

# Agenda Report

June 17, 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, EQUIPMENT, AND MATERIALS FOR CONSTRUCTION OF THE SUNSET RESERVOIR WATER TREATMENT PROJECT, PHASE I (DISINFECTION FACILITY) FOR THE WATER AND POWER DEPARTMENT IN AN AMOUNT NOT TO EXCEED \$2,076,168**

**RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed project described in this report was subject to adequate environmental review in the Initial Environmental Study and the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program adopted by the Hearing Officer on December 3, 2010;
2. Accept the bid dated April 24, 2013 submitted by Zusser Company Inc. ("Zusser"), in response to Specification WD-12-12, Providing Labor, Equipment, and Materials for Construction of The Sunset Reservoir Water Treatment Project, Phase I (Disinfection Facility) ("Sunset Project"), for the Water and Power Department ("Department"); and
3. Authorize the City Manager to enter into a contract with Zusser for an amount not to exceed \$2,076,168.

**BACKGROUND:**

The Department operates five wells that collectively deliver water into the Sunset Reservoir. In addition, imported water from the Metropolitan Water District of Southern California ("MWD") flows into the same reservoir and mixes with the well water.

Currently, the Department disinfects the well water by using chlorine and 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, either more chlorine must be applied to well water to overcome the chloramines in the MWD water or less chlorine is used, resulting in reduction in well water production and increase in the monitoring for potential bacteriological concerns.

As a result of the incompatibility between the two disinfectants, the Department has designed a chloramine facility at the Sunset Reservoir to disinfect the five wells.

This plant is designed to disinfect a single or any multiple of five wells while continuing to mix with MWD water in the reservoir. The project will also replace existing on-site piping that is over 70 years old and reconfigure a portion of the above ground conveyance system.

This project does not include construction of a perchlorate treatment plant at the Sunset Reservoir site, but it is the first phase of making the necessary improvements to water quality at that location. The chloramination facility is required regardless of the schedule for the perchlorate treatment plant. Construction of a perchlorate treatment facility remains the subject of ongoing discussion with the National Aeronautics and Space Administration.

The Notice Inviting Bids was published in the Pasadena Journal on March 21, 2013, and 17 contractors were provided with a bid package. On April 24, 2013, bids were received from the following three contractors:

<u>Bidders</u>	<u>Amount</u>
Zusser Company Inc., Los Angeles, CA	\$1,887,425
Mallcraft Inc., Altadena, CA	\$2,189,830
R C Foster Corporation, Corona, CA	\$2,555,500

Zusser is the lowest responsive bidder and complies in all respects with the requirements of the specification. Staff recommends that the City Council authorize the City Manager to enter into a contract with Zusser for an amount not to exceed \$2,076,168 which includes the bid price of \$1,887,425 and a ten percent contingency of \$188,743 for change orders.

#### **COUNCIL POLICY CONSIDERATION:**

The Sunset Project is consistent with the Public Facilities Element Objectives 1, 2 and 5, by providing a high level of public service at minimum cost, more efficient utilization of public facilities, and a higher level of maintenance of existing facilities, respectively.

#### **ENVIRONMENTAL ANALYSIS:**

In compliance with the California Environmental Quality Act, an Initial Study ("Study") was prepared for the construction and operation of the proposed disinfection facility. The Study determined that the project would have less than significant environmental impacts with the incorporation of mitigation measures. A Mitigated Negative Declaration for the project was adopted by the Hearing Officer on December 3, 2010.

The Study also found that while the project itself would not result in any significant or potentially significant impacts, there is the potential for significant impacts during construction. As a result, mitigation measures will be incorporated into the construction activities and documented in the Mitigation Monitoring and Reporting Program. With the inclusion of all proposed mitigation measures, construction-related impacts will be reduced to a less than significant level.

**FISCAL IMPACT:**

The work is anticipated to start in July 2013, with completion expected in December 2013. Construction management will be provided by Department staff and the design engineering consultant, Stetson Engineers Inc. Engineering inspection services will be provided by one of the Department's on-call engineering consultants.

The cost of this project including inspection and administration is \$2,256,168. Funding for this action will be addressed by the utilization of current appropriations in the Water System Capital Improvement Program Budget Number 1062 - Sunset Perchlorate Treatment. It is anticipated that the total cost will be spent in fiscal year 2014 in which sufficient appropriations are available.

The following table presents the contract summary:

Contract Amount	\$1,887,425
Contingency (10%)	\$ 188,743
<b>Subtotal</b>	<b>\$2,076,168</b>
Contract Administration	\$ 80,000
Consulting/Inspection	\$ 100,000
<b>Total Fiscal Impact</b>	<b>\$2,256,168</b>

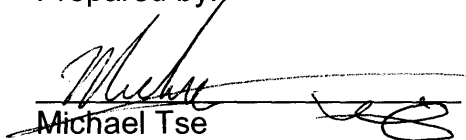
The anticipated impact to other operational programs or capital projects as a result of this action will be none.

Respectfully submitted,



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Water and Power Department

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Approved by:



MICHAEL J. BECK  
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