



TO: Port Commission

FROM: Matt Kerkes, Facilities Maintenance & Engineering Manager

DATE: May 1, 2018

SUBJECT: Award of Contract for the Snorkel Fabrication Project (NTE \$150,000)

Recommendation: Authorize the Port Director to execute a contract with Lighthouse Welding for fabrication of a marine grade jet and suction snorkel in an amount not to exceed \$150,000.

BACKGROUND

The Port District operates a barge mounted, 16" hydraulic dredge, which utilizes an 18" suction head (snorkel), assisted by water jets to turn sediment into a slurry that can be pumped. The District's current snorkel was fabricated circa 1986, and has reached the end of its useful service life.

The current suction head is a highly customized piece of equipment designed for the conditions encountered in the Santa Cruz Harbor entrance and cannot be purchased stock. A project to replicate the design of the District's current suction head and fabricate a new marine-grade jet and suction snorkel was advertised on an informal basis in accordance with the procedures contained in the California Public Contract Code, commencing April 17, 2018. One bid was received. Lighthouse Welding submitted a base bid of \$150,000.

ANALYSIS

Lighthouse Welding holds a current valid license as a Structural Steel Contractor (C-51). Staff is familiar with Lighthouse Welding's work as the proprietor has performed numerous projects for the Port District over the years. Staff has checked the bidder's proposal and qualifications, and is satisfied that the contractor can fulfill the bid requirements, which includes meeting a September 30, 2018, completion deadline.

The construction budget, outlined below, includes costs for replicating the design and fabrication of a new jet and suction snorkel for customized attachment to existing mounts on *Twin Lakes*. Lighthouse Welding is familiar with the District's dredge operation and will work with staff to incorporate design improvements to increase efficiencies associated with off-season maintenance and reinforce areas that are subject to increased wear and tear.

Construction Budget

The figures below represent the estimated construction budget based on Lighthouse Welding's bid:

Cost of Materials	\$ 51,785
Cost of Labor	\$ 98,215
Total Construction Budget	\$150,000

IMPACT TO PORT DISTRICT RESOURCES

The FY19 Dredge Intermediate Fund includes \$150,000 for this project.

Santa Cruz Port District
135 5th Avenue
Santa Cruz, CA 95062
831.475.6161
831.475.9558 Fax
www.santacruzharbor.org



PORT COMMISSIONERS:
Toby Goddard
Dennis Smith
Reed Geisreiter
Stephen Reed
Darren Gertler

TO: Port Commission

FROM: Matt Kerkes, Facilities Maintenance and Engineering Manager

DATE: May 3, 2018

SUBJECT: Award of Contract for Abrasive Blasting and Painting Services for *Dauntless* Workboat

Recommendation: **Authorize the Port Director to execute a contract with Boat Sanding and Detail of Santa Cruz in the amount of \$38,728.00, plus a 10% contingency in the amount of \$3,872 for a total contract not-to-exceed \$42,600.**

BACKGROUND

In July 2017, Rodgers and Associates conducted a survey of the dredge tender *Dauntless*, a 45', self-propelled workboat built by Nichols Brothers of Oregon in 1986. The survey recommended that *Dauntless* be hauled out within one year from the date of the survey for complete underwater surface maintenance including sandblasting, selective re-plating and reapplying protective coating systems.

The Dredge Intermediate Fund (Attachment A) authorized in the FY19 budget included \$277,000 in funding for major overhaul of *Dauntless*.

ANALYSIS

Staff contacted three regional boatyards and received three informal bids to perform a portion of the major overhaul work. Boat Sanding and Detail of Santa Cruz (BSD) submitted the low bid in the amount of \$38,728.00 to complete masking and preparation, dustless blasting, cleaning of the entire vessel, including the bottom, deck, and cab interior spaces, and apply rust converter, primer and paint on all surfaces (except for the engine room). BSD operates out of the Santa Cruz Harbor Boatyard. Other overhaul work, including hauling, zincs, A-frame fabrication; replacement of flooring / decking and fendering system will be performed using a combination of in-house crew and contract welding, as needed.

