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Title: Actions pertaining to the waste gas flare at the Fresno-Clovis Regional Wastewater Reclamation Facility (Bid File No. 3750) (District 3):

1. Award a construction contract to W.M. Lyles Co., in the amount of \$6,395,900 for construction of Waste Gas Flare Improvements
2. Approve the Second Amendment to the consultant services agreement with Carollo Engineers, Inc., to extend the term of the contract from March 31, 2022, to January 31, 2023, for professional engineering services during construction

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Attachment 1 - Evaluation of Bids.pdf, 2. Attachment 2 - Fiscal Impact Statement.pdf, 3. Attachment 3- Sample Contract, 4. Attachment 4 - Vicinity Map.pdf, 5. Attachment 5 - Second Amendment.pdf, 6. Attachment 6 - First Amendment.pdf, 7. Attachment 7 - Consultant Services Agreement - Carollo.pdf

Date	Ver.	Action By	Action	Result
12/9/2021	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

FROM: MICHAEL CARBAJAL, Director
Department of Public Utilities

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Department of Public Utilities - Utilities Planning & Engineering

SUBJECT

Actions pertaining to the waste gas flare at the Fresno-Clovis Regional Wastewater Reclamation Facility (Bid File No. 3750) (District 3):

1. Award a construction contract to W.M. Lyles Co., in the amount of \$6,395,900 for construction of Waste Gas Flare Improvements
2. Approve the Second Amendment to the consultant services agreement with Carollo Engineers, Inc., to extend the term of the contract from March 31, 2022, to January 31, 2023, for professional engineering services during construction

RECOMMENDATIONS

Staff recommends that City Council award a construction contract to W.M. Lyles Co., in the amount of \$6,395,900, for construction of Waste Gas Flare Site Improvements at the City's Regional Wastewater Reclamation Facility (Project); approve the Second Amendment to the consultant services agreement with Carollo Engineers, Inc., to extend the term of the contract for the Project from March 31, 2022 to January 31, 2023, so professional engineering support services may

continue during construction; 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

In order to meet San Joaquin Valley Air Pollution Control District (Air District) permit requirements, the Department of Public Utilities (DPU) - Wastewater Management Division (WMD) is seeking award of a construction contract for the Project in the amount of \$6,395,900, to W.M. Lyles Co. Due to an increase of waste gas production at the RWRF it has become necessary to install larger capacity flare units to burn the excess gas and meet regulatory requirements. Construction and installation of these new flare units will increase operational capacities and maintain facility compliance with Air District requirements.

BACKGROUND

The City's Regional Wastewater Reclamation Facility (RWRF) is a continuously operated secondary treatment facility that handles over 68 million gallons of raw sewage effluent daily. In the treatment of wastewater, the organic solid treatment that occurs during the digestion process results in the production of biogas. Excess waste gas is burned in an existing on-site waste gas flare unit. The RWRF had previously been able to utilize a 1,100 standard cubic feet per minute (SCFM) flare to burn excess waste gas generated from the digester units, but in 2017 gas volume exceeded the flare's burn capacity so a temporary rental flare was placed into service.

The Federal Government provides for the regulation of air pollution and delegates authority to the local Air District to set and administer conditions regarding air pollution generators. On February 13, 2020, the City entered into a Settlement Agreement and General Release with the Air District which included a \$122,000 penalty payment for the operation of a temporary flare and the thermal oxidizer associated with the gas conditioning plant in order to burn the excess gas produced by the RWRF digester units. The Settlement Agreement also established a compliance deadline of May 31, 2021, for installation of the new waste gas flare improvements and removal of the temporary waste gas flare. The City is now incurring incremental penalties estimated at \$2,500 per month for the continued operation of the temporary waste gas flare in order to properly deal with the excess gas production.

While the RWRF currently generates more than 1,100 SCFM of waste gas, the new Waste Gas Flares is designed and sized to burn up to 3,200 SCFM of waste gas, which will meet projected demands and regulatory requirements through year 2030. The existing flare will continue to be maintained as an emergency backup unit, should one on the new flares become in-operable.

In August of 2018, an RFQ advertisement was posted on the City's Planet Bids website for Project design services and Carollo Engineers, Inc., was subsequently awarded the design contract. Approval of the Second Amendment to the Consultant Services Agreement will ensure Consultant engineering services are provided throughout the construction period.

The WMD solicited contractor services for construction of the Waste Gas Flare Site Improvements through the City's established bidding process. A notice inviting bids was published in the Business Journal and posted on the City's website on August 20, 2021. Project plans and specifications were distributed to 28 prospective bidders and 12 Building Exchanges. One bid proposal was received and unsealed in a public opening on October 12, 2021.

W.M. Lyles Co. submitted a bid price in the amount of \$6,395,900 and is the lowest responsive and responsible bidder. The Staff Determination of Award was posted on the City of Fresno website on November 10, 2021. The price submitted is 1.4% below the Engineer's Estimate of \$6,488,000.

ENVIRONMENTAL FINDINGS

On September 2, 2021, the City Council adopted a Mitigated Negative Declarations (MNDs) for this project with Environmental Assessment No. P20-00072, dated May 25, 2021, a Mitigated Negative Declaration for the Regional Wastewater Reclamation Facility Waste Gas Flare Project pursuant to the California Environmental Quality Act (CEQA). Notice of Determination for the MND was filed with State Clearinghouse on October 28, 2021. 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 as the lowest responsive and responsible bidder is a local business.

FISCAL IMPACT

There is no impact to the General Fund. This Project is in Council District 3. Funds for the construction of the Waste Gas Flare improvements are included in Wastewater Division's Fiscal Year 2022 Capital Improvement Program budget within the Wastewater Enterprise Fund 40501.

Attachments:

- Attachment 1 - Evaluation of Bid Proposals
- Attachment 2 - Fiscal Impact Statement
- Attachment 3 - Sample Contract
- Attachment 4 - Vicinity Map
- Attachment 5 - Second Amendment
- Attachment 6 - First Amendment
- Attachment 7 - Consultant Services Agreement - Carollo