION 2.1 - BOARD OF DIRECTORS**

Board of Directors means the Board of Directors of County Sanitation District No. 2 of Los Angeles County.

### **SECTION 2.2 - CHIEF ENGINEER**

Chief Engineer means the Chief Engineer and General Manager of County Sanitation District No. 2 of Los Angeles County or their designee.

### **SECTION 2.3 - DISTRICT**

District means County Sanitation District No. 2 of Los Angeles County.

### **SECTION 2.4 - DISTRICTS**

Districts means the collective parties' signatory to the most recently adopted Joint Outfall Agreement and forming the Joint Outfall System (JOS).

### **SECTION 2.5 - FISCAL YEAR**

Fiscal year means the 12-month period beginning on July 1 and ending on June 30 of the following calendar year.

### **SECTION 2.6 - JOINT OUTFALL AGREEMENT**

Joint Outfall Agreement means the *Joint Outfall Agreement* effective July 1, 2022, and as thereafter amended.

### **SECTION 2.7 - NOTICE OF CHARGES**

Notice of charges means a written statement prepared by the Chief Engineer setting forth all charges, including any penalty and interest, incurred pursuant to this Ordinance.

### **SECTION 2.8 - PRIME INTEREST RATE**

Prime interest rate means the base rate on corporate loans posted by at least 75 percent of the nation's thirty largest banks as published in *The Wall Street Journal* or, if not reported in such newspaper, as reported in such other source as may be selected by the Chief Engineer.

### **SECTION 2.9 - RECYCLED WATER RATE**

Recycled Water Rate means the calculated rate as defined in Section 3.4 of this Ordinance.

### **SECTION 2.10 - RECYCLED WATER CHARGES**

Recycled Water Charges means the calculated charges as defined in Section 3.3 of this Ordinance.

## SECTION 2.11 - RECYCLED WATER RATE ORDINANCE

Recycled Water Rate Ordinance means the most recent version of *An Ordinance Prescribing Recycled Water Rates for the Joint Outfall System*.

## SECTION 2.12 - TERTIARY-TREATED RECYCLED WATER

Tertiary-Treated Recycled Water means recycled water produced from any of the Water Reclamation Plants as defined in Section 2.14.

## SECTION 2.13 - USER

User means any person or entity who has voluntarily entered into a contract to receive Tertiary-Treated Recycled Water from the Districts for purposes other than direct or indirect potable reuse.

## SECTION 2.14 - WATER RECLAMATION PLANTS

Water Reclamation Plants means the Long Beach, Los Coyotes, Pomona, San Jose Creek, and Whittier Narrows Water Reclamation Plants.

---

## **PART 3 – CHARGES**

---

### SECTION 3.1 - PRICING POLICY

The Districts, by this Ordinance, intend to establish a fair and equitable price for the sale of recycled water. Tertiary-Treated Recycled Water Users save costs by purchasing recycled water at a price that is generally less than alternative water supplies, and Districts' ratepayers save money because revenues from recycled water sales are used to offset the charges for wastewater treatment.

### SECTION 3.2 - IMPOSITION OF CHARGES

Use of Tertiary-Treated Recycled Water from the Water Reclamation Plants is voluntary and restricted to Users who have elected to enter into a contract to receive Tertiary-Treated Recycled Water from the Districts. Any User of Tertiary-Treated Recycled Water shall comply with the terms of their contract including the payment of Recycled Water Charges as defined in each contract.

### SECTION 3.3 - CALCULATION OF THE RECYCLED WATER CHARGE

The Recycled Water Charge will be based on use and will equal the product of the recycled water rate (as determined in Section 3.4) and the total recycled water used during each fiscal year as determined in accordance with each User's recycled water contract.

