



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.	1 Q
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 CATEGORICAL EXEMPTION, PURSUANT TO SECTION 15301(B) (EXISTING FACILITIES) OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT GUIDELINES. AWARD A \$119,960 CONTRACT TO WASTEWATER SOLIDS MANAGEMENT, INC. OF YACHATS, OREGON, FOR THE DIGESTER #2 CLEANING AT THE FRESNO/CLOVIS REGIONAL WASTEWATER RECLAMATION FACILITY (BID FILE NO. 3040) (COUNCIL DISTRICT NO 3)

RECOMMENDATIONS

Staff recommends the City Council:

1. Adopt a finding of Class 1 Categorical Exemptions, pursuant to Section 15301(b) (existing facilities) of the California Environmental Quality Act (CEQA) guidelines for the Digester #2 Cleaning at the Fresno/Clovis Regional Wastewater Reclamation Facility (RWRF).
2. Award a contract in the amount of \$119,960 to Wastewater Solids Management, Inc., of Yachats, Oregon, for the Digester #2 Cleaning at the RWRF.

EXECUTIVE SUMMARY

Periodic cleaning of the thirteen digesters at the RWRF is required to keep the plant functioning within regulatory requirements. The Department of Public Utilities, Wastewater Management Division is seeking to award a contract for the cleaning of Digester #2 at the RWRF in the amount of \$119,960 to Wastewater Solids Management, Inc., of Yachats, Oregon, as the lowest responsive and responsible bidder. Staff recommends that the City Council adopt a finding of Class 1 Categorical Exemption; pursuant to Section 15301(b) of the CEQA guidelines for the cleaning.

BACKGROUND

The RWRF operates thirteen mesophilic anaerobic digesters. These digesters range in size from 860,000 to 1,870,000 gallons. Digesters are used in the treatment of the solids generated at the RWRF to eliminate the pathogens and volatile organic compounds. Over the period of approximately six to eight years these digesters accumulate debris associated with the treatment (i.e. sand, plastics, and hair). The purpose of this project is to remove all the accumulated debris and inspect the interior surfaces for corrosion, wear, and structural stability for digester #2. Once removed from the digester the debris will be screened out and transported to an appropriate class landfill. After screening the liquid will be dewatered and processed along with the normal dewatered biosolids from the facility. The interior of the digester is then pressure washed and inspected for any problems.

Plans and specifications were prepared for the project. The City Attorney has previously reviewed the specifications and contracts, and approved as to form. A Notice Inviting Bids was published on April 13, 2011 and posted on the City's website. The specifications were downloaded by sixteen prospective bidders, and posted at seven Builder Exchanges. One sealed bid proposal was received and publicly opened on May 12, 2011. The bid proposal was \$119,960.

Wastewater Solids Management, Inc. was the lowest responsive bidder with a submitted bid of \$119,960. Staff determination was posted on the City Website on Tuesday May 24, 2011. Staff recommends that the City Council award a contract in the amount of \$119,960 to Wastewater Solids Management, Inc. as the lowest responsive and responsible bidder. Their bid price is 21% below the original Engineer's Estimate of \$150,000. The low contractor bid price has three components. It appears this contractor was able to reduce costs by shifting their schedule. A second and major contributor to the extremely favorable bid price is the construction economy. Wastewater annually cleans one to two digesters and based on those bids this price is well within reason. Wastewater Solids Management, Inc. has performed other work at the plant.

The Council may award a contract in the amount of \$119,960 to Wastewater Solids Management, Inc., and the project will be completed within 30 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 45 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 for Digester #2 Cleaning and has determined that it falls within Class 1 Categorical Exemption set forth in CEQA Guidelines, Section 15301(b) (existing facilities) due to the nature of this contract involving normal operation and maintenance of existing public sewer utilities. Furthermore, none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this project.

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 \$265,000 for the project are budgeted in the 2011 Sewer Enterprise Fund No. 40501. The budget was twice as much as the project bid and engineers estimate is because the project scope was originally to clean two digesters. However since several digesters were cleaned as part of the digester dome repair project it was decided to clean only one additional digester this fiscal year.

Attachments:

- Bid Evaluation
- Fiscal Impact Statement
- Vicinity map

EVALUATION OF BID PROPOSALS

FOR: DIGESTER #2 CLEANING FOR THE FRESNO/CLOVIS REGIONAL WASTEWATER RECLAMATION FACILITY

Bid File No.3040
Bid Opening:5/12/11

BIDDER'S	TOTAL NET BID AMOUNT
1. WASTEWATER SOLIDS MANAGEMENT, INC P.O. BOX 430 YACHATS, OR. 97498.	119,690.00

Note: Only one bid received due to this being specialty work.

Each bidder has agreed to allow the City sixty-two (62) 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 8, 2011, 5:00 P.M.

The Engineer=s Estimate for this expenditure is \$150,000.00. The contract price is 21% below the Engineer's Estimate. If the overage is greater than 10% or only one bid was received, give explanation:

This work is highly specialized and difficult to schedule. Many of the contractors schedule more than 3 months in advance. Based on previous bids this price is well within reason. It appears this contractor was able to reduce costs by shifting their schedule.

BACKGROUND OF PROJECT (To be completed by Evaluating Department/
Division. Explain need for project/equipment):

The RWRF operates thirteen mesophilic anaerobic digesters. These digesters range in size from 860,000 to 1,870,000 gallons. Digesters are used in the treatment of the solids generated at the RWRF to eliminate the pathogens and volatile organic compounds. Over the period of approximately eight years these digesters accumulate debris associated with the treatment (i.e. sand, plastics, and hair). The purpose of this project is to remove all the accumulated debris and inspect the interior surfaces for corrosion, wear, and structural stability for digester #2. Once removed from the digester the debris will be screened out and transported to an appropriate class landfill. After screening the liquid will be dewatered and processed along with the normal dewatered biosolids from the facility. The interior of the digester is then pressure washed and inspected for any problems.

EVALUATION OF BID PROPOSALS

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Bid File No.3040
Bid Opening:5/12/11

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ 119,960
to Wastewater Solids Management Inc.
as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Department Head Approval

[Signature]
Title Assistant Director of Public Utilities
Date 5-18-11

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

FINANCE DEPARTMENT

CITY MANAGER

Jason B. MacDonald 5/19/2011
Purchasing Manager Date
[Signature] 5/19/11
Finance Director/Controller Date

[Signature] 5/24/11
City Manager or Designee Date

Date

FISCAL IMPACT STATEMENT

PROGRAM:

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	\$119,960	_____
Indirect Cost*	\$8,000	_____
TOTAL COST	\$127,960	_____
Additional Revenue or Savings Generated	\$0	_____
Net City Cost	\$127,960	_____
Amount Budgeted (If none budgeted, identify source)	\$265,000	_____

***Indirect Costs**

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



(E) DIGESTER #2

PROJECT LIMITS