

STAFF REPORT

DATE: May 22, 2012

TO: Utilities Commission

FROM: Cari Dale, Water Utilities Director

SUBJECT: **RECOMMEND AUTHORIZATION TO AWARD A CONTRACT IN THE AMOUNT OF \$156,614 TO SD&B CONSTRUCTION INC., OF ESCONDIDO FOR THE SAN LUIS REY WASTEWATER TREATMENT FACILITY OLD MAINTENANCE BUILDING UPGRADES**

SYNOPSIS

Staff recommends that the Utilities Commission recommend that the City Council authorize the award of a contract in the amount of \$156,614 to SD&B Construction Inc., of Escondido for the construction of the San Luis Rey Wastewater Treatment Facility Old Maintenance Building Upgrades project and authorize the City Manager to execute the agreement.

BACKGROUND

The San Luis Rey Wastewater Treatment Plant (SLRWWTP) was initially constructed in the early 1970s. There have been several expansions and upgrades to the plant over the past 35 years. The Old Maintenance Building, not included as part of the plant upgrades over the years, is currently used for storage and a secondary maintenance shop. Improvements and renovations are necessary to bring the existing restroom and storage areas back into working condition and up to code.

In July of 2011, a set of plans and specifications for renovations to the Old Maintenance Building were completed.

On March 14, 2012, Council approved the plans and specifications and authorized the City Engineer to call for bids. Council also approved the inspection contract with Infrastructure Engineering Corporation for the services of an ICBO-certified inspection support team during construction.

ANALYSIS

On May 1, 2012, seven bids were received and opened for the San Luis Rey Wastewater Treatment Facility Old Maintenance Building Upgrades Project (Exhibit A). The apparent low bidder was SD&B Construction Inc., of Escondido with a bid of \$156,614. Staff has reviewed the bid submitted by SD&B Construction Inc., and finds that the bid bond and references are in accordance with City standards. The engineer's estimate to construct the project was \$144,500.

FISCAL IMPACT

The Fiscal Year 11-12 adopted budget for the San Luis Rey Maintenance Building Upgrades fund (909123500722.5305.10400) will have a balance \$214,557 after a pending budget transfer is completed. The construction costs of \$156,614 and inspection costs of \$35,000 combine for a total project cost of \$191,614. Therefore, adequate funds are available for the project.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

CITY ATTORNEY'S ANALYSIS

The bid documents were previously reviewed by the City Attorney and approved as to form. The construction contract must be awarded to the lowest responsible bidder. The Public Contract Code defines "responsible bidder" as a bidder who has demonstrated the attributes of trustworthiness as well as quality, fitness, capacity and experience to satisfactorily perform a public works contract. The City Council also has the discretion to reject all bids and re-advertise.

RECOMMENDATIONS

Staff recommends that the Utilities Commission recommend that the City Council authorize the award of a contract in the amount of \$156,614 to SD&B Construction Inc., of Escondido for the construction of the San Luis Rey Wastewater Treatment Facility Old Maintenance Building Upgrades project and authorize the City Manager to execute the agreement.

PREPARED BY:



Jason Dafforn
Acting Water Utilities Division Manager

Exhibit A: Bid Results

BID TABULATION

PROJECT NO.: 909123500722
 PROJECT NAME: San Luis Rey Wastewater Treatment Facility Old Maintenance Building Upgrades
 PROJECT MANAGER: Jason Dafforn
 BID DATE: May 1, 2012 10:00 am

ENGINEER'S ESTIMATE
 \$144,500

BIDDER:	ADDRESS:	BID AMOUNT:
1. Wiley Construction Co Inc.	Oceanside	\$164,450
2. Bowcon Company, Inc.	San Marcos	\$174,235
3. Dennis Patrick Contracting	Oceanside	\$189,495
4. Blair Rasmussen Construction Inc.	San Diego	\$187,443
5. SD&B Construction Inc.	Escondido	\$156,613
6. Fordyce Construction	Santee	\$163,382
7. Alvand Construction, Inc.	Poway	\$167,000
8.		
9.		
10.		
11.		
12.		
13.		

