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Title: Actions pertaining to the construction of the New Central Plant at the Fresno-Clovis Regional Wastewater Reclamation Facility (Bid File 3718) (Council District 3):

1. Adopt a finding of Categorical Exemption pursuant to Sections 15301/Class 1 and 15302/Class 2 of the California Environmental Quality Act Guidelines
2. Award a construction contract in the amount of \$1,749,483 to Strategic Mechanical, Inc., as the lowest responsive and responsible bidder for the New Central Plant at the Fresno-Clovis Regional Wastewater Reclamation Facility

Sponsors: Department of Public Utilities

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Attachments: 1. Attachment 1 - Bid Evaluation.pdf, 2. Attachment 2 - Fiscal Impact Statement.pdf, 3. Attachment 3 - Sample Contract.pdf

Date	Ver.	Action By	Action	Result
6/11/2020	1	City Council	approved	

REPORT TO THE CITY COUNCIL

June 11, 2020

FROM: MICHAEL CARBAJAL, Director
Department of Public Utilities

THROUGH: BROCK D. BUCHE, PE, PLS, Assistant Director - UP&E
Department of Public Utilities - Utilities Planning & Engineering

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SUBJECT

Actions pertaining to the construction of the New Central Plant at the Fresno-Clovis Regional Wastewater Reclamation Facility (Bid File 3718) (Council District 3):

1. Adopt a finding of Categorical Exemption pursuant to Sections 15301/Class 1 and 15302/Class 2 of the California Environmental Quality Act Guidelines
2. Award a construction contract in the amount of \$1,749,483 to Strategic Mechanical, Inc., as the lowest responsive and responsible bidder for the New Central Plant at the Fresno-Clovis

Regional Wastewater Reclamation Facility

RECOMMENDATION

Staff recommends that City Council adopt a finding of Categorical Exemption, pursuant to Sections 15301/Class 1 and 15302/Class 2 of the California Environmental Quality Act (CEQA) Guidelines for the New Central Plant at the Fresno-Clovis Regional Wastewater Reclamation Facility (RWRF) (Project); award a construction contract for the Project to Strategic Mechanical, Inc., in the amount of \$1,749,483; and authorize the Director of Public Utilities, or designee, to sign and execute all documents on behalf of the City of Fresno (City).

EXECUTIVE SUMMARY

The Department of Public Utilities, Wastewater Management Division is seeking to award a construction contract for the construction of a New Central Plant (Central Plant) at the RWRF. The existing 27-year old boiler that provides essential heat to process digesters is near the end of its reliable service life and requires installation of a new Central Plant (i.e. replacement boilers) to ensure continued operations.

BACKGROUND

Commissioned in 1993 during the 68 million gallon per day (MGD) expansion of the RWRF, the original steam plant boiler provided heat to the ten existing digesters and capacity for an additional two future digesters. In 1997, the 80 MGD expansion project added two digesters. With the addition of the thirteenth digester during the Organics Upgrade Expansion Project (completed in 2009), the existing steam boiler reached (and exceeded) its heating capacity. When the Power Generation Facility (PGF) was in operation, it served as a redundant heat source for the RWRF. However, the PGF was decommissioned in 2017 due to aging equipment and increasing maintenance costs. Consequently, this left the RWRF with no redundant heat source for plant digesters. Heat is essential to the biological process within a digester especially during winter months. In the event of a prolonged failure of the boiler system, the biological digestion will cease within 48 hours and the RWRF would be in violation of state and federal regulations.

In October 2018, a consultant services contract was awarded for the evaluation and upgrade of the existing steam boiler system. The evaluation concluded that installation of a steam boiler system would be inadequate to meet the facility's heating needs. The complexity of a steam system, in addition to the inefficiency due to energy loss in the piping and through the heat exchange process, would provide no benefit as a replacement to the existing heating system. The use of an array of mini-boilers (hot water heaters) in parallel would provide the benefit of higher efficiency during peak and low demand periods. A location for the array of mini-boilers was identified in the basement of the existing Blower Building. This strategy would allow the automated system to activate four boilers at times of high demand and only one or two boilers during summer months when the demand is low. A fifth boiler would be on standby to allow for maintenance. The future addition of digesters could be accommodated by adding mini-boilers.

Plans and specifications were prepared for the Project. A Notice Inviting Bids was published on April 8, 2020, and posted on the City's Planet Bids website. Specifications were distributed to 25 prospective bidders and posted at 12 Building Exchanges. Three sealed bid proposals were received and publically opened on May 5, 2020. The bid proposals ranged from \$1,749,483 to

\$2,082,486.

Staff has determined that Strategic Mechanical Inc. is the lowest responsive and responsible bidder, with a submitted bid amount of \$1,749,483. The Staff Determination of Award was posted on the City's Planet Bids website on Thursday, May 7, 2020. Staff recommends the City Council award a construction contract to Strategic Mechanical Inc., in the amount of \$1,749,483, as the lowest responsive and responsible bidder. Their bid price is 13.5% below the Engineer's Estimate of \$2,023,100.

The City Attorney's Office has reviewed and approved the construction contract as to form.

ENVIRONMENTAL FINDINGS

Staff has performed a preliminary environmental assessment and has determined that approval of this contract is Categorical Exempt pursuant to CEQA Guidelines Section 15301/Class 1. This approval qualifies for a Class 1 exemption because the Project is a minor alteration of the existing heating system through the installation of a new mini-boiler system, involving negligible expansion of use. The mini-boiler system will serve as the primary heat source for the RWRP's existing digesters and will create redundancy, allowing the existing steam boiler to serve as a backup heating source. Staff has also determined that this approval is Categorical Exempt pursuant to Section 15302/Class 2 because installation of the mini-boiler system will replace the existing steam boiler as the primary heat source for the digesters at the RWRP. In addition, none of the exceptions set forth in Section 15300.2 apply.

LOCAL PREFERENCE

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

FISCAL IMPACT

There is no impact to the General Fund. This Project is located within Council District 3. This Project is identified in the Wastewater Management Division five-year Capital Improvement Plan. Funds in the amount of \$2,469,000 are budgeted in Fiscal Year 2020 for this project in the Sewer Enterprise Fund 40501.

Attachments:

Attachment 1 - Bid Evaluation

Attachment 2 - Fiscal Impact Statement

Attachment 3 - Sample Contract