

Agenda Report

December 20, 2004

TO: City Council
THROUGH: Finance Committee (December 15, 2004)
FROM: City Manager
SUBJECT: Contract Award to Stetson Engineers Inc. for Engineering Design and Construction Management Services of a Treatment System for Perchlorate Removal at Sunset Reservoir

RECOMMENDATION

It is recommended that the City Council:

1. Authorize the City Manager to enter into a contract with Stetson Engineers Inc. for engineering design and construction management services of a treatment system for perchlorate removal at Sunset Reservoir for an amount not to exceed \$580,000, which includes a 20 percent contingency;
2. Amend the FY 2005 Capital Improvement Program budget by increasing the total estimated cost of the "Water Quality Treatment" project (1041) to \$1,151,000; and
3. Recognize and appropriate \$800,000 from the Capital Improvement Charge Fund to the Water Quality Treatment project.

Competitive bidding is not required pursuant to City Charter Section 1002(F), professional or unique services.

BACKGROUND

The Sunset Reservoir Wells consists of Barnham Well, Copelin Well, Garfield Well, Sunset Well, and Villa Well. These wells are collectively referred to as the Sunset Reservoir Wells because these wells deliver their water into the Sunset Reservoir for blending with imported water from the Metropolitan Water District of Southern California (MWD).

From early 1997 to March 2004, the Department of Health Services (DHS) issued two revised action levels for perchlorate, which resulted in turning off some or all of the Sunset Reservoir Wells in order to comply with DHS's recommendations.

In August 2004, with the action level at 6 parts per billion (ppb), Garfield and Villa Wells were the only operating Sunset Reservoir Wells, but perchlorate levels from Villa Well started to increase. By mid August 2004 the perchlorate levels from Villa Well began exceeding the 6 ppb Action Level (AL), which prompted Pasadena Water and Power (PWP) to shut down the well. Presently, four of the five Sunset Reservoir Wells have been shut down due to perchlorate contamination: Bangham, Copelin, Sunset and Villa Wells.

The loss of the wells has severely impacted PWP's ability to cost effectively manage its water production operations. To fund the incremental costs associated with these closures, PWP has recently raised the Purchased Water Adjustment Charge. Therefore, PWP has an immediate need to install a perchlorate treatment system for three of the highest perchlorate producing wells, Bangham, Copelin, and Sunset Wells, in order to recover some of its production capacity.

Until DHS establishes a Maximum Contaminant Level, treatment for Villa Well will not occur because a blending option with perchlorate treated water and MWD imported water is possible. However, as a contingency, Stetson's scope of work includes designing the treatment system to accommodate for potential increased capacity.

The Consultant's services shall include preparation of Request-for-Quotes for a perchlorate treatment system; recommendation to PWP for a system selection; pre-design of all facilities required to install the treatment system and to convert its disinfection system to chloramines; preparation of final design, specifications, and cost estimate for issuing construction bid documents; assistance in the bid evaluation and pre-construction work; preparation of permit applications and supporting documentations; and construction management and inspection for a system installation.

A Request for Proposal (RFP) for this project was issued on September 24, 2004 and sent to nine engineering firms. On October 18, 2004, four proposals were received. A four member selection committee composed of PWP staff reviewed the proposals, and rated the consultants based on the selection evaluation criteria set forth in the RFP. Stetson Engineers, Inc. received the highest score. The Consultant scores are provided in the following table.

The total compensation to Stetson Engineers, Inc. under this contract, including change orders, shall not exceed \$580,000. This includes a base contract amount of \$483,627 and approximately 20 percent allocated for contingencies. The 20 percent contingency is for unforeseen additional requirements of the drinking water, environmental, and building permit processes during the design phase. The total funds required to complete the expanded project are as follows:

Contract base amount	\$ 483,627.00
Contract contingencies (20%)	\$ <u>96,373.00</u>
Total contract amount	\$ 580,000.00
Staff oversight and administration	\$ <u>220,000.00</u>
Grand Total	\$ 800,000.00

The total cost does not include the cost associated with the procurement and construction of the treatment system; therefore, PWP will request to create a new CIP item. It is anticipated that the contract will commence in January 2005, and completion of the project will be in the summer of 2006.

The Sunset Reservoir Wells project is independent of the Monk Hill Wells project. The groundwater from the Monk Hill Wells near the Jet Propulsion Laboratory is also contaminated with perchlorate, and the four wells remain off. A separate perchlorate treatment system will be installed at a later time for the Monk Hill Wells.

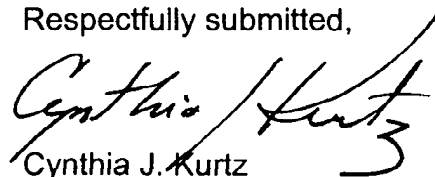
As part of the Superfund process, NASA will investigate the extent of the contamination plume and determine the source of the perchlorate contamination for the Sunset Reservoir Wells. When the responsible party has been determined, PWP will take the appropriate steps in seeking reimbursement for all costs related to the treatment and cleanup process.

PWP is being proactive in starting the treatment and cleanup process because the final determination of the source of the contamination may take many years and the perchlorate contamination plume continues to spread into other areas of the aquifer.

FISCAL IMPACT

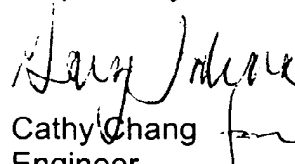
An amendment to CIP budget account number 1041 in the additional amount of \$800,000 is recommended. This amendment will provide sufficient funds to CIP budget number 1041 for the engineering design and construction management services for an ion exchange treatment system for perchlorate removal at Sunset Reservoir.

Respectfully submitted,



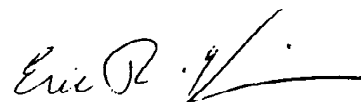
Cynthia J. Kurtz
City Manager

Prepared by:



Cathy Chang
Engineer
Water and Power Department

Approved by:



Phyllis E. Currie
General Manager
Water and Power Department

Attachment A

Criteria	Max. Score	Stetson	Carollo	Black and Veatch	Komex
A. Technical Approach and Innovation	35	27	25	26	17
B. Team Qualifications	35	28	27	27	20
C. Cost	20	15	10	5	20
D. Local Business	5	0	5	0	0
E. Small and Micro-Business	5	0	0	0	0
Total	100	70	67	58	57