STAFF REPORT

DATE: May 20, 2012

TO: Utilities Commission

FROM: Cari Dale, Water Utilities Director

SUBJECT: **RECOMMEND APPROVAL OF UTILITY RELOCATION AND REIMBURSEMENT AGREEMENTS WITH CALTRANS FOR THE ROUTE 76 WIDENING PROJECT WEST OF MELROSE DRIVE**

SYNOPSIS

Staff recommends that the Utilities Commission recommend that the City Council approve utility relocation and reimbursement agreements in amounts not to exceed \$142,427 for sewer facilities and \$484,096 for water facilities with Caltrans for the Route 76 Widening project located west of Melrose Drive; and authorize the Mayor to execute the agreement.

BACKGROUND

The widening of State Route 76 from Melrose Drive to the City Boundary and beyond affected various City owned water and sewer facilities. A large majority of these facilities are located within the existing State Right of Way.

In July 2009, the Water Department reviewed and determined the scope of work relating to the proposed project and outlined the fiscal responsibilities for both agencies. It was determined that the City was ultimately responsible for 100% of the sewer main relocation costs and 98% of the water main relocation costs. The plans and specifications were reviewed and approved prior to bidding and the start of construction.

Construction began in 2010 and the Water Department has performed routine inspections throughout the duration of the project and has concluded that the City owned facilities have been constructed in accordance with City standards.

ANALYSIS

Caltrans has provided a Utility Relocation and Reimbursement Agreement to the City for the relocation of City owned utility lines that exist within the State Right of Way. The project schedule, funding and agency obligations required the City's utility lines to be relocated as soon as possible so as not to adversely affect the project. City facilities that are within Caltrans right-of-way are under license agreements that require the city

to relocate the facilities at our expense should Caltrans perform any improvements where our facilities would impede their work.

FISCAL IMPACT

The Fiscal Year 11-12 adopted budget for Miscellaneous Sewer (800812722.5325) and Miscellaneous Water (750771712.5325) have balances of \$950,818 and \$890,732 respectively. The Caltrans estimate to relocate the City's utilities is \$142,427 for sewer and \$484,096 for water. Therefore, adequate funds are available for the project.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission will review staff's recommendation at its regularly scheduled meeting on May 22, 2012

CITY ATTORNEY'S ANALYSIS

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

INSURANCE REQUIREMENTS

Does not apply.

RECOMMENDATIONS

Staff recommends that the Utilities Commission recommend that the City Council approve utility relocation and reimbursement agreements in amounts not to exceed \$142,427 for sewer facilities and \$484,096 for water facilities with Caltrans for the Route 76 Widening project located west of Melrose Drive; and authorize the Mayor to execute the agreement.

PREPARED BY:



Jason Dafforn
Acting Water Utilities Division Manager

Exhibit A - Site Map

STAFF REPORT

DATE: May 20, 2012

TO: Utilities Commission

FROM: Cari Dale, Water Utilities Director

SUBJECT: **RECOMMEND APPROVAL OF AMENDMENTS 1 TO THE POWER PURCHASE AGREEMENT AND THE SITE LEASE AGREEMENT FOR THE SAN LUIS REY WATER RECLAMATION SOLAR PHOTO-VOLTAIC SYSTEM LOCATED AT THE SAN LUIS REY WATER RECLAMATION FACILITY, AND APPROVAL OF THE ASSIGNMENT OF THE AGREEMENTS**

SYNOPSIS

Staff recommends that the Utilities Commission recommend that the City Council approve Amendments 1 to the Power Purchase Agreement (PPA) and the site Lease Agreement (SLA) with SunEdison of Beltsville, Maryland, for the installation and operation of a solar photo-voltaic system, and use of approximately 10 acres of City-owned land, located at 3950 N. River Road for the San Luis Rey Water Reclamation Solar Photo-Voltaic System, to modify the terms and conditions and update the PPA with the new solar electricity pricing, annual production amounts, and early termination fees; approve the Assignment of the PPA and SLA to SunPower Corporation Systems of Richmond, CA; and authorize for the City Manager to execute the amendments and assignments.