### SECTION 3.4 - DETERMINATION OF THE RECYCLED WATER RATE

The Recycled Water Rate will be determined in the following manner:

- (1) The Chief Engineer will first determine unit cost for operation and maintenance of the Water Reclamation Plants by taking the total operation and maintenance costs of producing Tertiary-Treated Recycled Water from the Water Reclamation Plants and dividing those total costs by the number of acre-feet of treated effluent produced from the Water Reclamation Plants. (“**Unit Cost**”)

- (2) Next the Chief Engineer will determine the recycled water rate percentage. This percentage represents a discount on the full Unit Cost to encourage use of Tertiary-Treated Recycled Water in recognition of the additional costs incurred by Users attributed to the use of Recycled Water compared to potable water and, as of the effective date of this Ordinance, is set at 30 percent. (“**Recycled Water Rate Percentage**”)
- (3) The Recycled Water Rate will be the Unit Cost from (1) above multiplied by the Recycled Water Rate Percentage from (2) above.

---

## **PART 4 – COLLECTION OF RECYCLED WATER CHARGES**

---

### SECTION 4.1 - COLLECTION AND PAYMENT OF RECYCLED WATER CHARGE

Recycled Water Charges payable by Users are due upon service of notice of charges. The Recycled Water Charges shall be paid to the District either in person at the Joint Administration Office of the Los Angeles County Sanitation Districts, located at 1955 Workman Mill Road, Whittier, California, by mailing the appropriate payment to the Los Angeles County Sanitation Districts, P.O. Box 4998, Whittier, California 90607-4998 or using any other approved method.

### SECTION 4.2 - PENALTY AND INTEREST CHARGES FOR DELINQUENT RECYCLED WATER CHARGES

Unpaid charges shall become delinquent 45 days after mailing or personal service of notice of charges. A basic penalty charge of 10 percent of any unpaid amount shall be added to any charge that becomes delinquent. Additional penalties and interest will accrue on the total of all delinquent charges and the basic penalty at three percent over the Prime Interest Rate in effect at the beginning of fiscal year during which the charges were initially due, not to exceed the maximum allowed by law.

### SECTION 4.3 - MANNER OF PAYMENT

The Chief Engineer shall determine the manner in which Recycled Water Charges may be paid. If a manner of payment requires the Districts to pay a transaction fee, the User shall pay the transaction fee to the Districts as an additional charge.

ATTEST:

---

Clerk, Board of Directors  
County Sanitation District No. 2  
of Los Angeles County

---

Chairperson, Board of Directors  
County Sanitation District No. 2  
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 2 of Los Angeles County on \_\_\_\_\_ by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Secretary of the Board of Directors  
County Sanitation District No. 2  
of Los Angeles County

# AN ORDINANCE PRESCRIBING RECYCLED WATER RATES FOR THE JOINT OUTFALL SYSTEM

ON BEHALF OF THE JOINT OUTFALL SYSTEM, THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:

## SECTION 1.0 - RECYCLED WATER RATE

Pursuant to Section 3.4(3) of the *Joint Outfall System Master Recycled Water Rate Ordinance*, the following, to be effective on the dates given, shall constitute the Recycled Water Rate per acre-foot of Tertiary-Treated Recycled Water used:

July 1, 2023	July 1, 2024	July 1, 2025
\$167.81	\$172.84	\$178.03

## SECTION 2.0 - VALIDITY

If any part, section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is held invalid or unconstitutional for any reason by any court, that decision does not affect the validity or constitutionality of the remainder of this Ordinance. The Board of Directors declares that it would have adopted each provision of this Ordinance irrespective of the validity of any other provision.

## SECTION 3.0 - EFFECTIVE DATE

This Ordinance shall become effective 30 days after its adoption.

