



## Agenda Report

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**FROM:** Robert Thompson, General Manager  
Originator: Mike Dorman, Director of Engineering

**SUBJECT:**

**EPSA STANDBY POWER GENERATOR CONTROL UPGRADES AT PLANT NO. 2, PROJECT NO. SC19-06**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for EPSA Standby Power Generator Control Upgrades at Plant No. 2, Project No. SC19-06;
- B. Award a Construction Contract to Shimmick Construction Company, Inc. for EPSA Standby Power Generator Control Upgrades at Plant No. 2, Project No. SC19-06, for a total amount not to exceed \$3,500,000; and
- C. Approve a contingency of \$350,000 (10%).

**BACKGROUND**

Orange County Sanitation District (OC San) uses the OOBs and the Effluent Pump Station Annex (EPSA) to pump treated effluent from Plant No. 2 to the ocean through the outfall. In 2008, OC San completed construction of the EPSA Standby Power Facility which contains three 2-megawatt (MW) diesel generators connected to a paralleling 12.47kV switchgear. The EPSA Standby Power Facility supplies emergency backup power to the OOBs and EPSA. There is an ongoing construction contract, J-117B, that is adding a fourth new 2MW diesel generator to the EPSA Standby Power Facility.

**RELEVANT STANDARDS**

- Comply with California Public Contract Code Section 20103.8, award construction contract to lowest responsive, responsible bidder
- Protect OC San assets

**PROBLEM**

The protection, control, and monitoring equipment in the EPSA Standby Power Facility is obsolete. These components consist of the generator and feeder protection relays, the digital synchronizer

load controllers, generator operator interface panel, voltage regulators, and power monitors. After a recent failure of one of the components, OC San identified that finding replacement parts to restore system functionality was extremely challenging due to obsolescence.

### **PROPOSED SOLUTION**

Award a construction contract for EPSA Standby Power Generator Control Upgrades at Plant No. 2, Project No. SC19-06. This project will replace existing obsolete components in the EPSA Standby Power Facility.

### **TIMING CONCERNS**

Failure of the EPSA Standby Power Facility will limit OC San’s ability to operate the OOBS and EPSA in the event of a loss of power from Southern California Edison and the Central Generation Facility. The components are obsolete and need to be replaced before further failure.

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

If an obsolete component fails, all or a portion of the standby generation system may not operate, resulting in the loss of the standby backup power for the OOBS and EPSA.

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

N/A

### **ADDITIONAL INFORMATION**

OC San advertised Project No. SC19-06 for bids on March 28, 2023 and two sealed bids were received on July 19, 2023. A summary of the bid opening follows:

Engineer’s Estimate	\$ 2,394,000
<u>Bidder</u>	<u>Amount of Bid</u>
Shimmick Construction Company, Inc.	\$ 3,500,000
LEED Electric, Inc.	\$ 3,657,000

The bids were evaluated in accordance with OC San’s policies and procedures. The un-escalated engineer’s estimate of \$2,252,143 was published in the bid documents. The escalated engineer’s estimate is included above. OC San staff met with the Contractor since the bids exceeded the Engineer’s Estimate. After meeting with Contractor to review the cost estimate, staff determined that the Engineer’s Estimate underestimated the indirect costs, project and bidding risks, and complexity of the commissioning phase. The cost of labor and materials on several items did not properly reflect the current labor market shortage and the resultant cost escalation due to that shortage, as well as continued escalation on material costs and continued material supply chain issues.

A notice was sent to all bidders on August 2, 2023, informing them of the intent of OC San staff to recommend award of the Construction Contract to Shimmick Construction Company, Inc.

Staff recommends awarding a Construction Contract to the lowest responsive and responsible bidder, Shimmick Construction Company, Inc., for a total amount not to exceed \$3,500,000.

## **CEQA**

The project is exempt from CEQA under the Class 1 categorical exemptions set forth in California Code of Regulations Section 15301 and 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 (Budget Update, Fiscal Year 2023-2024, Appendix A, Page 8, Operations & Maintenance Capital Program, Project No. M-SM-CAP) 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
- Presentation

VP:tk