BACKGROUND

The proposed project will produce 1 megawatt of alternative energy for the San Luis Rey Water Reclamation facility. The goal was to enter into a Power Purchase Agreement (PPA) so the City will have a secure alternative energy source that will be below the cost the City would spend for that same amount of energy purchased from San Diego Gas & Electric (SDG&E) over the life of the PPA. In addition to this endeavor, the City also gains and owns Renewable Energy Credits. The solar-voltaic system will offset 1,339 metric tons of carbon dioxide annually, equivalent to greenhouse gas emissions from 256 passenger vehicles.

Staff solicited Requests for Proposals in February of 2010 with three proposals received. City Council awarded the power purchase and site lease agreement to SunEdison on August 18, 2010. SunEdison, on behalf of the City, submitted an application to secure California Solar Incentives and paid the required \$15,000 application fee.

ANALYSIS

To date, SunEdison has been unable to complete the project as planned and staff began negotiations with replacement solar providers that would be able and willing to take over the project from SunEdison as well as take over assignment of the Solar Incentives, which make the project financially viable. In order to do so, staff negotiated a revised completion date for the incentives with the California Center for Sustainable Energy. SunEdison is willing to assign the incentives to a replacement solar provider, provided they are reimbursed the application fee of \$15,000. As proposed, the City would pay SunEdison this application fee and assign it to the replacement provider. As a condition of approval for the incentives, the City must submit a Proof of Project Milestone by June 14, 2012, in the form of a signed contract with an alternative provider.

In May 2012, staff contacted alternative providers and asked that they submit a proposal for the project. Three proposals were received: SunPower Corporation, SolarCity and Borrego Solar. Staff had a solar energy analyst evaluate the three solar photovoltaic proposals for qualifications, electrical cost savings, and performance. SunPower Corporation of Richmond, California, ranked highest among all proposers, based on pricing, financial performance, and ownership. SunPower is able to build the system within the time constraints and is willing to do the work. The cumulative nominal dollar savings over a 20-year period are \$1,577,087 or \$78,854 annually. The savings under the SunEdison contract were estimated to be approximately \$1,195,593 over 20 years.

Staff has already started environmental work in anticipation of the contract award and to ensure that the strict timelines are met. Based on the current site conditions, staff anticipates adoption of a Mitigated Negative Declaration (MND) in compliance with all California Environmental Quality Act requirements for the proposed solar energy project. A space utilization plan has been reviewed carefully, confirming that with construction of the proposed solar energy project, there is also sufficient space to accommodate any future expansion of the treatment plant.

A community forum was also held on June 9, 2010. Staff sent approximately 450 mailers to the surrounding property owners and issued a press release. The community forum had 10 attendees including 2 members of the Utilities Commission. The majority of the public questions were related to the proposed project's capacity, operations and maintenance, and security issues. All questions were answered by the representatives from the then selected solar provider, SunEdison, as well as City staff.

Section 4217.12 of the California Government Code authorizes public agencies to enter into energy service contracts on such terms as their governing bodies determine are in the best interests of the agency. To do so, a determination must be made after a public hearing that the anticipated cost to the agency for energy conservation services under the energy services contract would be less than the anticipated marginal cost to the agency of electrical energy that would have been consumed by the agency in the absence of those purchases. In lieu of utilizing a competitive hard bid process to select

the contractor to perform the energy services, Government Code section 4217.10 *et seq.* authorizes the use of an informal request for proposals process. A power purchase agreement is a form of "energy services contract" eligible for the alternative, informal Government Code procurement process.

FISCAL IMPACT

The Fiscal Year 11-12 proposed budget for the Miscellaneous Sewer Projects (800812722.5325) fund is \$1,000,000; the specialized legal review of the PPA is approximately \$5,000-15,000 and the application reimbursement cost is \$15,000. The potential total project expenditure to the Water Utilities Department is approximately \$30,000. Therefore, adequate funds are available.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission approved staff's recommendation at its regularly scheduled meeting on June 15, 2010.

CITY ATTORNEY'S ANALYSIS

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

RECOMMENDATION

Staff recommends that the Utilities Commission recommend that the City Council approve Amendments 1 to the Power Purchase Agreement (PPA) and the site Lease Agreement (SLA) with SunEdison of Beltsville, Maryland, for the installation and operation of a solar photo-voltaic system, and use of approximately 10 acres of City-owned land, located at 3950 N. River Road for the San Luis Rey Water Reclamation Solar Photo-Voltaic System, to modify the terms and conditions and update the PPA with the new solar electricity pricing, annual production amounts, and early termination fees; approve the Assignment of the PPA and SLA to SunPower Corporation Systems of Richmond, CA; and authorize for the City Manager to execute the amendments and assignments.

