

Agenda Report

File #: 2022-2364, **Version:** 1

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

SUBJECT:

BUSHARD DIVERSION STRUCTURE REPAIR, PROJECT NO. MP-307

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Receive and file Bid Tabulation and Recommendation for Bushard Diversion Structure Repair, Project No. MP-307;
- B. Award a Construction Contract to Abhe & Svoboda, Inc. for Bushard Diversion Structure Repair, Project No. MP-307 for an amount not to exceed \$1,762,545; and
- C. Approve a contingency of \$176,255 (10%).

BACKGROUND

The Bushard Diversion Structure is a below-grade concrete structure in Bushard Street just north of the intersection with Ellis Avenue in the City of Fountain Valley. The structure is used to divert wastewater into Orange County Sanitation District's (OC San) Plant No. 1 that would otherwise flow to Plant No. 2 to make more flow available for recycling through the Groundwater Replenishment System. Staff can also use the structure to adjust the flow split between the two plants to facilitate planned maintenance. The structure includes two gates with modulating actuators to control how much flow is diverted to Plant No. 1. Due to the highly corrosive and potentially explosive gases in the structure, the motor actuators are self-contained and explosion proof.

RELEVANT STANDARDS

- Maintain a proactive asset management program
- Comply with California Public Contract Code Section 20103.8, award construction contract to lowest responsive, responsible bidder
- Meet volume and water quality needs for the GWRS

PROBLEM

The corrosive atmosphere within the Bushard Diversion Structure has damaged conduits, wiring, and hydraulic hoses for the two large valve actuators. As a result, one of the two valves is inoperable,

and the other can only be operated manually. Manual operation involves setting up traffic control, shutting down traffic lanes, opening the sewer, and performing a manned, confined-space entry. Entry during high flow rain events, when flow control is most important, is unsafe. Damage to concrete and the PVC liner has also been observed.

PROPOSED SOLUTION

Award a construction contract for Bushard Diversion Structure Repair, Project No. MP-307. This project will replace the valve actuators on both valves, eliminating the need to enter the structure when operating the valves. It will also repair areas where the concrete liner has failed.

TIMING CONCERNS

Failure of the valves during peak wet-weather flows could lead to flow obstructions and sewage spills requiring a complex entry under emergency conditions. One of the valves currently cannot be operated at all.

RAMIFICATIONS OF NOT TAKING ACTION

The reliable operation of the valves will remain compromised.

PRIOR COMMITTEE/BOARD ACTIONS

May 2020 - Received and filed Bid Tabulation and Recommendation for Bushard Diversion Structure Repair, Project No. MP-307 and rejected the bid received from Mehta Mechanical Company, Inc. and directed staff to reissue the contract for bids with changes made to prolong the life of the repairs.

ADDITIONAL INFORMATION

When similar repair work for this equipment was first bid in 2020, only one bid was received. OC San decided to reject that bid with the intent to rebid the job with some scope changes. For this bid package, OC San staff engaged with a contractor experienced in this type of work to obtain feedback on constructability and safety concerns.

OC San advertised Project No. MP-307R for bids on January 24, 2022. Due to concerns about bidder interest, staff contacted firms on the plan holder list to encourage them to bid. Based on that survey, staff expected two bids. On March 15, 2022 only one sealed bid was received. A summary of the bid opening follows:

Engineer's Estimate	\$ 1,200,000
<u>Bidder</u>	<u>Amount of Bid</u>
Abhe & Svoboda, Inc.	\$ 1,762,545

The one bid received is 50 percent higher than the engineer's estimate. Staff has reviewed the cost breakdown provided by Abhe & Svoboda, Inc. The bulk of the difference is attributed to traffic control, electrical work, and indirect costs such as overhead and profit. The traffic control and electrical cost difference indicate the contractor assumed much lower productivity rates. The

difference in indirect costs suggest ASI knew there was significant risk executing this work.

The project presents significant business and technical risks to any bidders. With these risks, along with the fact that virtually all the work requires specially trained staff to perform permit-required confined space entries, bidders are likely to focus their attention on more appealing opportunities. This is particularly true now when many agencies are advertising construction contracts.

The bids were evaluated in accordance with OC San's policies and procedures. A notice was sent to the bidder on May 9, 2022 informing the bidder of the intent of OC San staff to recommend award of the Construction Contract to Abhe & Svoboda, Inc.

Rejecting this bid would require a further modification of the scope of work. Rebidding would delay the needed repairs and likely would not attract more bidders or lower the cost. For this reason, staff recommends awarding a construction contract to the lowest responsive and responsible bidder, Abhe & Svoboda, Inc., for a total amount not to exceed \$1,762,545.

CEQA

The project is exempt from CEQA under both a categorical exemption and statutory exemption set forth in California Code of Regulation Section 15301 and the Public Resources Code section 21080.21. A Notice of Exemption will be filed with the OC Clerk-Recorder after OC San's Board of Directors award the construction contract.

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This recommendation would be funded under the Repairs and Maintenance line item for the Operations and Maintenance Department (Budget Update Fiscal Year 2021-22, Page 45) and the available funding is sufficient for this 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
- Presentation

SS: jw