ATTEST:

\_\_\_\_\_  
Clerk, Board of Directors  
County Sanitation District No. 2  
of Los Angeles County

\_\_\_\_\_  
Chairperson, Board of Directors  
County Sanitation District No. 2  
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 2 of Los Angeles County on \_\_\_\_\_ by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Secretary of the Board of Directors  
County Sanitation District No. 2  
of Los Angeles County





November 3, 2023

Boards of Directors  
Los Angeles County Sanitation Districts

Directors:

**Purchasing Policy**

The agenda for upcoming meetings of the Boards of Directors contains an item regarding proposed revisions to the Districts' Purchasing policy, which establishes rules for purchase of materials, supplies, equipment, services, and construction projects. In September, these revisions were unanimously endorsed by the Personnel Committee, comprised of the Chairs of all of the active Districts. The proposed revisions are as follows:

- Improvements to the wording that delineates what actions require Board approval and what actions the Purchasing Agent (Chief Engineer and General Manager) is authorized to take. (Section 2.1)
- Addition of a provision that requires that Board approval to reject bids, in addition to solicit bids, be obtained for large projects. (Section 2.2)
- Clarification of the language that describes when a change order requires board approval. Board approval is not required for change orders up to 25% of the original cost only if the additional cost is for additional quantities under the same terms, or it is for additional work under the substantially the same terms and general scope as the original order or contract. Otherwise, board approval is required for any change order over \$100,000. The previous language was not clear. (Section 2.11)
- Modification of the board approval requirements for emergency and urgent purchases. Previously, such purchases over \$100,000 required obtaining concurrence from the Chairperson of the Board before undertaking any response and reporting of the action at the next regular board meeting. The revised policy now requires that for actions over \$500,000, the Purchasing Agent must notify and seek concurrence from the chairperson of the Board as soon as practicable and report such action to the Board at its next meeting. In addition, confirming approval by the board is required for any such action over \$100,000 after the contract or order details, including costs, are finalized. The section was also restructured to make it clear when the reporting requirements apply. (Section 3)
- Clarification of the requirements for disposition of surplus property to ensure board approval is obtained for sale or disposal of any property over \$100,000 in value. The previous wording potentially did not capture all such situations. (Section 5.1)
- Addition of a section to make it clear that the Purchasing Agent may designate staff to carry out the Policy. (Sections 7.4 and 7.6)

**CONCLUSION**

The proposed Policy will be presented to each Board for adoption over the next several months. If approved, the new Policy will take effect after adoption by all of the Boards.

Very truly yours,

A handwritten signature in cursive script that reads "Robert C. Ferrante".

Robert C. Ferrante

RCF:MAE





**LOS ANGELES COUNTY  
SANITATION DISTRICTS**  
*Converting Waste Into Resources*

**Robert C. Ferrante**  
Chief Engineer and General Manager

1955 Workman Mill Road, Whittier, CA 90601-1400  
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998  
(562) 699-7411 • www.lacsd.org

## **PURCHASING POLICY**

---

Rules, Regulations, and Policies for the Purchase  
or Lease of Materials, Supplies, Equipment,  
Services, and Construction Projects, and for the  
Sale and Disposition of Districts' Property

### **Proposed 2023 Revisions for Consideration by Boards**

*For clarity only substantive changes are shown; formatting and other minor edits are not shown.*



## TABLE OF CONTENTS

SECTION 1. GENERAL .....	1
SECTION 2. PROCEDURES FOR PURCHASE OR LEASE OF MATERIALS, SUPPLIES, EQUIPMENT, SERVICES, AND CONSTRUCTION PROJECTS .....	2
SECTION 3. EMERGENCY AUTHORITY .....	5
SECTION 4. BIDDING REGULATIONS .....	<u>65</u>
SECTION 5. DISPOSITION OF DISTRICT PROPERTY .....	6
SECTION 6. OUTREACH PROGRAM .....	<u>76</u>
SECTION 7. ADMINSTRATIVE AND BUSINESS TRANSACTIONS .....	<u>98</u>
SECTION 8. PURCHASING POLICY ADOPTION .....	9



**RULES, REGULATIONS AND POLICIES FOR THE PURCHASE OR LEASE OF  
MATERIALS, SUPPLIES, EQUIPMENT, SERVICES, AND CONSTRUCTION PROJECTS  
AND FOR THE SALE AND DISPOSITION OF DISTRICTS' PROPERTY**

