

CITY OF SANTA ROSA  
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES

FROM: CHRIS BALANESI, ASSOCIATE CIVIL ENGINEER  
CAPITAL PROJECTS ENGINEERING  
TRANSPORTATION & PUBLIC WORKS DEPARTMENT

SUBJECT: CONTRACT AWARD – LAGUNA TREATMENT PLANT FILTER  
CELLS 9-14 VALVE AND ACTUATOR REPLACEMENT PROJECT

AGENDA ACTION: MOTION

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RECOMMENDATION

It is recommended by Santa Rosa Water and the Transportation and Public Works Department that the Board of Public Utilities, by motion, award Contract No. C02096, Laguna Treatment Plant Filter Cells 9-14 Valve and Actuator Replacement, in the amount of \$2,674,200 to the lowest responsible bidder, TNT Industrial Contractors, Inc. of Sacramento, CA, approve a 12% contract contingency, and authorize a total contract amount of \$2,995,104.

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EXECUTIVE SUMMARY

This motion will award Contract No. C02096, Laguna Treatment Plant Filter Cells 9-14 Valve and Actuator Replacement. The Laguna Treatment Plant Filter Cells 9-14 Valve and Actuator Replacement Project (Project) will replace twenty-four (24) 24" and six (6) 8" existing butterfly valves and associated valve actuators that have reached the end of their useful life.

BACKGROUND

The filter valves and actuators critical to the Laguna Treatment Plant filter cells 9 through 14 are subject to operational problems during cold weather, are considered obsolete, and have reached the practical limit of their useful life. The filter facility is a component of the tertiary treatment process and was constructed in two separate phases. The original construction of filter cells 1 through 8 was completed in 1989, followed by the completion of filter cells 9 through 14 in 1994. Replacement and rehabilitation of filter cells 1 through

CONTRACT AWARD – LAGUNA TREATMENT PLANT FILTER CELLS 9-14 VALVE  
AND ACTUATOR REPLACEMENT PROJECT  
PAGE 2 OF 4

8 were refurbished under construction contract No. C01829 in 2016. This Project replaces the remaining valves and actuators serving filter cells, 9 through 14.

The proposed Project will replace twenty-four (24) 24" and six (6) 8" existing filter valves with new Henry Pratt type butterfly valves and associated valve actuators.

PRIOR BOARD REVIEW

On September 21, 2023, the Board of Public Utilities approved Resolution No. 1327, a sole source contract specification for Henry Pratt Company Valves and K-Tork Valve Actuators for this project.

ANALYSIS

The replacement of the filter valves and actuators will greatly improve the function and reliability of the filter cell system and reduce operational problems.

Due to a long material procurement schedule and operational constraints at the Laguna Treatment Plant, construction is anticipated to occur in the work season of 2025.

The Project was advertised on January 19, 2024, and bids were received on March 13, 2024. A total of four (4) bids were received, ranging from \$2,674,200 to \$3,414,000. The low bid was 64.4% over the Engineer's estimate.

The low bidder, TNT Industrial Contractors, Inc., 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 project is subject to a Community Workforce Project Labor Agreement (PLA) entered into between the City, the North Bay Building, Construction Trades Council, its affiliated local Unions, and the contractors and subcontractors that perform work on this project. The contract has been reviewed and approved by the City Attorney.

A total of thirteen (13) prime contractors registered to bid on the project. Four (4) contractors submitted bids with one (1) considered a local contractor.

Three (3) of the four (4) bids were within ten (10) percent of each other indicating that the costs are consistent with current pricing.

Staff has identified the following potential factors for the large disparity between the Engineer's Estimate and the lowest bidder:

- a. Inadvertently, the estimate was not updated over thirteen (13) months before advertising the project. Thus, any construction cost inflation that

CONTRACT AWARD – LAGUNA TREATMENT PLANT FILTER CELLS 9-14 VALVE  
AND ACTUATOR REPLACEMENT PROJECT  
PAGE 3 OF 4

occurred within that period was not accounted for in the estimate at the time of bid opening.

- Original Engineer's Estimate (12/2022): \$1,627,000
  - Escalated estimate with 7% inflation factor (12/2023): \$1,740,355
  - Escalated estimate with 7% inflation factor (12/2024): \$1,862,180
- b. The project involves a long lead time and schedule for procurement of material. The bids received may have reflected additional cost inflation during the procurement process not otherwise accounted for in the estimate.
- c. The estimate did not account for any cost factors associated with the PLA contract requirements.

Staff cannot say with absolute certainty if the cost disparity of the Engineer's Estimate is due to just one previously listed factor or a partial combination of all the listed factors.

#### FISCAL IMPACT

Approval of this contract has no additional impact on the budget. Funds for this project were previously appropriated in Santa Rosa Water's Capital Improvement Program Budget.

#### ENVIRONMENTAL IMPACT

This contract award is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and no further environmental review is required. Further, the replacement of the existing filter valves and associated valve actuators has been determined to be exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301(b and d) and Section 15302(c) because the project consists of the minor alteration of existing public facilities involving negligible or no expansion of the existing use.

#### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

#### ATTACHMENTS

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

CONTRACT AWARD – LAGUNA TREATMENT PLANT FILTER CELLS 9-14 VALVE  
AND ACTUATOR REPLACEMENT PROJECT  
PAGE 4 OF 4

CONTACT

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