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ITEM 6C

December 9, 2019 JPA Board Meeting

TO: JPA Board of Directors

FROM: Engineering and External Affairs

Subject : Digester No. 2 Rehabilitation Project: Construction Award

SUMMARY:

On August 20, 2019, the JPA Board approved the issuance of a Call for Bids for the Digester No. 2 Rehabilitation Project. Staff conducted a mandatory pre-bid meeting on September 26th, with eight potential bidders attending. Five bids were publically opened on October 23, 2019. Staff evaluated the bids and determined that the lowest responsive bid was submitted by GSE Construction Company, in the amount of \$1,882,000, which is 6% above the Engineer's Estimate. After an evaluation of the bid by staff, it was determined to be competitive and reflective of current market conditions. Therefore, staff recommends award of a construction contract to GSE Construction Company for the Digester No. 2 Rehabilitation Project.

RECOMMENDATION(S):

Award a construction contract to GSE Construction Company, in the amount of \$1,882,000; reject all remaining bids upon receipt of duly executed contract documents; and appropriate an additional \$714,379 for the Digester No. 2 Rehabilitation Project.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

The total cost of the project is estimated to be \$2,822,155. Existing appropriations through Fiscal Year 2019-20 provide funding in the amount of \$2,107,776 for the cleaning, repair and rehabilitation of Digester No. 2. The cleaning portion of the project was completed on March 20, 2019, in the amount of \$438,305. An additional appropriation, in the amount of \$714,379, is necessary in order to award the construction contract and provide sufficient funding for the remaining project costs as summarized below:

Description	Cost
Professional Services	
Design & Bidding- PACE, Inc.	\$56,630.00
Construction:	
Construction Award	\$1,882,000
Construction Contingency (10%)	\$188,200
Outside Inspection	\$50,000
Administrative	
District Labor (4%)	\$75,280
G&A (7%)	\$131,740
Digester No. 2 Cleaning Expenditure (Completed 03/02/19)	\$438,305
Total Estimated Project Cost	\$2,822,155
Existing Appropriations	\$2,107,776
Additional Appropriations (Recommended)	\$714,379

DISCUSSION:

The Digester Cleaning and Repair Project is a two-phase, multi-year project to repair and rehabilitate Digester Nos. 1 and 2 at the Rancho Las Virgenes Composting Facility. On August 28, 2018, the LVMWD Board accepted the completion of the rehabilitation for Digester No. 1, which had been in continuous operation for 24 years. The cleaning portion of the Digester No. 2 was completed and accepted by the LVMWD Board on March 20, 2019. The next step is to rehabilitate Digester No. 2. The scope of work includes the following items:

- Removal and replacement of existing concrete construction joint seals;
- Structural repair/patching within the interior of the digester as needed;
- Removal and replacement of all existing interior digester mechanical piping;
- Removal and replacement of existing process control instruments and implementation of additional instrumentation;
- Removal and replacement of existing exterior valves and actuators (feed, circulation and gas systems);
- Modification to the existing gas withdrawal piping system;
- Removal of obsolete equipment such as the steam lances;
- Rehabilitation of existing roof penetrations, hatch covers and replacement of hatch viewports; and
- Repair of cracks on concrete roof, as needed.

The Engineer's Estimate for the rehabilitation of the project was \$1,772,545. Bids were publically opened on October 23, 2019. Following is a summary of the bids received:

Bidder	Bid Total	Percentage Above/Below Estimate
GSE Construction Company	\$1,882,000	6%
Cushman Contracting Corp	\$1,928,000	8%
Pacific Hydrotech	\$2,244,200	21%
Metro Builders & Engineers	\$2,696,832	34%

Group		
Environmental Construction	\$2,915,542	39%

The rehabilitation of Digester No.1 was completed in 2018 for \$1,298,148.73, which includes all change order and miscellaneous services. The Digester No. 2 Rehabilitation Project is estimated to be 31% more than Digester No. 1 due to additional items that need to be repaired and/or replaced that were not in the scope of work for Digester No. 1. The additional items added to the Digester No. 2 Rehabilitation Project are as follows:

1. Replacement of valves within the digester pump room and draw off lines. This work includes 10 additional valves to be replaced that were not replaced in Digester No. 1 project; three valves within the pump room, and seven valves on the draw off lines.
2. Seal the four new hatch covers, and identify and repair cracks in digester roof to stop air loss.
3. Place conduit and lighting supports on Digester No. 2 that are currently held by steam injection pipe supports. Steam injection piping is to be demolished during construction.
4. Place conduit and lighting supports on Digester No. 1 that are currently unsupported. This item was added during the bidding phase of the project.
5. Seal explosion proof seal fittings that were not properly sealed on Digester No. 1. Any conduit that is within 10 feet above and around digester must be explosion proof. This item was added during the bidding phase of the project.

The majority of the cost difference between the Digester No. 1 and Digester No. 2 rehabilitation is associated with the addition of 10 valves that were not included within Digester No. 1 project scope. The new valves are specified to be glass-lined to protect the them from corrosive raw sludge, which adds a significant cost to the project yet extends the useful life of the asset. Items added during the bidding process, such as the additional work to be completed on Digester No. 1, were not accounted for in the Engineer's Estimate. The increases in cost from Digester No. 1 to Digester No. 2 can be attributed to the additional items added during the bidding phase as well as tight labor and construction market conditions.

Due to the competitive pricing received, staff's recommendation is to award the Digester No. 2 rehabilitation to GSE Construction Company, in the amount of \$1,882,000. On August 20, 2019, the JPA Board determined that the work was categorically exempt from the California Environmental Quality Act, pursuant to Section 15301(b) of the CEQA Guidelines because the project involves only minor alterations to an existing facility with no expansion of use.

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