

Agenda Report

File #: 2020-1373, **Version:** 1

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

SUBJECT:

**PLANT WATER PIPELINE REPLACEMENT IN KINNISON, LINDSTROM, AND SCOTT TUNNELS
AT PLANT NO. 2, PROJECT NO. FE18-14**

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Receive and file Bid Tabulation and Recommendation for Plant Water Pipeline Replacement in Kinnison, Lindstrom, and Scott Tunnels at Plant No. 2, Project No. FE18-14;
- B. Receive and file Orange County Sanitation District's Notice of Intent to Award dated November 25, 2020;
- C. Receive and file Award Protest from J.F. Shea Construction, Inc. dated November 30, 2020, concerning the award to MMC Inc.;
- D. Receive and file response letter from MMC Inc. dated December 2, 2020, regarding the bid protest of J.F. Shea Construction, Inc.;
- E. Receive and file Orange County Sanitation District's determination letter dated December 7, 2020, to J.F. Shea Construction, Inc. responding to Award Protest;
- F. Deny Award Protest filed by J.F. Shea Construction, Inc.;
- G. Award a Construction Contract to MMC Inc. for Plant Water Pipeline Replacement in Kinnison, Lindstrom, and Scott Tunnels at Plant No. 2, Project No. FE18-14, for a total amount not to exceed \$1,134,000; and
- H. Approve a contingency of \$170,100 (15%).

BACKGROUND

Plant water is screened and chlorinated secondary effluent used wherever higher-quality potable water is not necessary, such as for washdown or cooling. Plant water is somewhat corrosive leading to corrosion in metallic pipes. Plant water pipelines, along with many other utilities, are often located in tunnels throughout the plants so that they can be readily accessed and maintained.

RELEVANT STANDARDS

- Comply with California Public Contract Code Section 20103.8, award Construction Contract to lowest responsive, responsible bidder
- Maintain a proactive asset management program

PROBLEM

Many of the plant water pipelines in the Kinnison, Lindstrom, and Scott Tunnels have been in place for decades and consist of pipes and appurtenances made from steel and ductile iron. The plant water system in these tunnels has a long history of leaks requiring emergency repair work.

PROPOSED SOLUTION

Award a Construction Contract for Plant Water Pipeline Replacement in Kinnison, Lindstrom, and Scott Tunnels at Plant No. 2, Project No. FE18-14. This project will replace approximately 2,500 feet of plant water pipes ranging from 4 to 10 inches in diameter.

Staff recommends awarding a Construction Contract contingency of 15% rather than the usual 10%. This project will be doing work in the same areas as other construction projects and the complexity of work in congested utility tunnels often involves higher than average change order rates.

TIMING CONCERNS

If this project is delayed, spot repairs would continue to be required on an emergency basis and outages could impact treatment processes that rely on plant water.

RAMIFICATIONS OF NOT TAKING ACTION

Not moving forward with this project could cause the high cost and disruptive nature of emergency leak repair to continue in these areas.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

The Orange County Sanitation District (Sanitation District) advertised Project No. FE18-14 for bids on September 10, 2020 and 10 bids were received on October 20, 2020. A summary of the bid opening follows:

Engineer's Estimate	\$1,300,000
<u>Bidder</u>	<u>Amount of Bid</u>
MMC Inc.	\$1,134,000

J.F. Shea Construction, Inc.	\$1,149,000
Innovative Construction Solutions	\$1,149,435
Shimmick Construction Company, Inc.	\$1,290,000
J.R. Filanc Construction	\$1,317,900
PCL Construction Inc.	\$1,385,742
Aid Builders	\$1,420,000
Myers & Sons Construction, LLC	\$1,459,459
Tharsos Inc.	\$1,576,000
Environmental Construction, Inc.	\$1,649,383

The bids were evaluated in accordance with the Sanitation District's policies and procedures. A notice was sent to all bidders on November 24, 2020 informing them of the intent of Sanitation District staff to recommend award of the construction contract to MMC Inc.

J.F. Shea Construction, Inc., the second low bidder, sent a formal protest of the award to the Sanitation District on November 30, 2020, alleging bid defects in the MMC Inc. bid due to the handling, removal, and disposal of asbestos containing material.

In consultation with Sanitation District General Counsel, the Sanitation District reviewed and responded to this protest. The protest does not merit a change to the award recommendation for the following reasons:

1. MMC Inc. intends to use a subcontractor, with the proper C-22 license, for the handling, removal, and disposal of asbestos containing material.
2. MMC Inc. provided supporting information for its intended subcontractor confirming that the value of the work that will be performed by its subcontractor is less than half a percent of the bid value and therefore did not have to be listed.
3. MMC certified that other portions of the work as required by the project specifications shall be performed by MMC's properly certified staff.

Staff recommends awarding a Construction Contract to the lowest responsive bidder, MMC Inc., for a total amount not to exceed \$1,134,000.

CEQA

The 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 will be filed with the OC Clerk-Recorder after the Sanitation District's Board of Directors approves the Construction Contract.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the Sanitation District'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
- Sanitation District's Notice to Intent to Award dated November 25, 2020
- Letter from J.F. Shea Construction, Inc. dated November 30, 2020
- Response Letter from MMC Inc. dated December 2, 2020
- Sanitation District's Determination Letter dated December 7, 2020

SS:dm:sa:gc