

STAFF REPORT

DATE: October 11, 2011

TO: Water/Sewer Committee

FROM: Cari Dale, Water Utilities Director

SUBJECT: **RECOMMEND APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT IN AN AMOUNT NOT TO EXCEED \$51,280 WITH SANCON ENGINEERING OF HUNTINGTON BEACH TO APPLY COATING TO A SECONDARY CLARIFER AT THE SAN LUIS REY WASTEWATER TREATMENT PLANT**

SYNOPSIS

Staff recommends that the Water/Sewer Committee recommend that Utilities Commission recommend that the City Council approve a professional services agreement in an amount not to exceed \$51,280 with Sancon Engineering of Huntington Beach, to apply coating to a secondary clarifier at the San Luis Rey Wastewater Treatment Plant, and authorize the City Manager to execute the agreement.

BACKGROUND

The Water Utilities Department has a continuing program of maintenance that identifies equipment that needs to be replaced or rehabilitated. The secondary clarifier at the San Luis Rey Wastewater Treatment Plant that needs coating is 10 years old. During an inspection of the equipment, staff found extensive corrosion in the framework and determined that a protective coating needs to be applied to repair the damage.

ANALYSIS

Water Utilities staff obtained three bids for this work. In accordance with the City's procedure for the bidding process, staff evaluated the bids. After a thorough review of the bid amounts, staff unanimously recommended that Sancon Engineering be selected to apply the coating to the clarifier. The bids were as follows:

Supplier	Bid Amount
Sancon Engineering	\$51,280
Zebron	\$57,850
Jamison Engineering	\$63,275

Staff estimates that the coating of the secondary clarifier will take approximately two to three weeks.

FISCAL IMPACT

The FY 11-12 current available budget for infrastructure repair and maintenance in the San Luis Rey Plant Improvements project (909951000722.5703.10600) is \$226,711 so there are funds to perform this work.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATIONS

Staff recommends that the Water/Sewer Committee recommend that Utilities Commission recommend that the City Council approve a professional services agreement in an amount not to exceed \$51,280 with Sancon Engineering of Huntington Beach, to apply coating to a secondary clarifier at the San Luis Rey Wastewater Treatment Plant, and authorize the City Manager to execute the agreement.

PREPARED BY:

Greg Blakely
Administration Manager

STAFF REPORT

DATE: October 11, 2011

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

SUBJECT: **APPROVAL OF A PURCHASE ORDER IN THE AMOUNT OF \$180,481.25 FOR THE GRANULAR ACTIVATED CARBON SYSTEM FOR TRICHLOROPROPANE REMOVAL AT THE MISSION BASIN GROUNDWATER PURIFICATION FACILITY**

SYNOPSIS

Staff recommends that the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council approve a purchase order in an amount of \$180,481.25 with Siemens Water Technologies Corporation of La Mirada for the end of lease buy out of the Granular Activated Carbon System for Trichloropropane Removal at the Mission Basin Groundwater Purification Facility.

BACKGROUND

California Department of Health Services regulations required monitoring for Trichloropropane (TCP) in 2003 as part of the California Unregulated Contaminant Rule. TCP was first detected in early 2003 in wells 1, 2, 3, and 9 which are located at the Mission Basin Groundwater Purification Facility. It is also expected to be present in two additional wells, Wells 10 & 11 near the intersection of Mission Avenue and Foussat Road. Wells 4 and 5, which are located on the north side of the San Luis Rey River near College Boulevard, have had no TCP detected.

TCP was formulated with dichloropropenes in the manufacture of a soil fumigant, D-D. Historically, the Mission Basin was a major agricultural area for tomatoes, corn and strawberries, and it is thought the application of these soil fumigants was the source of the contaminant. TCP is also used as a solvent and extractive agent. As a solvent, it has commonly been used as a paint and varnish remover, a cleaning and degreasing agent and a cleaning and maintenance solvent.

The use of all wells with TCP was discontinued in 2003 while staff researched methods to remove TCP. During this period there was not threat to public safety.

In response, the City hired Mc Guire Malcomlmm Pirnie Environmental Consultants, Inc., (McGuire) who in 2001, conducted a pilot study at the Mission Basin Groundwater Purification Facility. That resulted in identifying Granular Activated Carbon (GAC) as

the treatment technology to remove TCP from the source wells. The GAC treatment was determined to be the most cost effective treatment option and that treatment, as opposed to abandoning the wells and finding alternative water sources, is the only feasible solution to the TCP problem under the circumstances.

ANALYSIS

The Mission Basin Groundwater Purification Facility must produce 6.3 MGD to comply with the City's groundwater recovery agreement with the Metropolitan Water District. All of these wells are essential for keeping the plant in operation while other wells are undergoing maintenance and repair. It is also important to have the plant produce as much potable water as possible because the City saves money by having this local resource.

TCP still exists in the source wells and does not appear to be decreasing. The Granular Activated Carbon System provided by Siemens Water Technologies is performing as anticipated for the removal of TCP in compliance with the California Department of Public Health (CDPH (formally CDHS)) requirements. Staff recommends that the City exercise its option to purchase the equipment for the pre-negotiated buy out price of \$180,481.25.