PREPARED BY:



Jason Dafforn
Acting Water Utilities Division Manager

STAFF REPORT

DATE: May 20, 2012

TO: Utilities Commission

FROM: Cari Dale, Water Utilities Director

SUBJECT: **RECOMMEND AUTHORIZATION FOR CITY ENGINEER TO CALL FOR BIDS HARBOR LIFT STATION NO. 4 FORCE MAIN REPLACEMENT PROJECT**

SYNOPSIS

Staff recommends that the Utilities Commission recommend that the City Council authorize the City Engineer to call for bids for the construction of the Harbor Lift Station No. 4 Force Main Replacement project located north of the San Luis Rey River and east of the Pacific Street Bridge at Harbor Drive South.

BACKGROUND

When the Harbor was created in 1961, the entire existing utility infrastructure as it exists today was installed, including the lift stations and sewer force-mains. The existing 8-inch cast iron sewer force main connects Harbor Lift Station No. 4 with North Bridge Lift Station (Exhibit A) and then sends this sewage to the La Salina Wastewater Treatment Facility for processing. The length of the existing force main is approximately 400 linear feet and is situated in Harbor Drive and underneath the North County Transit District's (NCTD) railroad right-of-way. Cast iron piping has corrosive properties, which over the years tends to corrode the pipe wall. In addition, rust tends to accumulate in cast iron pipe thus creating blockage over time and less carrying capacity. This sewer force main has reached the end of its useful life and needs to be replaced to ensure continued service for all of the Harbor and the Harbor tenants.

On September 22, 2010, the City Council approved the plans and specification for the construction of the Harbor Lift Station No. 4 Force Main Replacement project and authorized the City Engineer to call for bids.

On October 28, 2010, four bids were received and opened for the Harbor Lift Station No. 4 Force Main Replacement project. After analyzing the bids and considering the best interest of the City, on December 22, 2010 City Council approved rejecting all bids and re-bidding the project at a future date.

ANALYSIS

The proposed project consists of replacing approximately 400 linear feet of 8-inch cast iron force main with approximately 400 linear feet of 8-inch C900 PVC and ductile iron force main and associated mechanical work within the Harbor No. 4 and North Bridge lift stations. The 8-inch ductile iron force main will be enclosed in a steel casing that will be installed across the NCTD right-of-way. With a typical force main installation, the pipe can be installed via open trench construction. However, both NCTD and the City require that anytime a pipe is installed under an existing roadway or railroad track, a "sleeve" or "casing" pipe must be installed by the jack and bore method of construction. Once the casing is installed, the force main "carrier" pipe is installed inside of the casing. The casing pipe protects the active force main from being crushed. Staff estimates that construction of the project will take approximately three months.

The project is exempt from the California Environmental Quality Act requirements. The plans and specifications for the project are available for review in the offices of the City Manager and the City Engineer.

FISCAL IMPACT

The Force Main for Harbor Lift Station (910539400751) has a current available balance of \$450,000. This project is funded by the Harbor & Beaches Division; no funds from Water Utilities will be used for this project.

The engineer's estimate for construction of this project is \$395,000. Therefore, there are sufficient funds available to complete this project.

CITY ATTORNEY'S ANALYSIS

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

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

RECOMMENDATIONS

Staff recommends that the Utilities Commission recommend that the City Council authorize the City Engineer to call for bids for the construction of the Harbor Lift Station No. 4 Force Main Replacement project located north of the San Luis Rey River and east of the Pacific Street Bridge at Harbor Drive South.

