



# Monterey County

Item No.

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

Legistar File Number: A 20-181

June 23, 2020

Introduced: 6/3/2020

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Ratify and retroactively approve (starting March 16, 2020) an Emergency Purchase Order (EPO) with N. Rex Awalt Corporation dba Aqua Engineering to provide specialized services to upgrade existing equipment and services for Lake San Antonio (North & South Shores) in the amount of \$59,990 and Lake Nacimiento in the amount of \$147,074, for a total amount not to exceed \$207,064; and
- b. Authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to enter into and execute a Standard Agreement and future amendments to the Agreement where the amendments do not significantly alter the scope of work or increase the approved Agreement amount and do not exceed ten percent (10%) of the total Agreement amount subject to the review and approval of the Office of the County Counsel and the Auditor-Controller's Office.

### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Ratify and retroactively approve (starting March 16, 2020) an Emergency Purchase Order (EPO) with N. Rex Awalt Corporation dba Aqua Engineering to provide specialized services to upgrade existing equipment and services for Lake San Antonio (North & South Shores) in the amount of \$59,990 and Lake Nacimiento in the amount of \$147,074, for a total amount not to exceed \$207,064; and
- b. Authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to enter into and execute a Standard Agreement and future amendments to the Agreement where the amendments do not significantly alter the scope of work or increase the approved Agreement amount and do not exceed ten percent (10%) of the total Agreement amount subject to the review and approval of the Office of the County Counsel and the Auditor-Controller's Office.

### **SUMMARY/DISCUSSION:**

The County of Monterey, Resource Management Agency (RMA) identified an immediate need to perform specialized services to upgrade existing equipment and services required for the Lake San Antonio (North & South Shores) and Lake Nacimiento, to be in compliance with the regulatory agencies. On or about November 2019, the RMA received a Notice of Violation (NOV) from the Regional Water Quality Control Board (RWQCB) associated with the testing facilities at Lake San Antonio North and South Shores and Lake Nacimiento due to the lack of equipment needed to test the wastewater systems at the lakes. The NOV provided a compliance deadline of December 9, 2019. The upgrades are needed to address the deficiencies noted in the NOV and to comply with the directives from the RWQCB.

To address the deficiencies noted in the NOV, RMA submitted a request for an Emergency Purchase Order (EPO) to the County Administrative Office - Contracts/Purchasing Officer for services to be performed by N. Rex Awalt Corporation dba Aqua Engineering. The request for an EPO was approved by the Contracts Purchasing Officer on March 19, 2020. A Notice to Proceed was issued to the contractor on March 16, 2020 to meet timelines required by the RWQCB. Please refer to the attachments for further detail.

**OTHER AGENCY INVOLVEMENT:**

The Contracts/Purchasing Division has reviewed and authorized an EPO for the required services. A Sole Source Justification (SSJ) has been prepared by RMA staff. The RMA Director and Contracts/Purchasing Officer have approved the SSJ. The proposed SA and any future amendments shall be reviewed as to form and fiscal provisions by the Office of the County Counsel and the Auditor Controller's Office, respectively, prior to the execution of said SA or future amendments by the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor.

**FINANCING:**

The total cost of the EPO and proposed SA with N. Rex Awalt Corporation dba Aqua Engineering shall not exceed the amount of \$207,064 and shall be shared between Lake San Antonio (\$59,990) and Lake Nacimiento (\$147,074). If approved, Lake San Antonio costs would be paid from the General Fund, Fund 001, Facilities Services Appropriation Unit RMA006, unscheduled maintenance and Lake Nacimiento from Parks Lake & Resort Operations Enterprise Fund, Fund 452, Appropriation Unit RMA102. The equipment upgrades and services are deemed essential to address health and safety concerns related to the NOV and for compliance with the directives of the RWQCB.

Prior to the COVID-19 pandemic, RMA was forecasting to come in under budget for the General Fund. However, the Shelter in Place Orders have led to significant reductions in revenues as activities that generate RMA revenue have declined, such as, construction, travel, and recreation. Although RMA implemented the Board of Supervisor's non-essential expenditure freeze effective March 31, 2020, the estimated loss of revenues is too great, and RMA forecasts exceeding the General Fund Budget. RMA is working with the County Administrative Office Budget & Analysis Division to address the overall projected budget shortfall.

In February 2020, prior to the Shelter in Place Orders, RMA was optimistic that efforts made to increase business during March through June at Lake Nacimiento would result in the Enterprise Fund not requiring a General Fund subsidy for this Fiscal Year. However, as health and safety concerns rose, RMA closed Lake Nacimiento operations effective April 1, 2020. To lessen the financial impact, Basecamp, a third-party management company, made aggressive cuts to all discretionary expenses, including the workforce. Reducing expenses and revenue from restricted use at Lake Nacimiento starting May 8, 2020 will help minimize losses. However, staff does not believe that the loss of revenues during the beginning of the peak season can be fully mitigated. Staff presented a report to the Budget Committee on April 29, 2020 discussing the potential losses depending on when Lake Nacimiento reopens.


**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

The recommended action supports the Health and Human Services and Public Safety Board of Supervisors' Strategic Initiatives.

- ☐ Economic Development
- ☐ Administration
- ☒ Health and Human Services
- ☒ Infrastructure
- ☒ Public Safety

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Reviewed by: Randell Ishii, M.S., P.E., P.T.O.E., Chief of Public Works

Approved by: Carl P. Holm, AICP, RMA Director 

The following attachments are on file with the Clerk of the Board:

Attachment A - Emergency Purchase Order

Attachment B - Sole Source Justification