

ORDINANCE NUMBER O- 21028 (NEW SERIES)

DATE OF FINAL PASSAGE DEC 05 2018

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SAN DIEGO FOR AUTHORIZATION TO NEGOTIATE AND
EXECUTE A CONTRACT FOR AN OWNER-CONTROLLED
INSURANCE PROGRAM FOR THE NORTH CITY PURE
WATER PHASE 1 PROJECT.

WHEREAS, the Pure Water Program is a phased, multi-year program that uses proven technology to produce a safe, reliable and cost-effective water supply for the City. At full implementation in 2035, the Program will provide one-third (1/3) of San Diego's water supply locally and will reduce the City's ocean wastewater discharges by approximately one-half (1/2); and

WHEREAS, on April 10, 2018, the San Diego City Council approved the North City Pure Water Project – Phase I (Project), which included discretionary land use approvals and an Environmental Impact Report. The Project is comprised of several projects that will deliver 30 million gallons per day of purified water from the Morena Pump Station to the Miramar Reservoir; and

WHEREAS, Owner-Controlled Insurance Programs (OCIPs) have been utilized in many large public works programs. The key benefits of an OCIP are economies of scale, improved claims management and a uniform safety program, which in turn leads to savings. Coverage is consistent, and claims administration is centralized with one insurance provider for the entire program; and

WHEREAS, through the implementation of an OCIP, the City will furnish workers' compensation, general, excess, pollution liability, and builder's risk insurance associated with

the construction of Pure Water Phase 1. The insurance will cover the City, the prime contractors, and all subcontractors at all tiers; and

WHEREAS, the insurance contract will be a fifteen (15) year contract. The initial insurance coverage period will be for up to five years to cover the construction activities from Contractor Notice-To-Proceed (NTP) until Notice of Completion (NOC). At the NOC date, the Builder's Risk policy will end coverage. General Liability and Workers' Compensation will have an additional 10-year period starting at the NOC date to process claims. At the end of the 10-year "tail," the General Liability policy will end. The City will have the option to close all Workers' Compensation claims and buy out any future exposure to keep the Workers' Compensation policy from being in force in perpetuity; and

WHEREAS, the City intends to seek an OCIP carrier in compliance with all competitive bid requirements of the San Diego Municipal Code. Proposals will be evaluated based on qualifications, anticipated claims, anticipated losses, best apparent value, and cost; and

WHEREAS, the estimated cost for the OCIP is \$28,230,660;

WHEREAS, under Charter section 99, no contract, agreement or obligation extending for a period of more than five years may be authorized except by Ordinance approved by a two-thirds majority vote of the City Council; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That the Mayor, or his designee, is authorized to negotiate and execute, for and on behalf of the City, a contract for an Owner-Controlled Insurance Program for the Phase 1 Pure Water Program in an amount not to exceed \$28,230,660, contingent upon adoption of the Annual Appropriation Ordinance for the applicable fiscal year, and contingent upon the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for

expenditure are, or will be, on deposit with the City Treasury, under substantial the same the terms and conditions identified herein.

Section 2. That the Chief Financial Officer is authorized to expend the amount, in total, not to exceed \$28,230,660, estimated to be spent as:

- \$25,425,456 from CIP ALA.00001, Pure Water Program (B-15139, North City Pure Water Facility; B-15140, North City Pure Water Pump Station; B-15141, NC Morena Blvd Pump Station & Pipelines; B-15142, NCWRP Expansion; B-16035, North City Pure Water Pipeline; B-16140, NCPWF Influent Pump Station and Pipeline; B-17006, NC-MBC Improvements; B-17190, Miramar Reservoir Pump Station Improvements), Fund 700010, Water Utility CIP, and Fund 700009, Metro Sewer CIP;
- \$556,856 from CIP AKB.00003, Water Main Replacements (B-17153, AC Water Group 1038), Fund 700010, Water Utility CIP;
- \$782,082 from CIP S-16027, Morena Pipeline, Fund 700010, Water Utility CIP;
- \$702,807 from CIP S-17012, NCWRP Improvements to 30 MGD, Fund 700009, Metro Sewer CIP;
- \$731,921 from CIP S-17013, MBC Equipment Upgrades, Fund 700009, Metro Sewer CIP;
- \$31,538 from CIP S-00880, Miramar Road I-805 Easterly Ramps, Fund 400169, Transnet Extension 70% Cap, Fund 400174, Transnet Extension RTCI Fee, and Fund 400869, General Fund Commercial Paper Notes;

