



## Legislation Details (With Text)

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<b>File created:</b>	8/10/2016	<b>In control:</b>		City Council	
<b>On agenda:</b>	8/25/2016	<b>Final action:</b>		8/25/2016	
<b>Title:</b>	<p>Actions pertaining to award of a purchase contract for a 2 megawatt (MW) emergency generator for the Northeast Surface Water Treatment Facility (NESWTF) (Council District 6):</p> <ol style="list-style-type: none"><li>1. ***RESOLUTION - 4th amendment to Annual Appropriation Resolution (AAR) No. 2016-118 to appropriate \$1,024,600.00 to fully fund the purchase and installation of a two megawatt emergency generator at the Northeast Surface Water Treatment Facility (Requires 5 affirmative votes).</li><li>2. Adopt findings of Categorical Exemption pursuant to Section 15301 (Class 1/Existing Facilities), Section 15303 (Class 3/New Construction of Small Structures) and Section 15311 (Accessory Structures) of the California Environmental Quality Act (CEQA) Guidelines for the installation of an emergency generator at the NESWTF.</li><li>3. Adopt findings that Bay City Equipment's bid proposal is non-responsive for failing to comply with the bid specifications.</li><li>4. Award a purchase contract to Quinn Power Systems, Inc. of Selma, California, in the amount of \$669,901.93, as the lowest responsive and responsible bidder for the purchase of an emergency generator and automatic transfer switch, to be installed under separate contract, at the NESWTF.</li></ol>				
<b>Sponsors:</b>	Department of Public Utilities				
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	1. AAR.pdf, 2. Bid Evaluation.pdf, 3. Fiscal Impact Statement.pdf, 4. Bypass Memo.pdf, 5. Acknowledgement of Request for Appeal Letter.pdf, 6. Purchase Contract Sample.pdf, 7. Received During Meeting David Wells 16-948.pdf				

Date	Ver.	Action By	Action	Result
8/25/2016	1	City Council	approved	Pass

## REPORT TO THE CITY COUNCIL

**August 25, 2016**

**FROM:** THOMAS C. ESQUEDA, Director  
Department of Public Utilities

**THROUGH:** MICHAEL CARBAJAL, Division Manager  
Department of Public Utilities - Water Division

**BY:** JOHN ALLEN, Supervising Engineering Technician  
Department of Public Utilities - Water Division

## SUBJECT

Actions pertaining to award of a purchase contract for a 2 megawatt (MW) emergency generator for

the Northeast Surface Water Treatment Facility (NESWTF) (Council District 6):

1. \*\*\*RESOLUTION - 4th amendment to Annual Appropriation Resolution (AAR) No. 2016-118 to appropriate \$1,024,600.00 to fully fund the purchase and installation of a two megawatt emergency generator at the Northeast Surface Water Treatment Facility (Requires 5 affirmative votes).
2. Adopt findings of Categorical Exemption pursuant to Section 15301 (Class 1/Existing Facilities), Section 15303 (Class 3/New Construction of Small Structures) and Section 15311 (Accessory Structures) of the California Environmental Quality Act (CEQA) Guidelines for the installation of an emergency generator at the NESWTF.
3. Adopt findings that Bay City Equipment's bid proposal is non-responsive for failing to comply with the bid specifications.
4. Award a purchase contract to Quinn Power Systems, Inc. of Selma, California, in the amount of \$669,901.93, as the lowest responsive and responsible bidder for the purchase of an emergency generator and automatic transfer switch, to be installed under separate contract, at the NESWTF.

## RECOMMENDATIONS

Staff recommends Council adopt the 4th Amendment to the Annual Appropriation Resolution ("AAR") No. 2016-118 to appropriate \$1,024,600.00; adopt the findings of Categorical Exemption pursuant to Section 15301 (Class 1/Existing Facilities), Section 15303 (Class 3/New Construction of Small Structures) and Section 15311 (Accessory Structures) of the CEQA Guidelines; award a purchase contract to Quinn Power Systems, Inc. of Selma, California, in the amount of \$669,901.93, as the lowest responsive and responsible bidder for the purchase of an emergency generator and automatic transfer switch, to be installed under separate contract, at the NESWTF; and authorize the Director of Public Utilities, or designee, to sign the agreement on behalf of the City.

## EXECUTIVE SUMMARY

The NESWTF, located at Chestnut Avenue, north of Behymer Avenue in northeast Fresno, is a water treatment facility that treats surface water to drinking water standards. The NESWTF is powered by the electrical utility and presently does not have an emergency backup power source. The Department of Public Utilities (DPU) is proposing installation of a 2 MW diesel-powered emergency generator at the NESWTF, capable of providing electrical power for all critical loads required to fully operate the NESWTF during an electrical utility power loss. Quinn Power Systems, Inc., submitted a bid price in the amount of \$669,901.93 and is considered to be the lowest responsive and responsible bidder.