**SECTION 1. GENERAL**

- 1.1 The County Sanitation Districts of Los Angeles County ("Districts" or individually "District") are special districts organized and operating pursuant to the County Sanitation District Act, California Health and Safety Code, Sections 4700, et seq.
- 1.2 Health and Safety Code section 4763 provides that all powers of the District shall be exercised by the District Board unless otherwise specified. Pursuant to Health and Safety Code section 4840, each of the Districts has found and declared by resolution that it is for the interest or advantage of the Districts to enter into an agreement for the maintenance of a centralized and joint administrative organization to carry out the purposes there set forth, which powers include:
  - a. To purchase or lease personal property, including materials, equipment, supplies and services that are necessary or convenient for the construction, maintenance, and operation of their sewerage and refuse transfer and disposal systems (Health and Safety Code 4740), and
  - b. To sell or dispose of interests in property that are no longer required for District purposes (Health and Safety Code sections 4743), and
  - c. To sell or dispose of by-products from the operation of their sewerage and refuse transfer and disposal systems (Health and Safety Code section 4743).
- 1.3 Each District hereby confirms said action by approving this Policy by resolution.
- 1.4 The Purchasing Agent is its Chief Engineer and General Manager or his or her designee.
- 1.5 The Board of Directors hereby delegates to the Purchasing Agent the authority set forth in the following rules, regulations, and policies, which shall be known as the Districts' Purchasing Policy (Policy) and shall, among other things, constitute the policies and procedures, including bidding regulations to advertise and receive bids in accordance with all applicable statutes and regulations, required by Government Code Sections 54201, et seq.
- 1.6 The Purchasing Agent shall develop detailed procedures as needed to implement the requirements of this Policy.
- 1.7 As the administrative District, as described in the Amended Joint Administration Agreement, District No. 2 is authorized to issue purchase orders or enter into contracts on behalf of each of the other Districts. When Board approval is required by this Policy, the Board of District No. 2 shall approve, execute, or authorize purchases, agreements leases, contracts, etc., that involve joint or shared costs. The Purchasing Agent may seek concurrence from other Districts' Boards for such actions.

- 1.8 The Districts are subject to the requirements of the California Uniform Public Construction Cost Accounting Act (“CUPCCAA”) Public Contract Code § § 22000 – 22045 and this Policy sets forth purchasing procedures consistent with CUPCCAA.
- 1.9 The Districts have adopted Job Order Contracting (JOC), indefinite delivery, indefinite quantity, alternative delivery method under the provisions of the Joint Powers Agreement with Sourcewell adopted May 27, 2020. JOC is to be utilized for projects that do not require detailed engineering design and when the Purchasing Agent determines JOC is the most cost-effective method for completing the project.
- 1.10 This Policy is not intended to describe every requirement of laws and regulations that govern Districts’ purchases and therefore additional requirements, processes and limits may apply. In the event of a conflict between this Policy and any law, regulation, or other agreement, the more stringent provisions shall prevail.

**SECTION 2. PROCEDURES FOR PURCHASE OR LEASE OF MATERIALS, SUPPLIES, EQUIPMENT, SERVICES, AND CONSTRUCTION PROJECTS**

- 2.1 Board approval shall be obtained before any purchase order is issued or, contract is executed, or change order or extra work claim is granted that has a value of greater than \$100,000 regardless of the method of solicitation or whether it falls under CUPCCAA, except as allowed under Section 2.11. The Purchasing Agent is authorized to take necessary actions to issue or execute purchase orders, contracts, change orders or extra work claims with a value of \$100,000 or less.
- 2.2 Board approval to solicit or reject bids or proposals shall be obtained for all significant projects and purchases as determined by the Purchasing Agent or when required by law.
- 2.3 The following limits govern solicitation of bids or proposals not falling under CUPCCAA:
  - a. \$5,000 or Less The Purchasing Agent may make purchases or leases in accordance with procedures that the Purchasing Agent deems appropriate.
  - b. More than \$5,000 up to \$50,000 The Purchasing Agent shall solicit bids or proposals from a minimum of three vendors, if available.
  - c. More than \$50,000 The Purchasing Agent shall solicit bids or proposals by formal invitation with a thoroughly documented scope and terms. All such solicitations shall be posted on the Districts’ web site.
- 2.4 For Projects that are procured pursuant to CUPCCAA, the following limits apply as required in Public Contract Code 22032:
  - a. \$60,000 or Less The Purchasing Agent shall solicit informal quotes or perform with District’s own workforces (“Force Account”).
  - b. More than \$60,000 up to \$200,000 The Purchasing Agent shall let to contract by the informal procedures set forth in CUPCCAA.

