



# OPERATIONS COMMITTEE

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## Agenda Report

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**File #:** 2022-2532

**Agenda Date:** 11/2/2022

**Agenda Item No:** 7.

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

**SUBJECT:**

**CENGEN COOLING WATER PIPE REPLACEMENT AT PLANT NO. 2, PROJECT NO. FE20-04**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Cengen Cooling Water Pipe Replacement at Plant No. 2, Project No. FE20-04;
- B. Award a Construction Contract to Innovative Construction Solutions, Inc. for Cengen Cooling Water Pipe Replacement at Plant No. 2, Project No. FE20-04, for a total amount not to exceed \$3,487,600; and
- C. Approve a contingency of \$348,760 (10%).

**BACKGROUND**

The Central Generation (CenGen) Facility at Orange County Sanitation (OC San) Plant No. 2 was constructed in the early 1990s to generate electricity using digester gas. During normal operating conditions, the CenGen Facility at Plant No. 2 supplies approximately 95% of the electricity at Plant No. 2. During a utility power outage, CenGen provides standby power to some of the treatment processes. CenGen is dependent on cooling water to operate.

**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

**PROBLEM**

The cooling water is highly corrosive and is causing the existing steel piping to develop leaks in the piping and in the pipe joints. Currently, the leaks are managed by OC San's Maintenance Division with short-term solutions such as replacing short pipe segments, installing clamps, or repairing various types of joints in different ways. With time, the leaks will increase in occurrence and size and will cause the overall piping to fail. If the cooling water piping fails, one or more engines will need to

be shut down depending on location of the failure, which will reduce power production. In addition, excess digester gas will need to be flared, which is a SCAQMD reportable incident.

### **PROPOSED SOLUTION**

Award a Construction Contract for Cengen Cooling Water Pipe Replacement at Plant No. 2, Project No. FE20-04. This project will replace the existing CenGen cooling water piping with fiberglass reinforced plastic piping.

### **TIMING CONCERNS**

The schedule driver for this project is to resolve the current leaks and to reduce the risk of pipeline failure. If delayed, the risk of the cooling water system failing will increase.

### **RAMIFICATIONS OF NOT TAKING ACTION**

There will continue to be a risk of a pipeline failure due to corrosion.

### **PRIOR COMMITTEE/BOARD ACTIONS**

N/A

### **ADDITIONAL INFORMATION**

OC San advertised Project No. FE20-04 for bids on August 16, 2022 and five sealed bids were received on October 5, 2022. A summary of the bid opening follows:

Engineer's Estimate	\$ 3,445,021
<u>Bidder</u>	<u>Amount of Bid</u>
Innovative Construction Solutions, Inc.	\$ 3,487,600
MMC Inc.	\$ 3,754,000
GSE Construction Company, Inc.	\$ 3,844,400
J.R. Filanc Construction	\$ 4,716,911
Shimmick Construction Company, Inc.	\$ 4,822,000

The bids were evaluated in accordance with the OC San's policies and procedures. A notice was sent to all bidders on October 11, 2022 informing them of the intent of OC San staff to recommend award of the Construction Contract to Innovative Construction Solutions, Inc.

Staff recommends awarding a Construction Contract to the lowest responsive and responsible bidder, Innovative Construction Solutions, Inc., for a total amount not to exceed \$3,487,600.

### **CEQA**

The project is exempt from CEQA under the Class 1 categorical exemptions set forth in California Code of Regulations Section 15301. A Notice of Exemption will be filed with the OC Clerk-Recorder after OC San Board of Directors approval of the construction contract.

## **FINANCIAL CONSIDERATIONS**

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Adopted Budget, Fiscal Years 2022-2023 and 2023-24, Section 8, Page 47, 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](http://www.ocsan.gov)) with the complete agenda package:*

- Construction Contract Agreement
- Presentation

EY:VP:tk