The Dustless Blasting system to be employed by BSD does not require a permit from the Monterey Bay Air Resources Board (MBARD) under Rule 201, "Sources Not Requiring Permits," Part 4.1.2, which exempts blast cleaning equipment using a suspension of abrasive in water (Attachment B). The diesel generator used to power the system is less than 50 hp and does not require a MBARD permit.

BSD is a sole proprietorship with no employees. BSD's owner, Raymundo Villalba, is a registered contractor at the Santa Cruz Harbor Boatyard with insurance on file naming the Santa Cruz Port District as additional insured (Attachment C). He has more than 20 years of experience in vessel maintenance and repair. Staff is familiar with BSD's work, as Mr. Villalba has performed several

projects for the Port District in the past. Mr. Villalba worked for the former concession-operated Aquarius Boat Works and has previous experience blasting and painting the workboat *Dauntless*.

Beyond the scope of the contract with BSD, the Port District will realize significant savings and improved oversight on the work being performed by in house crews by having *Dauntless* located in Santa Cruz Harbor's boatyard (e.g., haul-out and lay days, equipment transportation and rental, labor and crew travel expenses).

IMPACT ON PORT DISTRICT RESOURCES

BSD's total bid is \$38,728. A 10% contingency is recommended, bringing the not-to-exceed contract total to \$42,600.

Sufficient funding for this work is available in the FY19 Dredge Intermediate Fund (See Attachment D – Dredge Intermediate Fund – *Dauntless* Cost Estimate).

- ATTACHMENT
- A. FY19 Dredge Intermediate Fund
 - B. Monterey Bay Air Resources District Rule 201, Part 4.1 Abrasive Blasting
 - C. BSD Insurance Certificate
 - D. Dredge Intermediate Fund – *Dauntless* Cost Estimate

FY19 BUDGET – DREDGE INTERMEDIATE FUND

ASSET	ITEM	IDENTIFIED NEEDS
<i>Twin Lakes</i>		
	Lights	\$ 5,000
	Snorkel – Fabricate New	150,000
	Add 18” Check Valve	12,000
	Skookum Swing Sheaves	5,000
		\$ 172,000

<i>Squirt</i>	Replace 12” Check Valve	\$ 10,000
		\$ 10,000

<i>Dauntless</i>		
	Major Overhaul – Bay Area Boatyard: Haul / Sandblast / Paint / Zincs / A-Frame Fabrication / Replace Flooring – Decking / Fendering System*	\$175,000
	Skagit Winch Replacement	85,000
	Deck Lighting L.E.D Wiring*	5,000
	Welder/Generator*	12,000
		\$277,000

<i>Ancillary Equipment</i>		
Pipe	Phased Replacement*	\$ 30,000
Pipe Valves	Valve Assemblies	25,000
Pipe Valves	Convert West and Offshore Valves to Hydraulic	15,000
Anchors, Wire, Rigging	Rigging Replacement, Lifting Straps, Hardware for Anchor Lines	5,000
	Sub-Total	\$75,000
	IDENTIFIED DREDGE INTERMEDIATE FUND NEEDS	\$534,000
	PROJECTED FY19 FUNDING NEED	\$378,258

*Increases funding from prior year or partially funded in prior year

**MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT
REGULATION II
PERMITS**

RULE 201. SOURCES NOT REQUIRING PERMITS

(Adopted 9-1-74; Revised 7-9-75, 9-11-75, 11-21-76, 1-19-77, 7-26-78, 3-17-82, 12-13-84, 5-15-85, 12-17-86, 9-16-87, 9-21-88, 6-14-89, 10-16-91, 4-21-93, 5-14-97, 12-13-00, 4-18-01, 5-21-03, 2-16-05, 3-21-07, and 10-15-14.)

