

Agenda Report

File #: 2019-632, **Version:** 2

FROM: James D. Herberg, General Manager
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SUBJECT:

HEADWORKS EXPLOSIVE GAS MONITORING SYSTEMS AT PLANT NOS. 1 AND 2, PROJECT NO. FE18-11

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Headworks Explosive Gas Monitoring Systems at Plant Nos. 1 and 2, Project No. FE18-11;
- B. Ratify withdrawal of low bid from RP Controls at its request due to an inadvertent bid error and omission made by RP Controls and its equipment supplier regarding the contract design requirements and return of its bid security as allowed under Public Contract Code §5100 et seq.;
- C. Award Construction Contract to Baker Electric, Inc. for Headworks Explosive Gas Monitoring Systems at Plant Nos. 1 and 2, Project No. FE18-11, for a total amount not to exceed \$223,984; and
- D. Approve a contingency of \$22,398 (10%).

BACKGROUND

Headworks facilities at Orange County Sanitation District (Sanitation District) Plant Nos. 1 and 2 remove large pieces of trash and debris that would otherwise damage downstream treatment equipment. On occasion, combustible gas or hydrocarbon vapor in the incoming wastewater accumulates in the Headworks building. These gases pose a danger to staff and facilities if their concentration exceeds their lower explosive limit.

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

Explosive gases can accumulate in the Headworks and would not be detected.

PROPOSED SOLUTION

Award a Construction Contract for Headworks Explosive Gas Monitoring Systems at Plant Nos. 1 and 2, Project No. FE18-11, to install explosive gas monitoring systems at each plant. This system will provide an early warning of a potential hazard, such as combustible liquid that may have been discharged into the collections system.

TIMING CONCERNS

The resolution of this risk will be delayed.

RAMIFICATIONS OF NOT TAKING ACTION

The risk of explosive gases not being detected will continue.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

The Sanitation District advertised for bids for Headworks Explosive Gas Monitoring Systems at Plant Nos. 1 and 2, Project No. FE18-11, on October 29, 2019 and November 5, 2019. Three sealed bids were received on December 18, 2019. A summary of the bid opening follows:

Engineer's Estimate	\$ 129,117
<u>Bidders</u>	<u>Amount of Bid</u>
RP Controls	\$ 152,000
Baker Electric, Inc.	\$ 223,984
Mehta Mechanical Company, Inc. dba MMC, Inc.	\$ 284,000

The low bidder, RP Controls, requested to withdraw its bid due to an inadvertent bid mistake and omission made by bidder and its equipment supplier regarding the design requirements for instrumentation panels. RP Controls initiated contact with the Sanitation District within four business days from the opening of the bids to voice its concern regarding a miscommunication it had with the supplier of the instrumentation panels for this project. Staff recommends withdrawal of RP Controls bid as allowed under Public Contracting Code §5100 et seq.

After the evaluation of the bids by the Evaluation Team, the second lowest bidder, Baker Electric, Inc., was deemed the lowest responsive, responsible bidder. The Contractor selection was conducted in accordance with the Sanitation District's adopted policies and procedures.

Sanitation District staff communicated with Baker Electric and analyzed its bid price relative to the Sanitation District's estimate and design requirements. The difference between the engineer's estimate and Baker Electric, Inc. is \$94,867. The cost difference is due to the following reasons:

1. Cost increases for electrical and instrumentation labor resulting from the latest labor negotiations with the labor unions which were not contemplated in the Sanitation District's original estimate.
2. Staff underestimated the costs for two control panels and associated commissioning costs.
3. Staff underestimated the costs for mechanical work and installation costs for the gas monitoring systems.

Staff recommends awarding a construction contract to Baker Electric, Inc. for Headworks Explosive Gas Monitoring Systems at Plant Nos. 1 and 2, Project No. FE18-11, for a total amount not to exceed \$223,984.

CEQA

The project is exempt from CEQA under the Class 1 and Class 3 categorical exemptions set forth in California Code of Regulations Sections 15301 and Section 15303. Section 15301 exempts from CEQA projects involving minor alteration of existing facilities and no expansion of use or capacity and Section 15303 exempts from CEQA installation of small new equipment and facilities in small structures. A Notice of Exemption will be filed with the OC Clerk-Recorder after the Sanitation District's Board of Directors approval of the construction contract.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This item has been budgeted (Budget Update, FY 2019-20, Appendix A, Page A-8, Small Construction Projects Program, Project M-FE) and the budget is sufficient for the recommended action.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Construction Contract

SP:dm