

Agenda Report

July 8, 2013

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: **AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH ZUSSER COMPANY, INC. TO PROVIDE LABOR AND MATERIALS FOR THE EASTSIDE WELL COLLECTOR PROJECT – CENTRALIZED DISINFECTION FACILITY**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the project described in this report was subject to adequate environmental review in the Initial Environmental Study/Mitigated Negative Declaration and corresponding Mitigation Monitoring and Reporting Program, which were adopted by the City Council on October 29, 2012, and that there are no changed circumstances or new information which could trigger additional environmental review; and
2. Accept the bid dated May 24, 2013 submitted by Zusser Company, Inc. ("Zusser") in response to Specification WD-12-03 for providing labor and materials for the Eastside Well Collector Project – Centralized Disinfection Facility for the Water and Power Department ("Department"), and authorize the City Manager to enter into a contract with Zusser for an amount not to exceed \$2,005,830 for the period of July 8, 2013 to June 30, 2014.

BACKGROUND:

The Department operates six wells in the eastside of Pasadena (known as the Eastside Wells) that pump water to the Sunset Pressure Zone including flow into Jones Reservoir. In addition, imported water from the Metropolitan Water District of Southern California ("MWD") also flows into Jones Reservoir where it mixes with the well water.

Currently, the Department disinfects the well water by using chlorine, whereas MWD applies chloramines. When the well water and MWD water combine in the reservoir, the two different disinfectants reduce or cancel the overall effectiveness of both chemicals. Operationally, more chlorine must be applied to well water to overcome the chloramines in MWD's water. Without this additional chlorine, well water production would be reduced while bacterial monitoring would have to be increased.

As a result of the incompatibility between the two disinfectants, the Department has adopted the overall strategy to convert its disinfection systems from chlorination to chloramination. The Department has designed the Eastside Well Collector Centralized Disinfection Facility (CDF) project, which will provide disinfection for groundwater collected

from the Eastside Wells at a centralized site. The new disinfection facility is a critical component of the Eastside Well Collector Project, which also involves the construction of a collector pipeline to transport groundwater to the disinfection facility located at Jones Reservoir and surge tanks at each of the well sites. Construction has already begun for both the Eastside Well Collector Pipeline and the Eastside Well Collector Surge Protection projects.

The Notice Inviting Bids (“Notice”) was published in the Pasadena Journal on May 16, 2013. In response to the Notice, eleven companies requested the Specifications. On June 12, 2013, bids for construction were received from the following two contractors:

<u>Bidders</u>	<u>Amount</u>
Zusser Company, Inc., Los Angeles, CA	\$1,744,200
R C Foster Corporation, Corona, CA	\$1,769,000
Engineer’s Estimate	\$1,200,000

The difference between the Engineer’s Estimate and the two bids is primarily due to a difference in costs of two of the bid items: the chlorine analyzers and the 24-inch pipe. Since both bidders had similar higher prices for these items, it is believed that the engineer underestimated their costs.

Zusser is the lowest responsive bidder and complies in all respects with the requirements of the Specification. Staff recommends that the City Council award a contract to Zusser for an amount not to exceed \$2,005,830. The award includes the bid price and a fifteen percent contingency of \$261,630. This is higher than the usual ten percent contingency to accommodate any necessary change orders due to any unforeseen circumstances that may be revealed once work gets underway, and because several permits are pending final approval and may result in change orders during construction.

Award of the contract to Zusser is in compliance with the Competitive Bidding and Purchasing Ordinance P.M.C. 4.08.

The work is anticipated to start in September 2013, with completion expected in January 2014. Contract administration will be provided by Department staff. Inspection services will be provided by a separate contractor.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the Public Facilities Element of the General Plan and supports the City Council’s goal to improve, maintain and enhance public facilities infrastructure and to implement capital improvements that will maintain and rehabilitate infrastructure.

ENVIRONMENTAL ANALYSIS:

In compliance with the California Environmental Quality Act (CEQA), an Initial Environmental Study (“Study”) was prepared for the Eastside Well Collector Pipeline and

the CDF project. A Notice of Intent to Adopt a Mitigated Negative Declaration was published on August 6, 2012. The public comment period closed on September 5, 2012.

On October 29, 2012 City Council approved the Study and adopted a Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program for the Eastside Well Collector Project. Since this approval, there have been no changed circumstances or new information that could trigger additional environmental review.

FISCAL IMPACT:

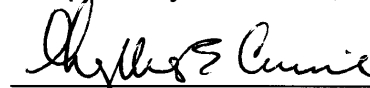
The cost of this project will be \$2,115,830. Funding for this action will be addressed by the utilization of existing appropriations in Water System Capital Fund 412, Capital Improvement Program Budget Number 1044 – Cross Town Well Collector Pipeline. It is anticipated that the total cost will be spent in fiscal year 2014.

The following table presents the contract summary:

Contract Amount	\$1,744,200
Contingency	\$ 261,630
Subtotal	\$2,005,830
Contract Administration	\$ 40,000
Inspection	\$ 70,000
Total Fiscal Impact	\$2,115,830

The anticipated impact to other operational programs or capital projects as a result of this action will be none.

Respectfully submitted,



Phyllis E. Currie

General Manager

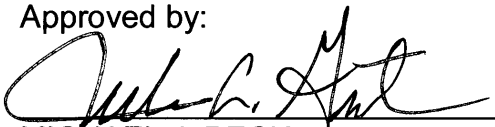
Water and Power Department

Prepared by:



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Approved by:



for MICHAEL J. BECK
City Manager