CONTENTS

PART 1 GENERAL	3
1.1 Purpose	3
1.2 Applicability	3
1.3 Exceptions	3
1.4 Effective Date	4
1.5 References	4
PART 2 DEFINITIONS	4
PART 3 REQUIREMENTS	4
PART 4 CATEGORIES	5
4.1 Abrasive Blasting	5
4.2 Agricultural Operations	5
4.3 Architectural Coatings	5
4.4 Contaminated Soil of Water Aeration	5
4.5 Crude Oil Production	6
4.6 Educational or Recreational Usage	6
4.7 Equipment Removed From Service	6
4.8 External Combustion Equipment	7
4.9 Fabric and Textiles	7
4.10 Fermentation	7
4.11 Food Processing	8
4.12 Fuel Cells	8
4.13 Heating and Cooling	8
4.14 Internal Combustion Engines	9
4.15 Low Emitting Unit	9
4.16 Manufacturing, Fabrication, and Processing	9
4.17 Miscellaneous Equipment	13
4.18 Portable Equipment	14
4.19 Printing and Reproduction Equipment	14

1

10/15/14

Rule 201 (Sources Not Requiring Permits)

**MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT
REGULATION II
PERMITS**

PART 1 GENERAL

1.1 Purpose

The purpose of this Rule is to provide a list of source and equipment categories which are exempt from the requirements of District Rule 200 (Permits Required) to obtain an Authority to Construct (ATC) or Permit to Operate (PTO).

1.2 Applicability

1.2.1 The exemptions provided in Part 3 of this Rule apply to the requirements of Rule 200 (Permits Required) to obtain an Authority to Construct (ATC) or Permit to Operate (PTO). The exemptions do not apply to any requirement for facility operators to register with the District, for purposes of emission or source inventorying, or to any other District requirements.

1.2.2 The exemptions in this Rule, as well as the permit requirements of Rule 200 (Permits Required), apply to individual articles of equipment or process lines, unless otherwise indicated.

1.3 Exceptions

1.3.1 An Authority to Construct (ATC) or a Permit to Operate (PTO) shall always be required for any of the following sources:

1.3.1.1 Any source subject to a:

1.3.1.1.1 New Source Performance Standard; or

1.3.1.1.2 National Emission Standard for Hazardous Air Pollutants (NESHAP) except for the Demolition and Renovation requirements of the Asbestos NESHAP (40 Code of Federal Regulations Part 61, §61.145 - §61.147); or

1.3.1.1.3 federal Maximum Achievable Control Technology standard (MACT); or

1.3.1.1.4 state air toxic control measure (ATCM).

1.3.1.2 Any source providing offsets to which Section 6.11 of District Rule 207 (Review of New or Modified Sources) applies.

1.3.1.3 Any Large Confined Animal Facility as defined in the California Code of

**MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT
REGULATION II
PERMITS**

Regulations in Title 17, Division 1, Chapter 1, Section 86500.

- 1.3.2 A Federal Operating (Title V) Permit shall always be required for any source that is a *Major Source* as defined in District Rule 218 (Title V: Federal Operating Permits).

1.4 Effective Date

This Rule as revised is effective on October 15, 2014.

1.5 References

The requirements of this Rule arise from the provisions of the California Clean Air Act and amendments (Health and Safety Code Sections 40910 *et seq.*) and Health and Safety Code Section 42300. Referenced or related District Rules include: 101 (Definitions); 200 (Permits Required); 207 (Review of New or Modified Sources); 218 (Title V: Federal Operating Permits); 423 (New Source Performance Standards); 424 (National Emission Standards for Hazardous Air Pollutants (NESHAPs)); 426 (Architectural Coatings); 429 (Applications of Nonarchitectural Coatings); 438 (Open Outdoor Fires); 500 (Orchard, Field Crop or Citrus Grove Heaters: Definitions); 1000 (Permit Guidelines and Requirements for Sources Emitting Toxic Air Contaminants); 1008 (Air Toxic Control Measures).