- c. More than \$200,000                      The Purchasing Agent shall let to contract by formal bidding procedures that comply with the requirements of the Public Contract Code.

2.5 The Purchasing Agent need not comply with the solicitation requirements of sections 2-3 when the Purchasing Agent determines that any of the following reasons or circumstances exist:

- a. An emergency condition as described in section 3 of this Policy.
- b. Construction or repair completion dates cannot be met, and delays will lead to costs that exceed possible savings from following the bid requirements.
- c. Patented, licensed, or proprietary materials or services are required.
- d. Compatibility with existing equipment is necessary.
- e. Single-Source Procurement – Prior experience has proven that a particular-make or type of equipment, material, supply, service is more satisfactory or economical from one supplier than any other available product or service from other suppliers.
- f. Sole Source Procurement – Equipment, material, supply, or service is only available from one source.
- g. Piggybacking – The procurement is available at pricing established by and available through an existing governmental purchasing cooperative or a City, County, State, or Federal contract.

2.6 The following may be purchased by means of a Purchase Order:

- a. Purchases of materials, supplies, equipment, and services of any dollar value.
- b. Projects procured using the procedures set forth in CUPCAA and JOC.

2.7 The following shall be procured by a contract:

- a. Whenever a contract is needed to clarify or supplement the terms and conditions and related documents associated with a purchase order.
- b. When required by any law or regulation.

2.8 A request for proposals may be issued when the purchase involves one or more of the following: significant unknown conditions or scope; evaluation of the providers' abilities; selection factors other than price; or it is required or allowed by law.

2.9 All dollar limits in this policy are exclusive of taxes and delivery fees.

2.10 Projects, purchases, and contracts shall not be split or separated for purposes of evading the dollar limits given in this Policy or mandated by law. For recurring orders, blanket orders, or multi-year orders, the dollar limits in this Policy are to be applied considering the annual estimated purchases.

2.11 When the purchase of materials, supplies, equipment, or services, including maintenance and public works projects, has previously been authorized by the Board of Directors, the Purchasing Agent may, during the term of the original authorization, purchase additional ~~quantities of such~~ materials, supplies, equipment, or services, including maintenance and public works projects, under the same terms as the board-approved order, without Board approval as follows:

- If the change is for additional quantities under the same terms, up to 25% of the original amount authorized by the Board regardless of dollar value.
- If the change is under substantially the same terms and within the general scope of the original order, up to 25% of the original amount authorized by the Board regardless of dollar value.
- If the change order involves work outside of the original scope or under different terms of the original order, up to \$100,000 regardless of percentage. ~~up to 25 percent of the cost originally authorized without additional Board approval, not to exceed \$100,000.~~
- ~~Thereafter, if exceeding 25 percent of the original cost of \$100,000 or greater, Board approval is required.~~

2.112.12 The law requires that private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management services shall be selected based on demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. The Purchasing Agent shall comply with the requirements of Government Code Section 4525 et seq. When in the best interest of the Districts, such services shall be obtained by issuing a request for competitive proposals utilizing a two-envelope process (one for qualifications and one for costs) in accordance with the procedures described in Government Code Section 4527 and 4528.

2.122.13 The Purchasing Agent may purchase used equipment without following the bid procedures in this Policy and without prior authorization by the Board of Directors if savings can be realized only by making such purchase before the next regular meeting of the District Board of Directors. Any such purchase in excess of \$100,000 shall be reported to the Board of Directors at its next regular meeting.

