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Title: Actions pertaining to awarding a construction contract for the Expansion of the Carbon Dioxide Injection System at the Northeast Surface Water Treatment Facility (Bid File 3641) (Council District 6)

1. ***RESOLUTION - 36th Amendment to the Annual Appropriation Resolution No. 2018-157 to appropriate \$491,500 to provide additional funding for the Construction Contract for the Expansion of the Carbon Dioxide Injection System at the Northeast Surface Water Treatment Facility (Requires 5 affirmative votes) (Subject to Mayor's veto)
2. Adopt a finding of Categorical Exemption pursuant to Class 1, Section 15301 (Existing Facilities), Class 3, Section 15303 (New Construction of Small Structures), and Class 3, Section 15311 (Accessory Structures) of the California Environmental Quality Act Guidelines
3. Award a construction contract to W.M. Lyles, Co., in the amount of not to exceed \$576,250
4. Authorize the Director of Public Utilities, or designee, to sign the contract of behalf of the City of Fresno

Sponsors: Department of Public Utilities

Indexes:

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Attachments: 1. Attachment 1 -19 36th NESWTF Carbon Dioxide Injector System.pdf, 2. Attachment 2 - Bid Eval Fiscal Impact.pdf, 3. Attachment 3 - Sample Contract.pdf

Date	Ver.	Action By	Action	Result
4/25/2019	1	City Council	adopted	Pass

REPORT TO THE CITY COUNCIL

April 25, 2019

FROM: MICHAEL CARBAJAL, Director
Department of Public Utilities

THROUGH: DEJAN PAVIC, PE, Public Utilities Manager
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SUBJECT

Actions pertaining to awarding a construction contract for the Expansion of the Carbon Dioxide Injection System at the Northeast Surface Water Treatment Facility (Bid File 3641) (Council District 6)

1. ***RESOLUTION - 36th Amendment to the Annual Appropriation Resolution No. 2018-157 to

appropriate \$491,500 to provide additional funding for the Construction Contract for the Expansion of the Carbon Dioxide Injection System at the Northeast Surface Water Treatment Facility (Requires 5 affirmative votes) (Subject to Mayor's veto)

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3. Award a construction contract to W.M. Lyles, Co., in the amount of not to exceed \$576,250
4. Authorize the Director of Public Utilities, or designee, to sign the contract of behalf of the City of Fresno

RECOMMENDATIONS

Staff recommends that City Council adopt the 36th Amendment to the Annual Appropriation Resolution (AAR) No. 2018-157 to appropriate \$491,500 in additional funds for the construction contract for the City of Fresno's (City's) Expansion of the Carbon Dioxide (CO₂) Injection System at the Northeast Surface Water Treatment Facility (NESWTF) (Project); adopt a finding of Categorical Exemption pursuant to Class 1, Section 15301 (Existing Facilities), Class 3, Section 15303 (New Construction of Small Structures), and Class 3, Section 15311 (Accessory Structures) of the California Environmental Quality Act (CEQA) Guidelines; award a construction contract for the Project to W.M. Lyles, Co., in the amount of not to exceed \$576,250; and authorize the Director of Public Utilities, or designee, to sign the contract on behalf of the City.

EXECUTIVE SUMMARY

The Department of Public Utilities, Water Division, is seeking to award a construction contract for the Project in the amount of not to exceed \$576,250 to W.M. Lyles, Co. The City owns and operates the NESWTF, a surface water treatment facility that utilizes CO₂ as well as other treatment chemicals and processes to treat raw surface water to provide safe and reliable potable water to City's water customers. Originally designed in 2005 for 30 Million Gallons per Day (MGD), the NESWTF supplements the water supply from groundwater wells to meet City water demands and requires additional CO₂ injection for water processing to meet City's water demands.

BACKGROUND

The City owns and operates the NESWTF, a surface water treatment facility constructed in 2004 that utilizes, among other treatment processes, ballasted flocculation, high rate sedimentation, intermediate ozone, and media filtration. The facility also utilizes numerous chemical systems for optimizing treatment performance, including: alum as a primary coagulant, cationic polymer, sodium hydroxide (caustic), calcium hydroxide (lime), CO₂, and sodium hypochlorite. Originally designed for 30 MGD, the NESWTF supplements the water supply from groundwater wells to meet City water demands.

In 2015, the City completed the Evaluation of Facility Expansion of the NESWTF, which identified improvements necessary to increase the NESWTF capacity to 38 MGD. The City currently projects the ultimate capacity of the facility to be 60 MGD. Improvements evaluated included a primary design condition of meeting the 38 MGD near term capacity and provisions for easy expansion to support the 60 MGD ultimate capacity.

Additionally, the City has been conducting full scale testing of various chemical approaches to further

improve the treated water quality. To date, the optimum chemical philosophy has been found to be a combination of calcium hydroxide and higher amounts of CO₂. To facilitate the revised chemical approach, a new calcium hydroxide storage and feed system was commissioned in 2017. However, required feed rates of CO₂ while operating at full plant capacity exceed capacity of the existing CO₂ system.

Expansion of the existing CO₂ injection system is required to allow the NESWTF to operate at the design capacity of 30 MGD while utilizing the optimum chemical philosophy and to allow NESWTF to expand to 38 MGD by capitalizing on a higher filtration rate.

Plans and specifications were prepared for this Project. A Notice Inviting Bids was published on January 30, 2019, and posted on the City's Planet Bids website. The specifications were distributed to three prospective bidders and posted at eleven Builder Exchanges. On February 12, 2019, a pre-bid meeting was held at the NESWTF. Three sealed bid proposals were received and publicly opened on February 26, 2019. One bid proposal was found to be nonresponsive. The other two bid proposals were in the amounts of \$576,250 and \$596,240. The bid will expire within 64 days of bid opening, on May 2, 2019.

W.M. Lyles Co., was found to be the lowest responsive and responsible bidder with a bid amount of \$576,250. The staff determination was posted on the City's Planet Bids website on April 1, 2019. Staff recommends that City Council award a construction contract to W.M. Lyles Co., in the amount of not to exceed \$576,250.

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, the City staff has performed an additional evaluation of the proposed Project and has determined that it falls within the Categorical Exemption pursuant to Class 1, Section 15301 (Existing Facilities), Class 3, Section 15303 (New Construction of Small Structures), and Class 3, Section 15311 (Accessory Structures) of the CEQA Guidelines.

Class 1, Section 15301, 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.

Class 3, Section 15303, 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.

Class 3, Section 15311, 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.

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

Local preference was not implemented because the lowest bidder is a local business.

FISCAL IMPACT

There is no impact to the General Fund. This Project is located in Council District 6. The source of funding is from the DBCP Recovery Fund, which is available for other treatment projects, including this CO2 system at the NESWTF. The approval of an amendment to the AAR is required to appropriate the additional funding needed for the construction contract for the Project. Other indirect costs are included in the Fiscal Year 2019 and will be included in the Fiscal Year 2020 Water Division's capital improvement budget.

Attachments:

36th Amendment to the AAR No. 2018-157 (Attachment 1)
Bid Evaluation and Fiscal Impact Statement (Attachment 2)
Sample Contract (Attachment 3)