Agenda Item #6.2
For Board Meeting of: November 1, 2018

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: TETYANA MOKVYTS, ASSOCIATE CIVIL ENGINEER
CAPITAL PROJECTS ENGINEERING

SUBJECT: CONTRACT AWARD – LAGUNA TREATMENT PLANT DIGESTER GAS CONDITIONING IMPROVEMENTS

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department and the Water Department that the Board of Public Utilities, by motion, approve the project and award Construction Contract No. C02101, Laguna Treatment Plant Digester Gas Conditioning Improvements in the amount of $968,000.00 to the lowest responsive bidder, Pacific Infrastructure Corporation, of Pleasanton, California, for Laguna Treatment Plant Digester Gas Conditioning Improvements, approve a 15% contingency, and authorize a total contract amount of $1,113,200.00.

EXECUTIVE SUMMARY

This motion will award a construction contract in the amount of $968,000.00 to the lowest responsive bidder, Pacific Infrastructure Corporation, of Pleasanton, California, approve a 15% contract contingency, and authorize a total contract amount of $1,113,200.00, to Contract No. C02101, Laguna Treatment Plant Digester Gas Conditioning Improvements.

BACKGROUND

These proposed actions will allow the City to complete construction of the Laguna Treatment Plant (LTP) Digester Gas Conditioning Improvements project. The plant currently utilizes digester gas production and a small amount of natural gas to generate operational power for the LTP via the Combined Heat and Power (CHP) facility engines. These improvements would enable the City to continuously operate one or two of the four engines in the facility at full load while fully utilizing all digester gas production while also operating within the allowable natural gas usage mandated by air permitting requirements. These modifications will maximize electric power generation and operational flexibility for the CHP facility.

The project includes the following elements:

1. Installation of new Siloxane Removal Vessel, associated piping, and process components.

2. Installation of two new Aftercooler Heat Exchangers (Duty/Standby), associated pads, piping, and process components.

3. Relocation of existing Particulate Filters to make room for the new Siloxane Removal Vessel.

4. Replacement of the Glycol Pumps.

5. Relocation of the Digester Gas Pressure Regulating Valve.

6. Installation of new Digester Gas Bypass piping to be routed to the existing Waste Gas Burner.

7. Modification of Engine Fuel System in the CHP Building in preparation for future addition of Selective Catalytic Reduction (SCR) units.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

Not applicable

ANALYSIS

This project was advertised on August 23, 2018, and bids were received on September 12, 2018. A total of one (1) bid was received in the amount of $968,000.00. The low bid was approximately 69.82% above the Engineer's Estimate of $570,000.00.

The significant difference between the low bid and the engineer's estimate is attributable to the current Santa Rosa and greater Bay Area bid climate, as well as the size of the project. The current economy, overall development, and fire relief have made contractors extremely busy. As a result, bid prices are increasing unpredictably. The relatively small size of this project, coupled with a busy industry, resulted in only two contractors attending the bid walk. Ultimately, only one contractor issued a bid.

The award of this project is essential for overall cost savings and protection of the SCR units against contamination from digester gas which can result in gas flaring and air permit violations. This project is critical as it is integral to the completion of the Laguna Treatment Plant Microgrid Demonstration project which is anticipated for completion in fall of 2018.

The low bidder, Pacific Infrastructure Corporation, of Pleasanton, California, possesses a valid contractor's license of the required class, as verified by the Contractor's State

License Board, and is registered with the State Department of Industrial Relations (DIR). The contract agreement has been reviewed and approved by the City Attorney.

Construction is anticipated to begin in November 2018 and be complete in June 2019.

Plans, specifications, plan holders' lists and the bid detail can be found at: **www.srcity.org/bids**

FISCAL IMPACT

Funds for this project were appropriated in the fiscal year 2017-18, Subregional budget. Additional funds were transferred from the Subregional contingency funds.

ENVIRONMENTAL IMPACT

This action is categorically exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline Title 14, Chapter 3, Article 19, Sections 15301 and 15303 of CEQA, as the Project consists of a minor alteration of an existing public sewerage facility and the improvements are all located within the developed area of the Laguna Treatment Plant.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

None.

ATTACHMENTS

- Attachment 1 – Summary of Bids
- Attachment 2 – Location Map

CONTACT

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