2.132.14 The Purchasing Agent is authorized to participate in research studies or programs with other public, private, or academic organizations, or become a member of an organization, if the resulting research or membership has the potential to benefit District facilities or services or otherwise further a statutory purpose of the District, and the District's contribution will not exceed \$100,000 per year, without approval by the Board of Directors.

2.142.15 The Purchasing Agent is authorized to arrange for utility services as required for operation of District facilities, including executing agreements and contracts as required to obtain utility services without Board approval.

2.152.16 The Purchasing Agent is authorized to execute service agreements and similar agreements related to software, internet, and other information services purchases without obtaining Board approval beyond the purchasing approvals otherwise required in the Policy.



~~2.162.17~~ The Purchasing Agent is authorized to purchase dirt, used asphalt, and other similar materials for solid waste site operations at rates determined necessary and appropriate (including at no charge when appropriate) to provide materials in quantities required without Board approval.

### SECTION 3. EMERGENCY AUTHORITY

3.1 Pursuant to Public Contract Code, Section ~~110222050~~, The Purchasing Agent shall have the authority to take immediate action, including the expenditure of District funds, to repair, restore, replace, or protect District facilities, or to prevent or correct damage caused by District operations, for protection of public health, safety, property, or the environment, without prior authorization of the Board of Directors upon his or her finding that:

- a. It is necessary to repair, restore, replace, or protect District facilities or prevent or correct damage caused by District operations for protection of public health, safety, property, or the environment;
- b. It is infeasible to secure prior authorization of the Board of Directors or to contract for such work in accordance with formal competitive bidding procedures.

~~3.2 The amount of expenditures authorized by section 3-1 is unlimited, except that the Purchasing Agent shall not incur an indebtedness that is anticipated to exceed \$100,000 without the concurrence of the Chairperson of the Board of Directors, or, in his or her absence, the concurrence of any other Board member. If the Purchasing Agent, after reasonable effort under the circumstances, is unable to contact the Chairperson or other board member, the Purchasing Agent is authorized to take immediate action without the prior concurrence of the Chairperson or other Board member.~~

~~3.3 The Purchasing Agent shall report any action taken pursuant to section 3-1 and that exceeds \$5100,000 to the Board of Directors at its next regular board meeting.~~

3.2 The Purchasing Agent shall have the authority to issue a purchase order or execute a contract agreement that would normally require prior Board authorization if any delays to the issuance of the purchase order would result in significant economic losses, such as downtime at an energy or commodity-producing facility or delays to other contractors or District forces or when there are tangible benefits to the Districts such as associated with project staging costs and/or minimizing project impacts to surrounding communities. When possible, the order shall be issued to a vendor who has previously been awarded similar work because of a formal bid process. An analysis of the economic and any other factors justifying the issuance of the purchase order shall be documented. ~~Action confirming the issuance of the purchase order shall be obtained from the Board of Directors at its next regular board meeting.~~

3.3 The Purchasing Agent is authorized to take immediate action under the provisions of 3.1 and 3.2 when necessary. For any action under the provisions of 3.1 or 3.2 that exceeds \$500,000 in cost, the Purchasing Agent shall (i) notify and seek concurrence from the chairperson of the Board of Directors as soon as practicable; and (ii) report any such action to the Board of Directors at its next board meeting. In addition, the Purchasing Agent shall obtain confirming approval from the Board of Directors for any action that exceeds \$100,000 after the contract or order details, including costs, are finalized.

