

Agenda Report

September 10, 2007

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: AUTHORIZE THE CITY MANAGER TO AMEND CONTRACT 18,742 WITH STETSON ENGINEERS INC., FOR ENGINEERING DESIGN AND CONSTRUCTION MANAGEMENT SERVICES OF AN ION EXCHANGE TREATMENT SYSTEM FOR PERCHLORATE REMOVAL

RECOMMENDATION

1. It is recommended that the City Council authorize the City Manager to amend contract 18,742 with Stetson Engineers Inc. (Stetson) for engineering design and construction management services of a treatment system for perchlorate removal at Sunset Reservoir for an amount not to exceed \$609,931, which includes a 10 percent contingency. Competitive bidding is not required pursuant to City Charter 1002(F), for contracts for professional or unique services.

BACKGROUND

On December 20, 2004, the City Council approved executing a contract with Stetson in an amount not to exceed \$580,000. Staff recommends increasing the not to exceed by \$29,931 to \$609,931 in order to resume work and perform additional work described herein.

Bangham Well, Copelin Well, Garfield Well, Sunset Well, and Villa Well are collectively referred to as the Sunset Reservoir Wells because these wells deliver their water into the Sunset Reservoir. From early 1997 to March 2004, the California Department of Public Health (DPH) (formerly known as the Department of Health Services (DHS)) issued two revised action levels for perchlorate, which caused Pasadena Water and Power (PWP) to turn off at least three of the Sunset Reservoir Wells in order to comply with DPH's standards.

In August 2004, with the Notification Level (formerly known as 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 began to increase. By mid-August 2004 the perchlorate levels from Villa Well began exceeding the 6 ppb

Notification Level, which prompted PWP to shut down the well. Presently, three of the five Sunset Reservoir Wells are shut down due to consistent perchlorate levels above the Notification Level: Bangham, Copelin, and Sunset. Garfield or Villa Well will operate depending on the perchlorate levels and the ability to safely blend below the Notification Level with imported water from the Metropolitan Water District (MWD).

The loss of the wells has severely impacted PWP's ability to cost effectively manage its water operations. It is imperative that we start using these wells and treat the groundwater to stem the spread of the contamination plume to other areas. 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.

Stetson Engineers, Inc. was selected through an RFP process to provide engineering services for design of a perchlorate removal system. Stetson was the highest ranked firm out of 4 proposals received in October 2004. Contract Number 18,742 was executed in March 2005 and services were provided through November 2005, at which time the project was placed on hold pending the identification of additional funding sources.

A grant application under the state's Proposition 50 Bond program was submitted in September 2006. The project has been ranked high for grant funding, which could reimburse the City up to approximately \$1.1 million. PWP is awaiting the final decision regarding Prop. 50 funding. In addition, a grant for \$358,400 has been secured from the US Environmental Protection Agency. Staff will continue to pursue funding for operation and maintenance costs of the treatment facility after it is constructed and placed into service in 2009.

With the improved funding outlook, PWP would like to have Stetson resume work. However, the contract expired in October, 2006. Staff wishes to extend the contract, include additional design work not included in the scope three years ago and incorporate a revised fee schedule. The additional work consists of designing facilities to provide increased pressure for the treatment system and to make changes to the disinfection system.

The amended contract amount to Stetson with the revised scope including change orders will not exceed \$609,931 as shown below, which includes a ten percent contingency for unforeseen additional design and engineering services to meet environmental and building permit requirements. The total funds required to complete the expanded project are as follows:

Remaining Scope of Work and Additional Services with New Rate Schedule Applied	\$554,483
Contract Contingencies (10%)	\$ 55,448
Total Contract Amount	\$609,031

FISCAL IMPACT

Sufficient funds are available under the Water Capital Budget 1062 – Sunset Perchlorate Treatment Project Number 02546. Funding for the Sunset Perchlorate Treatment Plant Project is jointly provided by the Environmental Protection Agency, the State Proposition 50 and the Water Capital Fund.

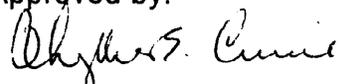
Respectfully Submitted,


Cynthia J. Kurtz
City Manager

Prepared by:


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Water and Power Department

Approved by:


Phyllis E. Currie
General Manager
Water and Power Department

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name: Stetson Engineers Inc.

2. Type of Entity:
 non-government nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:
Oliver S. Page, CEO/CEO
Ali Shahroody, President
Stephen Johnson, Vice President

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:
Oliver S. Page, CEO/CEO
Ali Shahroody, President
Stephen Johnson, Vice President

Prepared by: Traci L. Nuernberger

Title: Business Manager

Phone: (415) 457-0701

Date: August 2, 2007