PART 2 DEFINITIONS

Reserved.

PART 3 REQUIREMENTS

An Authority to Construct (ATC) or a Permit to Operate (PTO) shall not be required for any source or equipment described in the categories listed in Part 4 of this Rule, except as provided in Section 1.3 of this Rule. Sources exempt from permits are still required to comply with all other applicable District Rules and Regulations.

**MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT
REGULATION II
PERMITS**

PART 4 CATEGORIES

4.1 Abrasive Blasting

The following equipment or any exhaust system or collector serving exclusively such equipment:

4.1.1 Abrasive blast cabinet-dust filter integral combination units where the total internal volume of the blast section is 50 cubic feet or less.

4.1.2 Blast cleaning equipment using a suspension of abrasive in water.

4.1.3 Blast cleaning equipment with a manufacture's sand capacity rating of 100 pounds or less (45.4 kg), or 1 cubic foot or less.

4.1.4 Blast cleaning equipment that uses no more than a total of 800 pounds (360 kg) of new or recycled abrasive material in any calendar year.

4.2 Agricultural Operations

4.2.1 Equipment used in agricultural operations for the growing of crops or the raising of fowl or animals where the agricultural operation has actual emissions less than 50% of the *Major Source* threshold as defined in District Rule 218 (Title V: Federal Operating Permits).

4.2.2 Orchard heaters as defined in Rule 500 (Orchard, Field Crops or Citrus Grove Heaters: Definitions).

4.3 Architectural Coatings

Equipment used for the application of architectural coatings, as defined in Rule 426 (Architectural Coatings).

4.4 Contaminated Soil or Water Aeration

4.4.1 Contaminated Soil or Water Aeration projects which contain diesel fuel only, or less than 25 pounds of Total Petroleum Hydrocarbons (TPH) and less than 0.05 pounds of benzene.

**MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT
REGULATION II
PERMITS**

control equipment.

- 4.13.3 Equipment used exclusively for space heating other than boilers.
- 4.13.4 Cooling towers or evaporative condensers which do not use chromium additives and where the total combined water recirculation rate of the unit(s) is less than 5000 gallons (19 kiloliters) per minute.
- 4.13.5 Natural draft hoods, natural draft stacks or natural draft ventilators associated with structural heating or cooling.

4.14 Internal Combustion Engines

4.14.1 Any stationary piston-type internal combustion engine of less than 50 brake horsepower (bhp).

4.14.2 Turbines

Any turbine at a stationary source that has a heat input rate of less than 3 million British Thermal Units (BTU) per hour (gross), and is fired exclusively with natural gas or liquefied petroleum gas or any combination thereof.

4.15 Low Emitting Unit

4.15.1 Any process not identified in any other category within this Rule which has emissions of less than 2 pounds per day of any affected pollutant unless the affected pollutant is defined as a Toxic Contaminant in District Rule 1000.

4.16 Manufacturing, Fabrication, and Processing

4.16.1 Ceramic

4.16.1.1 The following equipment or any exhaust system or collector serving exclusively such equipment:

Kilns used for firing ceramic ware, heated exclusively by natural gas, liquefied petroleum gas, electricity or any combination thereof.

4.16.2 Metal and Glass



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/9/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

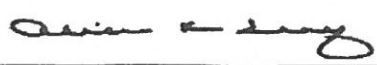
PRODUCER Leavitt Central Coast Insurance Services, Inc. License #0G39781 950 East Blanco Rd, Suite 103 Salinas CA 93901	CONTACT NAME: Alice Luef	
	PHONE (A/C, No, Ext): (831) 424-6404	FAX (A/C, No): (831) 424-0140
E-MAIL ADDRESS: alice-luef@leavitt.com		
INSURED Raymundo Villalba 151 Canterbury Drive #715 Aptos CA 95003	INSURER(S) AFFORDING COVERAGE	
	INSURER A: XL Specialty Insurance Company	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
INSURER F:		NAIC # 37885

