



OPERATIONS COMMITTEE

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Agenda Report

File #: 2023-3183

Agenda Date: 4/3/2024

Agenda Item No: 4.

FROM: Robert Thompson, General Manager
Originator: Mike Dorman, Director of Engineering

SUBJECT:

DIGESTER GAS COMPRESSOR DRYER REPLACEMENTS AT PLANT NO. 1 AND PLANT NO. 2, PROJECT NO. FE23-01

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Services Contract to Innovative Construction Solutions for Specification No. S-2023-1432BD Digester Gas Compressor Dryer Replacements at Plant No. 1 and Plant No. 2, Project No. FE23-01, for a total amount not to exceed \$5,942,500; and
- B. Approve a contingency of \$594,250 (10%).

BACKGROUND

Digester gas at Orange County Sanitation District (OC San) is collected from digesters and is compressed before being used as fuel for cogeneration. The digestion process creates a moisture-rich gas and when it is compressed, the water vapor is condensed. This condensed liquid water can result in damage to the cogeneration equipment. Moisture can be removed from the digester gas by cooling through either a refrigerated dryer system or a chilled water dryer system.

Plant No. 1 has one chilled water gas dryer and one refrigerated gas dryer system that run in parallel, and Plant No. 2 has two refrigerated gas dryer systems that run in parallel.

RELEVANT STANDARDS

- Comply with California Public Contract Code Section 20103.8, award construction contract to lowest responsive, responsible bidder
- Commitment to safety & reducing risk in all operations
- Maintain a proactive asset management program

PROBLEM

The refrigerated dryer system at Plant No. 1 has failed and is currently not in operation. The refrigerated dryer systems at Plant No. 2 are facing age and obsolescence issues, making them difficult to support and maintain.

PROPOSED SOLUTION

Approve a Services Contract for Specification No. S-2023-1432BD Digester Gas Compressor Dryer Replacements at Plant No. 1 and Plant No. 2, Project No. FE23-01. This project will demolish three existing refrigerated gas dryer systems and install new in-kind dryer systems.

TIMING CONCERNS

Plant No. 1 is operating without a redundant system. Delaying the replacement makes it difficult to shut down the chilled water dryer system for maintenance. Plant No. 2 is operating two dryers that are obsolete and failing.

RAMIFICATIONS OF NOT TAKING ACTION

If the digester gas cannot be dried, the digester gas would need to be flared instead of used as fuel to protect the cogeneration equipment from damage.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

OC San advertised Project No. FE23-01 for bids on November 29, 2023, and three (3) sealed bids were received on February 5, 2024. A summary of the bid opening follows:

Engineer's Estimate	\$ 6,250,000
<u>Bidder</u>	<u>Amount of Bid</u>
Innovative Construction Solutions	\$ 5,942,500
Kiewit Infrastructure West Co.	\$ 6,432,500
Air & Lube Systems, Inc	\$ 6,671,557

The bids were evaluated in accordance with the OC San's policies and procedures. A notice was sent to all bidders on February 8, 2024 informing them of the intent of OC San staff to recommend approval of the Services Contract to Innovative Construction Solutions.

Staff recommends approving a Services Contract to the lowest responsive and responsible bidder, Innovative Construction Solutions, for a total amount not to exceed \$5,942,500.

CEQA

The project is exempt from CEQA, and a Notice of Exemption will be filed with the OC Clerk-Recorder and State Clearing House after OC San Board of Directors approval of the Services Contract.

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget Update, Fiscal Year 2023-2024, Appendix A, Page 8, Small Construction Projects Program, Project No. M-FE) and the budget is sufficient for the recommended action.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Services Contract
- FE23-01 Supplemental Attachment

SA:tk