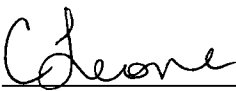
for the purpose of funding an Owner-Controlled Insurance Program for the Phase 1 Pure Water Program, contingent upon adoption of the Annual Appropriation Ordinance for the applicable fiscal year, and contingent upon the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasury. provided that the Chief Financial Officer furnishes one or more certificates demonstrating that the funds for this expenditure are, or will be, on deposit in the City Treasury.

Section 3. That the Chief Financial Officer is authorized, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves.

Section 4. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 5. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

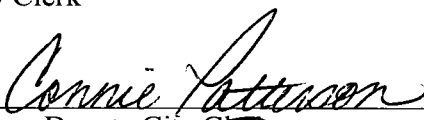
APPROVED: MARA W. ELLIOTT, City Attorney

By 
Christine M. Leone
Deputy City Attorney

CML:cw
10/23/18
Or.Dept: Public Utilities Department
CC No.: 2019-PW-01
Doc. No.: 1865947

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of DEC 04 2018.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 12/5/18
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

The City of San Diego
COMPTROLLER'S CERTIFICATE

CERTIFICATE OF UNALLOTTED BALANCE

ORIGINATING **CC** 2019-PW-1
 DEPT. NO. 2000

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: \$28,230,660.00

Purpose: To certify current and/or future funding availability for an Owner-Controlled Insurance Program associated with the delivery of the Pure Water Program based on ratepayer revenues; bond issuance authorization and capacity; as well as the anticipated and previously authorized receipt of low interest State loans. Individual Comptrollers Certificates will be issued at the time that contracts are executed.

Date: October 31, 2018

By: Caryn McGriff
 COMPTROLLER'S DEPARTMENT

| ACCOUNTING DATA | | | | | | | | | |
|---------------------|----------------|--------|--------------|-------------|-----------------|---------------|----------------------------|-------------------------------|------------------------|
| Doc. Item | Funded Program | Fund | Grant Number | G/L Account | Functional Area | Business Area | Fund Center or Cost Center | Internal Order or WBS Element | Original Amount |
| 1 | ALA00001 | 700009 | | | | | | | \$10,678,691.52 |
| 2 | ALA00001 | 700010 | | | | | | | \$14,746,764.48 |
| 3 | AKB00003 | 700010 | | | | | | | \$556,856.00 |
| 4 | S16027 | 700010 | | | | | | | \$782,082.00 |
| 5 | S17012 | 700009 | | | | | | | \$702,807.00 |
| 6 | S17013 | 700009 | | | | | | | \$731,921.00 |
| 7 | S00880 | 400080 | | | | | | | \$31,538.00 |
| TOTAL AMOUNT | | | | | | | | | \$28,230,660.00 |

FUND OVERRIDE

CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: _____

Vendor: _____

Purpose: _____

Date: _____

By: _____
 COMPTROLLER'S DEPARTMENT

| ACCOUNTING DATA | | | | | | | | | |
|---------------------|----------------|------|--------------|-------------|-----------------|---------------|----------------------------|-------------------------------|-----------------|
| Doc. Item | Funded Program | Fund | Grant Number | G/L Account | Functional Area | Business Area | Fund Center or Cost Center | Internal Order or WBS Element | Original Amount |
| | | | | | | | | | |
| TOTAL AMOUNT | | | | | | | | | |

FUND OVERRIDE

Passed by the Council of The City of San Diego on DEC 04 2018, by the following vote:

| Councilmembers | Yeas | Nays | Not Present | Recused |
|-----------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| Barbara Bry | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lorie Zapf | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Chris Ward | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Myrtle Cole | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Mark Kersey | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Chris Cate | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Scott Sherman | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| David Alvarez | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Georgette Gomez | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Date of final passage DEC 05 2018.

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Connie Patterson, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

NOV 15 2018, and on DEC 05 2018.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Connie Patterson, Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O- 21028