COVERAGES **CERTIFICATE NUMBER:** 18-19 GL Master Cert **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Ship Repairers Legal	X	Y	XMA0000128	4/8/2018	4/8/2019	EACH OCCURRENCE \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO. JECT <input type="checkbox"/> LOC OTHER:						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Equipment Coverage \$ 10,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Certificate holder is listed as Additional Insured as respects to Marine General Liability and Ship Repairers Legal Liability for limits of \$1,000,000/2,000,000. Waiver of subrogation applied to Marine General Liability and Ship Repairers Legal Liability

CERTIFICATE HOLDER Santa Cruz Port District 135 5th Avenue Santa Cruz, CA 95062	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Alice Luef/ALLUEF 

© 1988-2014 ACORD CORPORATION. All rights reserved.

ACORD 25 (2014/01)
 INS025 (2014/01)

The ACORD name and logo are registered marks of ACORD

ENDORSEMENT #1

This endorsement, effective 12:01 a.m., 4/8/2018 forms a part of
Policy No. XMA0000128 issued to Raymundo Villalba
by XL Specialty Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED, LOSS PAYEE and WAIVER OF SUBROGATION CLAUSES (BLANKET)

This endorsement modifies insurance provided under the following:

Marine General Liability: General Conditions, 1. Persons Insured

- I. It is hereby understood and agreed that this Policy shall include as Additional Insured or Loss Payee, any person or organization to whom the Named Insured has agreed by written contract to provide coverage, but only with respect to operations performed by or on behalf of the Named Insured or to your premises or the premises that you use, and only with respect to occurrences subsequent to the making of such written contract.

When required by such written contract, this policy is primary insurance with respect to the interests of the Additional Insured, and the other insurance maintained by the Additional Insured is excess and not contributory with this policy.

Notwithstanding the above, it is further understood and agreed that wherever Additional Insured or Loss Payee are added to this policy it is specifically agreed:

- a. Such Additional Insured or Loss Payee are included only with respect to such activities insured by this policy as would exist in the absence of the naming of Additional Insured or Loss Payee and coverage hereunder shall in no way be considered extended by the inclusion of Additional Insured or Loss Payee.
 - b. The inclusion of Additional Insured or Loss Payee in no way increases the Limit of Liability hereunder.
 - c. In the event of cancellation or change in policy coverage unless specifically endorsed in writing to the contrary hereon, no obligation is imposed on this company to send notice of cancellation or change of coverage to an Additional Insured or Loss Payee and notice to the original named assured shall discharge all obligations of this company hereunder. This company shall not be required to notify Additional Insured or Loss Payee of any cancellation received from the original assured hereon.
2. Underwriters waive their rights of subrogation against any person or organizations to whom the Named Insured is obligated by written contract to provide such waiver, but only to the extent of such obligation and only with respect to operations performed by or on behalf of the Named Insured or to your premises or the premises that you use.

All other terms and conditions remain the same.

Dredge Intermediate Fund
 Updated Cost Estimate 5/4/18

<i>Dauntless</i>	FY19 Dredge Int Fund Budget	Current Cost Est	Description
Major overhaul: Regional or Bay Area Boatyard: Haul, sandblast, paint, zincs, A-frame fabrication, replace flooring - decking, fendering system	\$175,000	\$123,600	\$42,600 sandblast & paint; \$10,000 welding deck; \$14,000 fendering; A-Frame \$20,000; Zincs \$2,000; misc equipment (props/shafts \$15,000; steering rams \$10,000; and unanticipated misc \$10,000)
Skagit Winch	\$85,000	\$85,000	
Deck Lighting LED Wiring	\$5,000	\$5,000	
Welder / Generator	\$12,000	\$25,000	Upgrade equipment w/ svgs on overhaul
Total	\$277,000	\$238,600	Anticipated savings \$38,000