

Agenda Report

File #: 2019-628, **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: Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Bushard Diversion Structure Repair, Project No. MP-307; and
- B. Reject the bid from Mehta Mechanical Company, Inc. and direct staff to reissue the contract for bids with changes made to prolong the life of the repairs.

BACKGROUND

The Bushard Diversion Structure is a below-grade concrete structure in the intersection of Bushard Street and Ellis Avenue in the City of Fountain Valley. The structure is used to divert wastewater into Plant No. 1 that would otherwise flow to Plant No. 2 to make more flow available for recycling through the Groundwater Replenishment System.

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 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. Damage to concrete and the PVC liner has also been observed.

When bids were due on January 28, 2020, only a single bid was received, and that bid was 44 percent higher than the Engineer's estimate. The significantly higher cost and single bid prompted

staff to reconsider the previous decision to rebuild rather than replace the two large valve actuators. Replacing the actuators would prolong the life of the facility compared to rebuilding them.

PROPOSED SOLUTION

Reject the bid received for Bushard Diversion Structure Repair, Project No. MP-307, and reissue the Invitation to Bids to include replacement of the two actuators. To avoid delays, staff would separately procure the valve actuators so that they would be ready for the contractor to install and shorten the construction duration.

TIMING CONCERNS

Failure of valves during high, wet-weather flows could lead to flow obstructions and sewage spills requiring a complex entry under emergency conditions. Staff is currently procuring parts to allow the failed actuator to be manually operated until the project can be completed.

RAMIFICATIONS OF NOT TAKING ACTION

The reliable operation of the valves will remain compromised.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

The Orange County Sanitation District (Sanitation District) advertised Bushard Diversion Structure Repair, Project No. MP-307, for bids on November 12, 2019. A single, sealed bid was received on January 28, 2020.

Engineer's Estimate	\$661,000
---------------------	-----------

<u>Bidder</u>	<u>Amount of Bid</u>
Mehta Mechanical Company, Inc. dba MMC, Inc.	\$954,500

Sanitation District staff communicated with MMC and analyzed its bid price relative to the Sanitation District's estimate and design requirements. The difference between the Engineer's estimate and MMC is \$293,500. The cost difference is due to the following reasons:

1. Higher hourly costs for electrical and instrumentation labor.
2. The single vendor for the PVC liner went out of business during the bid period. An alternative material was specified in an addendum, but the change increased the cost.
3. The bidder indicated that \$90,000 was included in the bid to account for perceived risks relating to traffic control and confined space entry.

Based on attendance at two prebid conferences, staff had expected two bids. One likely reason for the lack of interest is the difficult nature of the work with traffic control in a busy intersection and confined-space entries. Another factor may have been the Thanksgiving, Christmas, and New Year's holidays that occurred during the bid period. Staff believes that a requirement for the contractor to remove a large and complex valve actuator, ship it to the East Coast for rebuilding, and reinstall before the work could be completed put a schedule risk on the contractor that could not effectively be managed.

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 because the project is less than one mile in length within a public right-of-way for the maintenance of an existing pipeline. A Notice of Exemption will be filed with the OC Clerk-Recorder after the Sanitation District's Board of Directors award of the construction contract.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This item has been budgeted in the FY19/20 Budget Update, Operations and Maintenance (Line Item: Repairs and Maintenance, Page 47) 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:

N/A

SS:dm