



OPERATIONS COMMITTEE

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Agenda Report

File #: 2021-1516

Agenda Date: 4/7/2021

Agenda Item No: 4.

FROM: James D. Herberg, General Manager
Originator: Kathy Millea, Director of Engineering

SUBJECT:

PLANT BOILER SYSTEM RELIEF AT PLANT NO. 2, PROJECT NO. FE18-15

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Plant Boiler System Relief at Plant No. 2, Project No. FE18-15;
- B. Award a Construction Contract to Mehta Mechanical Company, Inc., dba MMC, Inc. for a total amount not to exceed \$230,000; and
- C. Approve a contingency of \$34,500 (15%).

BACKGROUND

The anaerobic digesters at Plant No. 2 are used to biologically stabilize and reduce the solids produced by treating wastewater. Under normal circumstances, the heat required to maintain biological process in the anaerobic digesters is recovered from the Central Generation engines. When the engines or the heat recovery system are unavailable, two auxiliary steam boilers are used instead. These two boilers have an operating permit from the South Coast Air Quality Management District that requires emissions testing every six months whether the boilers are used or not.

RELEVANT STANDARDS

- Comply with environmental permit requirements
- Commitment to safety & reducing risk in all operations
- Comply with California Public Contract Code Section 20103.8, award Construction Contract to lowest responsive, responsible bidder

PROBLEM

Mandatory emissions testing for the auxiliary steam boilers requires the boilers to produce more steam than can be used, which requires the release of steam to the atmosphere. There is, however, no provision for the safe release of steam. To conduct the testing, staff opens a manual valve in the steam line in the tunnels. This creates a safety issue for the person opening and closing the valve

and releases a large amount of hot steam and high-pitched noise in the area.

PROPOSED SOLUTION

Award a construction contract for Plant Boiler System Relief at Plant No. 2, Project No. FE18-15. This project will install a new steam line to a steam separator on the roof of the boiler building where steam can be safely released into the atmosphere. The steam separator will also attenuate the noise of the released steam.

TIMING CONCERNS

Safety risks associated with the steam release to conduct the boiler emissions testing will continue until the work can be completed.

RAMIFICATIONS OF NOT TAKING ACTION

Safety risks associated with the steam release to conduct the boiler emissions testing will continue.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

The Orange County Sanitation District (OC San) advertised Project No. FE18-15 for bids on January 4, 2021 and two sealed bids were received on February 16, 2021. A summary of the bid opening follows:

Engineer's Estimate	\$ 120,000
<u>Bidder</u>	<u>Amount of Bid</u>
Mehta Mechanical Company, Inc., dba MMC, Inc.	\$ 230,000
ACCO Engineered Systems, Inc.	\$ 236,773

Only two bids were received, and they were nearly double the engineer's estimate. Given that OC San has received many bids on some recent small contracts, the reason that only two contractors submitted bids is not clear. The estimate had assumed a more favorable bid environment, both for construction and for materials. The project involves a significant amount of stainless steel piping, which may be subject to high price volatility given recent supply chain uncertainties. The closeness of the two bids suggests that the price represents the fair market value. Given the safety driver for this project, staff believes the project is still warranted even with the higher bid price.

The bids were evaluated in accordance with OC San policies and procedures. A notice was sent to all bidders on March 16, 2021 informing them of the intent of OC San staff to recommend award of the Construction Contract to Mehta Mechanical Company, Inc., dba MMC, Inc.

Staff recommends awarding a Construction Contract to the lowest responsive bidder, Mehta Mechanical Company, Inc., dba MMC, Inc., for a total amount not to exceed \$230,000.

CEQA

This project is exempt from CEQA under the Class 1 categorical exemptions set forth in California Code of Regulations Section 15301 because the project involves repairs, replacement, and or minor alteration of existing facilities involving no expansion of use or capacity. A Notice of Exemption was filed with the OC Clerk-Recorder on July 28, 2020.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Adopted Budget, Fiscal Years 2020-2021 and 2021-22, Section 8, Page 48, 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:

- Construction Contract

JM:DR:dm