

AGENDA ITEM NO. 1 A

COUNCIL MEETING 6/9/2011

APPROVED BY



DEPARTMENT DIRECTOR

CITY MANAGER

June 9, 2011

**FROM:** PATRICK N. WIEMILLER, Director  
Department of Public Utilities

**BY:** STEPHEN A. HOGG, Assistant Director   
Department of Public Utilities – Wastewater Management Division

**SUBJECT:** ADOPT A FINDING OF CLASS 1 AND 2 CATEGORICAL EXEMPTIONS, PURSUANT TO SECTION 15301 (D) (EXISTING FACILITIES) AND 15302 (C) (REPLACEMENT OR RECONSTRUCTION) OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT GUIDELINES FOR THE HEADWORKS MAKEUP AIR HANDLER REPLACEMENT PROJECT AND AWARD A \$166,095 CONTRACT TO NEW ENGLAND SHEET METAL, OF FRESNO, CALIFORNIA (BID FILE 3003) (COUNCIL DISTRICT NO. 3)

## RECOMMENDATIONS

Staff recommends the City Council:

1. Adopt a finding of Class 1 and 2 Categorical Exemptions, pursuant to Section 15301 (d) (Existing Facilities) and 15302 (c) (Replacement or Reconstruction) of the California Environmental Quality Act (CEQA) Guidelines for the Headworks Air Handler Replacement Project.
2. Award a contract in the amount of \$166,095 to New England Sheet Metal, of Fresno, California for the Headworks Makeup Air Handler Replacement.

## EXECUTIVE SUMMARY

The Department of Public Utilities Wastewater Management Division is seeking to award a construction contract for the replacement of the Headworks Makeup Air Handler (MAU) number three. Staff recommends that the City Council adopt a finding of Class 1 and 2 Categorical Exemptions; pursuant to Section 15301(d) and 15302(c) of the CEQA Guidelines and award a contract in the amount of \$166,095 to New England Sheet Metal of Fresno, California, as the lowest responsive and responsible bidder.

## BACKGROUND

The Fresno-Clovis Regional Wastewater Reclamation Facility (RWRF) Headworks building processes up to 80 million gallons of wastewater each day. The Headworks building was originally constructed in the 1996. Since construction 15 years ago the building's MAU number three has been in operation 24 hours a day seven days a week. This MAU is a critical piece of equipment in the safe and continued operation of the Headworks building. The MAU provides 63,710 cubic feet of outside air per minute, which replaces the air being exhausted from inside the buildings screening/grit removal room. If the air in this room is not exhausted and replaced by the MAU dangerous levels of hydrogen sulfide gasses will be generated and concentrate. Hydrogen sulfide gas is toxic to humans in extremely low concentrations. It is critical to plant safety that the makeup air system functions properly and reliably. In addition to hydrogen sulfides, the sewer gasses are corrosive and cause premature equipment failure.

MAU number three has experienced severe corrosion to the fan motor and cooling coils. This corrosion is a direct result of the environment in which the MAU is operating. As a result of this corrosion the MAU is nearing the end of its useful life. The restoration of the makeup air systems capacity will continue to ensure maximum protection for other equipment housed in the Headworks building. In addition to the safety and corrosion protection issues, the MAU and its motors are over 15 years old and show signs of reduced efficiencies. The new MAU will have a higher efficiency motor. Replacement of the air handler will reduce the static pressure drop through the MAU helping to reduce the energy consumption of the MAU.

Plans and specifications were prepared for the project. The City Attorney has previously reviewed the specifications and contracts, and approved them as to form. A Notice Inviting Bids was published on April 11, 2011 and posted on the City's website. The specifications were downloaded by seventeen prospective bidders, and posted at nine Builders Exchanges. Four sealed bid proposals were received and publicly opened on May 12, 2011. The bid proposals ranged from \$166,095 to \$202,075.

New England Sheet Metal was the lowest responsive bidder with a submitted bid of \$166,095. Staff determination was posted on the City website on May 24, 2011. Staff recommends that the City Council award a contract in the amount of \$166,095 to New England Sheet Metal as the lowest responsive and responsible bidder with a bid price that is 7% above the Engineer's Estimate of \$155,000. Also after the last cost estimate some minor changes were made to the specification to increase the internal corrosion protection of the MAU.

The Council may award a contract in the amount of \$166,095 to New England Sheet Metal and the project will be completed within 90 working days from the date of the Notice to Proceed.

The Council may reject all bids. If all bids are rejected, the project will be rebid resulting in a delay of approximately 100 days. This project was budgeted in Fiscal Year (FY) 2011. If all bids are rejected an Annual Appropriations Resolution would be required in FY 2012.