FISCAL IMPACT

Since October of 2008, the city has been making payments on leasing the GAC treatment system from Siemens Water Technology Corporation. The final payment was made in late September of 2011. Per the lease agreement terms, the City has the option of purchasing the equipment at a price of \$180,481 or requesting that Siemens disassemble and remove the system at a price of \$92,277.

The Mission Basin Groundwater Purification Facility Expansion Project (908742500710.5701.10700) has an approximate balance of \$1,317,568. Therefore, sufficient funds are available for the Siemens Purchase Order.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

Purchases must comply with bid requirements set forth in Chapter 28A of the City Code. Professional services agreements must be reviewed by the City Attorney and approved as to form.

INSURANCE REQUIREMENTS

Does not apply.

RECOMMENDATIONS

Staff recommends that the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council approve a purchase order in an amount of \$180,481.25 with Siemens Water Technologies Corporation of La Mirada for the end of lease buy out of the Granular Activated Carbon System for Trichloropropane Removal at the Mission Basin Groundwater Purification Facility.

PREPARED BY:

Greg Blakely
Administration Manager

STAFF REPORT

DATE: October 11, 2011

TO: Water/Sewer Committee

FROM: Cari Dale, Water Utilities Director

SUBJECT: **RECOMMEND ACCEPTANCE OF IMPROVEMENTS CONSTRUCTED BY AMERICAN INDUSTRIAL SERVICES FOR THE CONSTRUCTION OF THE WELL HEAD FACILITIES FOR WELLS 10 & 11 PROJECT**

SYNOPSIS

Staff recommends that the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council accept the improvements constructed by American Industrial Services for the Well Head Facilities for Wells 10 & 11 project, and authorize the City Clerk to file a Notice of Completion with the San Diego County Recorder.

BACKGROUND

The Mission Basin Groundwater Purification Facility, located at 215 Fireside Drive, was originally constructed and put into operation in 1994. The original facility produced 2.2 million gallons per day (mgd) of potable water from brackish groundwater by use of a reverse osmosis treatment process. A subsequent expansion project was to bring the capacity of the plant up to 6.37 mgd. This expansion, accepted by Council in February 2003, consisted of three additional production wells, nine monitoring wells, a high and low pump station, an additional reverse osmosis train and other infrastructure-related work. All work was satisfactorily completed with the exception of the production wells, which when drilled, did not produce sufficient quantities for production.

In October 1998, City Council authorized a joint participation agreement between the City of Oceanside, San Diego County Water Authority (SDCWA) and the Metropolitan Water District (MWD) for participation in the Groundwater Recovery Program (GRP). As part of the GRP study, SDCWA has drilled 11 exploratory wells to map the Basin for possible future use. As part of the drilling project, Oceanside had the SDCWA analyze up to five sites with an emphasis on three that can replace the poorly performing well sites 6, 7 and 8. Three of the sites are within a mile of the Mission Basin Groundwater Facility with one being on the plant site. Well site 9 at the plant site was drilled by the SDCWA and during the test pumping produced up to 2,220 gallons per minute. Construction of the wellhead facilities for Well 9 was completed in June of 2008 and began producing water shortly after construction was completed. The other two sites, well sites 10 and 11, adjacent to Fire Station 7 were later drilled by the SDCWA.

On November 18, 2009 City Council awarded construction of the Well Head Facilities for Wells 10 & 11 project to American Industrial Services and the Notice to Proceed was issued on January 20, 2010.

ANALYSIS

Construction began shortly after the notice to proceed was issued on January 20, 2010; per the contract documents, the project was to be completed by July 14, 2011

Shortly after work commenced on the Project, claims were made to the City via Public Work Stop Notices by 11 different subcontractors or suppliers. The City has held money pursuant to California Civil Code section 3186 upon receipt of the Stop Notices in the total amount of \$493,393.95, which represents 125% of the sum of the Stop Notices. Two of the subcontractors/suppliers have each commenced litigation in California Superior Court, San Diego County, North County Division, to enforce their respective stop notice claims. The City Attorney is working with the Contractor to facilitate the closing of the contract through unconditional lien releases and requests for dismissal of litigations.

Throughout the course of construction, American Industrial Services was issued 5 working days of time extension due to inclement weather therefore extending the contract completion date to July 21, 2011. Construction was complete on September 20, 2011; 61 days beyond the contract completion deadline. The contract allows for the deduction of liquidated damages in the amount of \$1500.00 per calendar day; this equates to a total deduction of \$91,500.00. Staff is recommending that liquidated damages be assessed and the amount has been included in the closing change order.

Closing Change Order #2 includes additional work requested by the City, a bid unit quantity adjustment, costs associated with a City Encroachment Permit, and the assessment of liquidated damages for an (\$83,879.33) credit to the City.

A final inspection has been performed and it was determined that the well head facilities for Wells 10 & 11 have been constructed per the plans and specifications.

FISCAL IMPACT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

INSURANCE REQUIREMENTS

Does not apply

COMMISSION OR COMMITTEE REPORT

Does not apply

RECOMMENDATIONS

Staff recommends that the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council accept the improvements constructed by American Industrial Services for the Well Head Facilities for Wells 10 & 11 project, and authorize the City Clerk to file a Notice of Completion with the San Diego County Recorder.

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