#### **SECTION 4. BIDDING REGULATIONS**

- 4.1 The Purchasing Agent shall establish bidding procedures that are in the best interest of the Districts, and that comply with all applicable provisions of law and this Purchasing Policy and the specific requirements of this Section.
- 4.2 As used in this Section, the word “bid” shall include any offer to provide materials, equipment, supplies and services, including maintenance and public works projects, to the Districts.
- 4.3 Procurements shall be awarded to the lowest responsive, responsible bidder.
- 4.4 The Purchasing Agent shall have the right to reject all bids, to accept one part of a bid and reject another in accordance with bid specifications, to waive technical defects, and to consider alternate bids if to do so best serves the interests of the Districts.
- 4.5 All bids submitted to the Districts that do not substantially comply with the instructions for bidding or that contain unauthorized conditions, limitations, or provisions, or that substitute items shall be deemed non-responsive and may be rejected by the Purchasing Agent. The Purchasing Agent may waive minor errors, omissions, or irregularities and accept bids if the error, omission, or irregularity does not affect the award or provide any other advantage to the bidder.
- 4.6 In the event of a discrepancy, the bid price shown for the unit price or for a lump sum item shall take precedence over the bid price shown for the total.
- 4.7 Any bids received after a bid date and time will not be considered.
- 4.8 Contractors must supply such bidders’ security, payment bonds, or performance bonds required by law or District specifications. The Purchasing Agent shall establish reasonable minimum requirements for bonds and surety companies.
- 4.9 All bids shall remain confidential until the time for bid opening. All responses to Requests for Proposals shall remain confidential until a contract or purchase order has been awarded.
- 4.10 All methods of procurement, including bids, requests for quotations, requests for proposals, etc., must be conducted in a manner that is fair and transparent.
- 4.11 The Purchasing Agent shall maintain written records of all purchasing activity as required by law or the District’s document retention practices or policy. Electronic records, including but not limited to scanned documents, emails, and purchasing data in the District’s accounting and asset management systems, shall be considered adequate written records for this purpose.

#### **SECTION 5. DISPOSITION OF DISTRICT PROPERTY**

- 5.1 The Purchasing Agent shall sell or dispose of property that is no longer required for District purposes in such manner and for such consideration as the Purchasing Agent determines will best benefit the District. Property having a combined current value of \$100,000 or greater shall not be sold or disposed of without prior authorization of the District’s Board of Directors.

5.2 The Purchasing Agent may exchange used District property in connection with a purchase of materials, supplies, or equipment, subject to the limitations in this section.

5.3 Disposition of all real property, regardless of value, requires Board approval.

## **SECTION 6. OUTREACH PROGRAM**

### **6.1 Policy Statement**

- a. The Districts reaffirm a commitment to cost efficiency, fair and open public processes, and equal opportunity for purchasing and contracting.
- b. The Districts support and encourage participation by businesses owned and controlled by minorities (“MBE”), women (“WBE”), disabled veterans (“DVBE”), disadvantaged (“DBE”), small business enterprises (“SBE”), and other disadvantaged businesses and historically underutilized businesses (“HUB”).
- c. Therefore, the Districts have adopted the following Outreach Program (“Program”):

### **6.2 The Program**

- a. **Public Works Contracts:** Districts’ staff shall encourage participation by all members of the community including MBE/WBE/DVBE/DBE/SBE businesses in the process of bidding for public works contracts as defined by Section 1101 of the California Public Contract Code by means of an outreach program.
- b. **Purchases of Materials, Supplies, Equipment or Services:** Districts’ staff shall periodically review purchases of materials, supplies, equipment, or services for possible participation by MBE/WBE/DVBE/DBE/SBE businesses. Districts’ staff shall determine the availability of MBE/WBE/DVBE/DBE/SBE businesses in the applicable trade or industry and will notify them of contract opportunities.
- c. **Federal and State Projects:** Projects that are funded in whole or in part by the federal and/or state government shall be administered according to requirements of the respective state and/or federal programs.

6.3 The Program shall not apply to contracts let pursuant to emergency authority delegated to the Purchasing Agent as provided for elsewhere in this Policy.

### **6.4 Certification**

- a. MBE/WBE/DVBE/DBE/SBE businesses shall have been certified as such by one or more of the following agencies: the City of Los Angeles, Department of Public Works; WMBE Clearinghouse, Los Angeles, California (California Public Utilities Commission); California Department of Transportation (CalTrans); Los Angeles County Metropolitan Transportation Authority (MTA); County of Los Angeles, Consumer and Business Affairs, Office of Small Business; or such other agencies deemed authoritative by the Purchasing Agent. Certifications from other agencies may be accepted on a case-by-case basis.