## **ENVIRONMENTAL FINDINGS**

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within Class 1 and 2 Categorical Exemptions set forth in CEQA Guidelines, Section 15301(d) (Existing Facilities) and 15302 (c) (Replacement or Reconstruction) due to the nature of this contract involving maintenance, repair and rehabilitation of existing public wastewater facilities and structures.

## **FISCAL IMPACT**

The project is identified in the five year Capital Improvement Plan and included in the adopted five year rate plan. Funds in the amount of \$185,000 for the project are budgeted in the 2011 Sewer Enterprise Fund No. 40501.

### **Attachments**

- Bid Evaluation
- Fiscal Impact Statement
- Vicinity Map

**EVALUATION OF BID PROPOSALS**

FOR: HEADWORKS MAKEUP AIR HANDLER #3 REPLACEMENT

Bid File No. 3003  
Bid Opening: 5/12/11

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<b>BIDDER'S</b>	<b>TOTAL NET BID AMOUNT</b>
1. New England Sheet Metal 2731 S. Cherry Avenue Fresno CA 93706	\$166,095.00
2. Patton Air Conditioning 272 N. Palm Fresno CA 93701	\$168,004.00
3. Strategic Mechanical, Inc. 4661 E. Commerce Avenue Fresno CA 93725	\$182,250.00
4. Lyles Mechanical Co. P. O. BOX 4287 Fresno CA 93744	\$202,750.00

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Each bidder has agreed to allow the City sixty-four (64) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, June 1, 2011 5:00 P.M.

The Engineer's Estimate for this expenditure is \$155,000. The contract price is 7% above the Engineer's Estimate. If the overage is greater than 10% or only one bid was received, give explanation:

**BACKGROUND OF PROJECT**

The Fresno-Clovis Regional Wastewater Reclamation Facility (RWRF) utilizes a Headworks building which processes up to 80 million gallons of wastewater each day. The Headworks building was originally constructed in the 1990's. Since the time of construction the building's roof has suffered major failures causing damage to some of the equipment housed within. As a result of the roof damage Makeup Air (MAU) number three has developed some corrosion to its metal enclosure. In addition the internal components including the drive motor and cooling coils are nearing the end of their useful life and must be replaced. This MAU is a critical piece of equipment in the proper safe and continuing operation of the Headworks building. The MAU provides 63,710 cubic feet of outside air per minute, which replaces the air being exhausted from the buildings screening and grit removal room. If the air in this room is not exhausted and replaced dangerous levels of hydrogen sulfide gasses may be generated and accumulated. Hydrogen sulfide gas is toxic to humans in extremely low concentrations. It is critical to plant safety that the makeup air system functions properly and reliably. In addition to hydrogen sulfides the sewer gasses are corrosive and cause premature equipment failure. The restoration of the makeup air systems capacity will continue to ensure maximum protection for other equipment housed in the Headworks building. In addition to the safety and corrosion protection issues the MAU and it's motors are over 15 years old and show signs of reduced efficiencies. The replacement of the air handler will improve both motor efficiencies and cooling electrical costs.

**EVALUATION OF BID PROPOSALS**

FOR: HEADWORKS MAKEUP AIR HANDLER #3 REPLACEMENT

Bid File No. 3003  
Bid Opening: 5/12/11

**DEPARTMENT CONCLUSIONS AND RECOMMENDATION:**

Award a contract in the amount of \$166,095  
to New England Sheet Metal  
as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Department Head Approval



Title Assistant Director of Public Utilities

Date 5-23-11

- Approve Dept. Recommendation       Approve Finance/Purchasing Recommendation
- Disapprove       Disapprove
- See Attachment

FINANCE DEPARTMENT

CITY MANAGER

 5/24/2011  
Purchasing Manager      Date

 5/24/11  
City Manager or Designee      Date

 5/24/11  
Finance Director/Controller

Date

## FISCAL IMPACT STATEMENT

PROGRAM:

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$166,095</u>	_____
Indirect Cost*	<u>\$8,000</u>	_____
<b>TOTAL COST</b>	<b><u>\$174,095</u></b>	_____
Additional Revenue or Savings Generated	<u>\$0</u>	_____
<b>Net City Cost</b>	<b><u>\$174,095</u></b>	_____
 Amount Budgeted (If none budgeted, identify source)	 <u>\$185,000</u>	 _____

\*Indirect Costs

Administration	<u>\$4,000</u>
Contract Compliance	<u>\$1,000</u>
Other	<u>\$3,000</u>



PROJECT LIMITS

(E) HEADWORKS BUILDING