PREPARED BY:

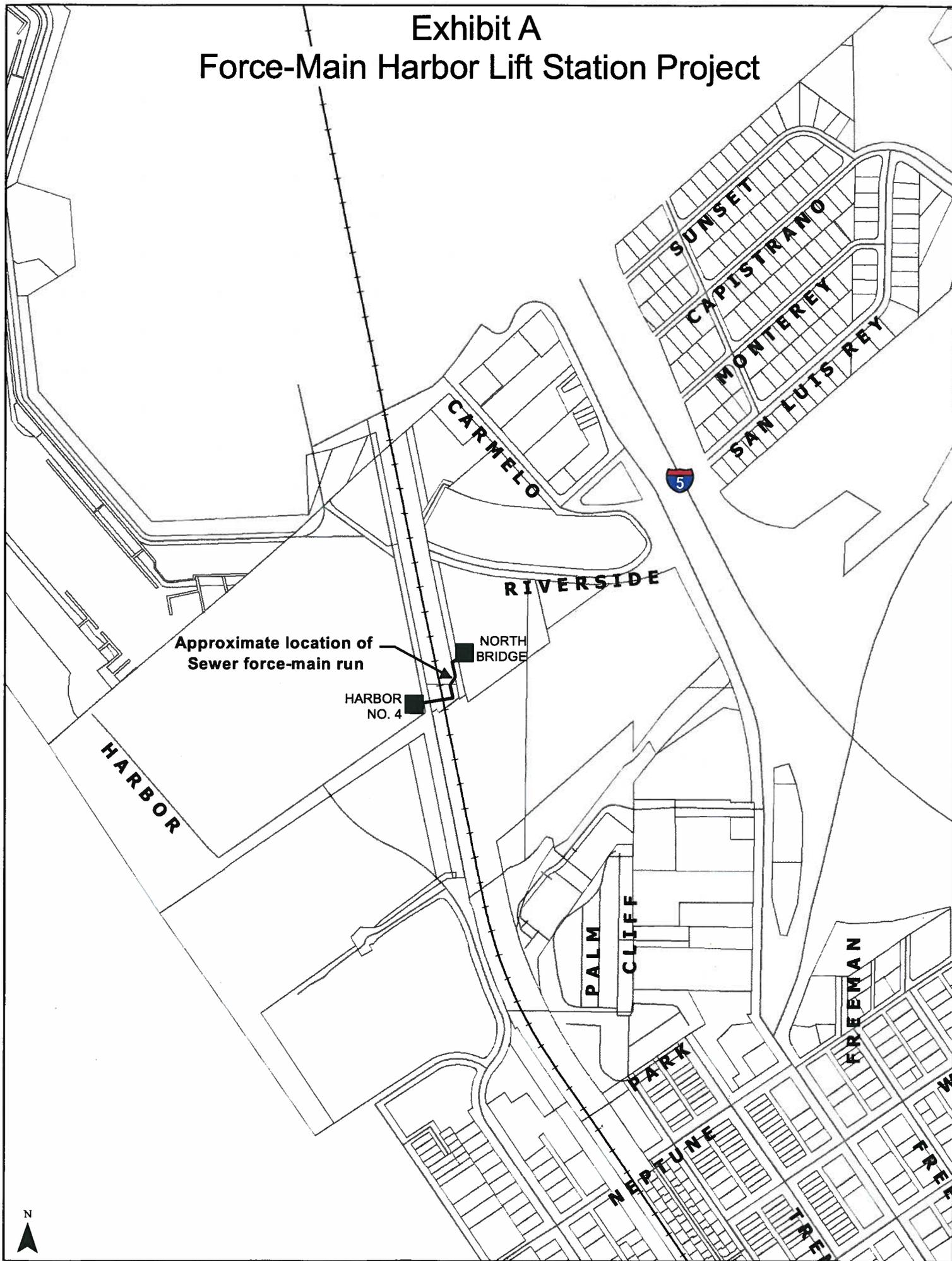


FOR Frank Quan
Harbor & Beaches Coordinator

Exhibit A: Site Map

Exhibit A

Force-Main Harbor Lift Station Project



DATE: May 01, 2012

TO: Mark Anderson, Water Utilities Division Manager

FROM: Jeremy Kemp, Utility Supervisor

ITEM: Sewer Stoppages for the Month of April 2012.

There were (8) Sewer Complaints for the month of April 2012, of which (0) needed the attention of the Rodder and / or Vactor crews.

*None of the complaints for April were the responsibility of the City...

