



Agenda Report

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FROM: Robert Thompson, General Manager
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SUBJECT:

LIQUID OXYGEN TANK B REPLACEMENT AT PLANT NO. 2, PROJECT NO. FE22-02

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Services Contract with J.R. Filanc Construction Company, Inc. to provide the Liquid Oxygen Tank B Replacement at Plant No. 2 (FE22-02), Specification No. S-2023-1426BD, for a total amount not to exceed \$3,098,000; and
- B. Approve a contingency in the amount of \$309,800 (10%).

BACKGROUND

The first step in the activated sludge secondary treatment process at Orange County Sanitation District's (OC San) Plant No. 2 requires the injection of liquid oxygen (LOX) into the reactors. LOX is delivered by truck and stored in two 40,000-gallon pressurized vessels, Tank A and Tank B, which were installed in 1977. Tank A failed in 2018 and repair attempts were unsuccessful. Tank A is in the process of being replaced with completion anticipated in the third quarter of 2024.

RELEVANT STANDARDS

- Sustain 1, 5, 20-year planning horizons
- Maintain a proactive asset management program
- 24/7/365 treatment plant reliability

PROBLEM

Tank B has reached the end of its useful life and needs to be replaced to provide a reliable and redundant LOX storage system. Having two working 40,000-gallon tanks provides backup LOX storage, maintains operation when one tank or its associated equipment is out of service due to failure or maintenance, and makes OC San less vulnerable and reliant on more frequent LOX deliveries when it is difficult to get oxygen, like during the recent pandemic. Each LOX tank has six days of storage capacity. If OC San was not able to get LOX, there would be a loss of secondary treatment capacity at the Plant No. 2 activated sludge facility for non-reclaimable wastewater, requiring OC San to combine the non-reclaimable and reclaimable flows, thus reducing the total

reclaimable flow available for the OCWD. A trailer-mounted 9,000-gallon tank is currently on-site to serve as a backup until Tank A is back in service. This tank has approximately one day of storage capacity.

PROPOSED SOLUTION

Approve a Services Contract for Liquid Oxygen Tank B Replacement at Plant No. 2 (FE22-02), Specification No. S-2023-1426BD. This project will replace the LOX Tank B with a new one of similar size and function and will utilize the same design, build, and commission procurement process used for LOX Tank A to cost-effectively and timely replace the tank.

TIMING CONCERNS

Delaying this action means OC San will continue to be vulnerable to the loss of the activated sludge secondary process at Plant No. 2 if LOX deliveries are interrupted.

RAMIFICATIONS OF NOT TAKING ACTION

By not replacing Tank B, the LOX storage and feed system will continue to only have one full-size storage tank and will not have the redundancy necessary to maintain reliable non-reclaimable secondary treatment.

PRIOR COMMITTEE/BOARD ACTIONS

December 2022 - Board approved a General Services Contract with J.R. Filanc Construction Company, Inc. to provide the Liquid Oxygen Tank A Replacement at Plant No. 2 (FE21-07), Specification No. S-2022-1345BD for a total amount not to exceed \$2,608,007; and approved a contingency in the amount of \$260,801 (10%).

ADDITIONAL INFORMATION

Contractor Selection:

OC San requested and advertised proposals for Liquid Oxygen Tank B Replacement at Plant No. 2 (FE22-02), Specification No. S-2023-1426BD on October 10, 2023. The following evaluation criteria were described in the RFP and used to determine the most qualified Contractor:

CRITERION	WEIGHT
Qualifications & Experience of Firm	30%
Proposed Staffing & Project Organization	20%
Work Plan	20%
Cost	30%

Two proposals were received on November 13, 2023, and evaluated in accordance with the evaluation process set forth in OC San's Purchasing Ordinance by a pre-selected Evaluation Team consisting of the following OC San staff: an Engineering Supervisor, a Maintenance Supervisor, and

a Senior Engineer. The Evaluation Team also included one non-voting representative from the Purchasing Administration Division and a technical advisor.

Proposals were accompanied by sealed fee proposals. The fee score was calculated based on proposal price with the low price getting full score (i.e. low price/proposal price x 30% weight). The Evaluation Team scored the proposals on the evaluation criteria as summarized in the table below:

	Firm	Qual. & Experience (Max 30%)	Staffing & Organization (Max 20%)	Work Plan (Max 20%)	Cost (Max 30%)	Total Weighted Score (Max 100%)
1	J.R. Filanc Construction Company, Inc.	28%	16%	16%	27%	87%
2	Innovative Construction Solutions (ICS)	23%	16%	14%	30%	83%

Best and Final Offer:

Both firms were requested to submit a Best and Final Offer (BAFO) by December 20, 2023. Both firms submitted a BAFO on the date identified above, and the results are shown in the table below. The BAFO fees did not result in any adjustment of the Cost criterion. Following the BAFO, the Evaluation Team ranked the firms based on the proposals, clarifications, and BAFOs using the evaluation criteria and weighting listed above.

	Firm	Original Cost	BAFO
1	J.R. Filanc Construction Company, Inc.	\$3,098,000	\$3,098,000
2	Innovative Construction Solutions (ICS)	\$2,800,000	\$2,746,250

	Firm	Subtotal Score without cost (Max 70%)	Cost (Max 30%)	Total Weighted Score (Max 100%)
1	J.R. Filanc Construction Company, Inc.	60%	27%	87%
2	Innovative Construction Solutions (ICS)	53%	30%	83%

Based on the scoring shown above, J.R. Filanc Construction Company, Inc. was selected as the most qualified Contractor. J.R. Filanc Construction Company, Inc. has good project qualifications and experience and displayed a strong, comprehensive knowledge of the specific type of work

required for completion of the work. J.R. Filanc Construction Company, Inc. was previously awarded the contract to replace LOX Tank A.

Furthermore, staff has determined that the final fee is fair and reasonable for the level of effort required for this project and recommends approval of the Services Contract to J.R. Filanc Construction Company, Inc.

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 Service 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 2023-24, Appendix A, Page 8, 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:

- Supplemental Attachment
- Services Contract

SS:tk