## BACKGROUND

With a treatment capacity of 30 million gallons per day, the NESWTF can supply 15 to 25% of the City's annual potable water demand, making it the City's most critical water system asset. The NESWTF presently does not have an emergency backup power source. In the event of electrical utility power loss, the NESWTF cannot be operated and the DPU must rely upon multiple groundwater wells to make up for the loss of surface water treatment capacity. Installing a 2 MW diesel-powered emergency generator at the NESWTF will allow the NESWTF to operate during an electrical utility power loss.

Preparation of construction plans, specifications and permitting for the installation of the emergency

generator are in progress. Due to the long lead time needed to manufacture the emergency generator, DPU is proposing to purchase generator separately in preparation for installation during the planned shutdown of the NESWTF this coming winter.

On Friday, April 8, 2016, the City advertised the generator specifications for bid. One Building Exchange received a fax notice inviting bids, and 41 specifications were distributed to prospective bidders. Four sealed bid proposals were received and publicly opened on April 26, 2016. Bids which were scheduled to expire within 90 days of bid opening have been extended through August 31, 2016.

The lowest bidder at the time of bid opening submitted a bid of \$599,198.54, but was determined to be a non-responsive bidder. Bay City Equipment's bid proposal did not comply with the bid specifications, as outlined in the attached Bypass Memo.

Quinn Power Systems, Inc. submitted a bid price in the amount of \$669,901.93 and is considered to be the lowest responsive and responsible bidder. The Staff Determination of Award was posted on the City's website on May 27, 2016. Bay City Equipment appealed the award determination but appeal was denied by Staff because it did not comply with Appeals Resolution 2003-129, Section 5 which requires any and all appeals to set forth verifiable facts to rebut the staff determination. The price is 4.3% below the Engineer's Estimate of \$700,000. The remaining two bids ranged in price from \$717,531.75 to \$820,129.05.

## **ENVIRONMENTAL FINDINGS**

Preparation of the environmental assessment necessitated a thorough review of the proposed project and relevant environmental issues and considered previously prepared environmental and technical studies pertinent to the Woodward Park Community Plan including the Fresno General Plan Master Environmental Impact Report (MEIR No. 2012111015) prepared for the area at large.

To the extent the proposed project may not have been previously assessed, City of Fresno staff have performed an additional evaluation of the proposed project and have determined that it falls within the Categorical Exemptions set forth in Section 15301 (Class 1/Existing Facilities), Section 15303 (Class 3/New Construction of Small Structures), and Section 15311 (Accessory Structures) of the California Environmental Quality Act (CEQA) Guidelines.

Section 15301/Class 1 exempts from the provisions of CEQA, projects consisting of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. Examples include, but are not limited to: existing facilities of both investor and publicly owned utilities used to provide electric power, natural gas, sewerage, water, or other public utility services; mechanical equipment to meet current standards of public health and safety; and, addition of devices during construction of or in conjunction with existing structures, facilities, or mechanical equipment.

Section 15303/Class 3 exempts from the provisions of CEQA, projects consisting of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure.

Section 15311/Class 11 exempts from the provisions of CEQA, projects consisting of construction, or placement of minor structures accessory to (appurtenant to) existing commercial, industrial, institutional or public facilities.

The proposed project will involve the purchase and installation of mechanical equipment, which is accessory and appurtenant to the existing NESWTF.

Equipment consists of a 2 MW diesel-powered electrical generator capable of operating the existing NESWTF in response to a loss in power from the electrical utility. The generator will be activated automatically and will stop automatically once electrical utility power is restored. The start-up and shut down of the generator occurs within minutes of the loss of power or the restoration of power. The generator will be located within the existing NESWTF on a concrete pad. The generator will store approximately 3,500 gallons of diesel fuel in an internal tank, which is sufficient to operate the engine for no less than 24 hours. The fuel tank will have secondary containment in the event of primary tank failure. The generator will be muffled and shielded with a sound attenuated weather proof enclosure to prevent noise impacts at surrounding sensitive receptors.

Therefore, the following findings can be made: (1) There is not a reasonable possibility that the proposed project will have a project-specific, significant effect on the environment due to unusual circumstances; (2) No substantial changes with respect to the circumstances under which the project is being undertaken that are related to the project have occurred since community-level environmental review was certified or adopted; (3) No new information has become available regarding the circumstances under which the project is being undertaken that is related to the project, that was not known, and could not have been known, at the time that community-level environmental review was certified or adopted; and, (4) None of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines Section 15300.2 apply to this project.

Based upon these findings, it has been determined that no further environmental documentation is required for this project.

## **LOCAL PREFERENCE**

The lowest responsive and responsible bidder is a local business as defined in the FMC Sec 4-108.

## **FISCAL IMPACT**

The project, which is located in Council District 6, will not impact the General Fund. This project was originally planned to be awarded in Fiscal Year (FY) 2016 and was included in the FY 2016 Capital Improvement Program five-year plan. The adoption of the attached AAR amendment resolution will appropriate the funds in FY 2017 for the award of the contract. The installation of a 2MW Emergency Generator for the NESWTF was included in the water rate model used to create the five-year utility rate plan that was adopted by the City Council on February 26, 2015.

Attachments:

AAR

Bid Evaluation

Fiscal Impact

Bypass Memo

Acknowledgement of Request for Appeal Letter  
Purchase Contract