- b. The Purchasing Agent shall accept small businesses certified as such under the Federal Government's Small Business Administration 8(a) program and the State of California's Office of Small and Minority Businesses.
- 6.5 All businesses that have been certified in accordance with the procedures set forth above shall be placed in a database that categorizes them according to type of industry, trade, or commodity.
- 6.6 Districts' Goals and Reporting
- a. To encourage participation, an aspirational goal of 20% of Purchase Orders issued to MBE/WBE/DVBE/DBE/SBE businesses has been established for the Program. The goal will be communicated to prospective bidders in the specifications for each project.
  - b. Contractors awarded projects of \$100,000 and greater in value will be required to report levels of participation by MBE/WBE/DVBE/DBE/SBE suppliers and subcontractors. The information will be used by the Districts for statistical purposes.
  - b-c. Progress toward meeting the goals in this section shall be reported to the Board once per year.
- 6.7 The following methods shall be utilized by Districts' staff as appropriate to increase awareness of opportunities for MBE/WBE/DVBE/DBE/SBE business participation in contracting opportunities:
- a. Participate in working groups with other local agencies, such as OneLA Regional Collaborative.
  - b. Maintain a database that contains pertinent information on various certified MBE/WBE/DVBE/DBE/SBE firms, including the type of trade or industry in which the business is engaged.
  - c. Actively participate in business fairs sponsored by various city and county agencies, as well as MBE/WBE/DVBE/DBE/SBE business associations.
  - d. Notify contractor associations regarding bidding opportunities.
  - e. Place notices in local newspapers and trade journals regarding upcoming projects.
- 6.8 Efforts shall be made to eliminate or minimize requirements that have the potential to discourage or prevent disadvantaged businesses from participating in bids including:
- a. Insurance requirements shall not be more than what would be appropriate for the risk associated with the scope of work.
  - b. Bonds, licenses, experience requirements, etc. shall not be more than what is required by law or what is needed to ensure the quality of the work and the qualifications of the vendor.
  - c. When it will not unduly impact the Districts ability to operate efficiently, the scope of work associated with each bid or proposal solicitation shall be structured to maximize opportunities for vendors that have limited size or capabilities.

## SECTION 7. ADMINISTRATIVE AND BUSINESS TRANSACTIONS

- 7.1 The Purchasing Agent is authorized to procure and pay for required regulatory fees, permit fees, taxes, etc. for payments to government agencies without Board approval.
- 7.2 The Purchasing Agent is authorized to procure and pay for legally required newspaper notices without board approval.
- 7.3 The Purchasing Agent is authorized to procure temporary property rights, that do not exceed \$100,000, necessary to accommodate construction of Districts' projects without approval by the Board of Directors.
- 7.4 The Purchasing Agent ~~or his or her designee~~ is authorized to settle and reject claims against the Districts not to exceed \$100,000.
- 7.5 The Purchasing Agent is authorized to issue Purchase Orders and enter into Contracts greater than \$100,000 without board approval, if the next board meeting is not expected to take place for more 30 days, and delay of the order or contract until the next board meeting would result in significant economic losses, regulatory issues, or delays to critical work. The Purchasing Agent shall request approval at the next meeting of the Board of Directors, not to exceed 90 days from the date the purchase order or contract was issued.

7.57.6 The Board authorizes the Purchasing Agent to designate staff, as he or she determines is appropriate, to carry out the actions authorized in this Policy.

## SECTION 8. PURCHASING POLICY ADOPTION

This Policy will become effective after approval by all of the Districts Boards and supersedes the Purchasing Policy for each individual District. This Policy will be reviewed on an annual basis and any modifications must be approved by the Boards. After each review, the matter will be referred to the Personnel Committee (comprised of the Chairpersons of the Board of Directors of each active County Sanitation District of Los Angeles County) for its consideration.

