



Agenda Report

June 13, 2016

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH W.A. RASIC CONSTRUCTION COMPANY, INC. TO FURNISH LABOR AND MISCELLANEOUS MATERIALS FOR THE MONK HILL TREATMENT PLANT FOR THE PASADENA WATER AND POWER DEPARTMENT, SPECIFICATION WD-16-03

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Existing Facilities) ; and
2. Accept the bid dated April 29, 2016, submitted by W.A. Rasic Construction Company, Inc. in response to Specification WD-16-03 to furnish labor and miscellaneous materials for the Monk Hill Treatment Plant for the Pasadena Water and Power Department ("PWP"), and authorize the Interim City Manager to enter into a contract for a one year period with W.A. Rasic Construction Company, Inc. for an amount not to exceed \$91,305.

BACKGROUND:

PWP operates the 7,000 gallons per minute Monk Hill Treatment Plant ("MHTP") for removal of perchlorate and volatile organic compounds. The MHTP consists of a pre-filter system, four pairs of ion exchange vessels for perchlorate removal, five pairs of liquid granular activated carbon vessels to remove volatile organic compounds, and a disinfection facility. The MHTP plant is in need of routine maintenance and repair due to continuous operation. In addition, the replacement of pre-filter cartridges and other materials will allow for uninterrupted service.

On January 23, 2006, the City and the California Institute of Technology ("Caltech") entered into Contract No. 18,989 which provided a funding mechanism for the City to construct and operate a treatment system for the removal of volatile organic compounds and perchlorate. Under this contract, all costs associated with the operation and maintenance of the MHTP is fully reimbursable by Caltech until such time as the groundwater cleanup is no longer necessary.

Therefore, all work in Specification WD-16-03, and material replacement resulting from the operation of the MHTP will be submitted for reimbursement.

On October 31, 2008, the City and Calgon entered into Contract No. 19,780 whereby Calgon would construct the treatment system known as the MHTP. The MHTP was installed and became operational in Fiscal Year 2011. The contract, which included an initial 36-month equipment lease period that began once the equipment was installed, tested and verified operational, expired on June 30, 2013. Under conditions of the lease, Calgon performed plant maintenance and equipment repairs at the MHTP.

The contract was amended on June 4, 2013 to both extend the initial lease period to December 31, 2015 and add an option to purchase the treatment equipment at the end of the lease period. PWP elected to exercise the option and purchased the equipment in January 2016.

The work, as described in Specification WD-16-03, includes the replacement of pre-filter cartridges and other miscellaneous materials and also allows for the replacement of valves and instrumentation including pressure indicators. Other maintenance items located in the treatment system vessels will be replaced on an as-needed basis.

The Notice Inviting Bids for Specification WD-16-03 was advertised in the Pasadena Journal, and also posted online through PlanetBids on April 4, 2016. Twenty vendors, none of which were local, downloaded and received Specification WD-16-03 from PlanetBids. Many of the vendors are suppliers only and do not provide services. Two contractors attended the mandatory pre-bid meeting on April 14, 2016 and one responsive bid was received and opened on May 3, 2016. The other contractor decided not to bid on Specification WD-16-03 after attending the pre-bid meeting.

The results of the bids were as follows:

<u>Bidders</u>	<u>Total Bid</u>
W.A. Rasic Construction Company, Inc., Long Beach	\$91,305
Engineer's Estimate	\$73,000

W.A. Rasic Construction Company, Inc. was the lowest responsive and responsible bidder and complied in all respects with the requirements of the Specification. W.A. Rasic Construction Company, Inc. possesses a valid and current California State Contractors License Classification "A" as required by the Specification. For these reasons, staff is satisfied with moving forward after receiving only one bid.

The proposed contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated thereunder. The project was bid as a prevailing wage project and workers employed will be paid the general prevailing rate of per diem wages as determined by the California Director of Industrial Relations.

The project will meet the requirements of prevailing wage law under California Labor Code Sections 1720 through 1861 and Title 8 of the California Code of Regulations.

Staff recommends that the City Council award a one-year contract to W.A. Rasic Construction Company, Inc. in the amount of \$91,305. The recommended contractor does not have any existing or past contracts with the City. PWP staff from the Water Engineering Division will manage the Contract.

COUNCIL POLICY CONSIDERATION:

The contract supports the City Council Strategic Goals in that the operation of the treatment plant is consistent with the General Land Use Designation Objective 18 (Improved Environment), which calls to improve the quality of the environment for Pasadena and the region. Element Policy 18.4 (Water Quality) requires defining appropriate standards to improve water quality. In addition, operating the treatment plant is consistent with Element Policy 7.4 (Infrastructure Improvements), which encourages improvements related to upgrading the water supply system and supports the City's commitment to sustainability, and environmental stewardship. The treatment plant reinforces the United Nations Urban Environmental Accords Action 19 - Develop Policies to Increase Adequate Access to Safe Drinking Water and Action 20 - Protect the Ecological Integrity of the City's Primary Drinking Water Resources. Because the City receives 40% of its water supply from local groundwater, treatment of this water source is critical in compliance with the City's drinking water permit.

ENVIRONMENTAL ANALYSIS:

This action is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 (Class 1 - Existing Facilities). The Class 1 categorical exemption covers the operation, repair, maintenance, permitting, leasing, licensing, and minor alteration of existing public or private structures, facilities, and mechanical equipment involving negligible or no expansion of use. Section 15301 Part (b) specifically notes that this categorical exemption applies to existing publically owned utilities. The proposed work is necessary to maintain current operation of the facility, and will not expand the capacity of the system.

FISCAL IMPACT:

The cost of this action will be \$91,305. Funding for this action will be addressed by the utilization of existing budgeted appropriations in Water Operating Budget Fund 402 (Account No. 06503-50341-49007440-811404). It is anticipated that \$91,305 will be spent during the current fiscal year. All operating expenditures under this action item are fully reimbursable under Contract No. 18,989 with Caltech.

Respectfully submitted,



SHARI M. THOMAS
Interim General Manager
Water and Power Department

Prepared by:



Gary Cho
Associate Engineer

Approved by:



STEVE MERMELL
Interim City Manager