

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 10/8/2013	(3) CONTACT/PHONE Jeff Werst, Design Division Manager (805) 781-4480	
(4) SUBJECT Letter transmitting plans and specifications (Clerk's File) for the Los Osos Wastewater Project, Water Recycling Facility, Los Osos for Board approval and advertisement for construction bids and submittal of a resolution making findings pursuant to Public Contract Code Section 3400 designating product requirements. The recommended bid opening date is Thursday November 21, 2013. District 2.			
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is our recommendation that your Honorable Board: <ol style="list-style-type: none"> 1. Adopt the attached resolution making findings pursuant to Public Contract Code Section 3400 designating products by specific brand or trade name in the plans and specifications for the construction of the Los Osos Wastewater Project, Water Recycling Facility, Los Osos; and 2. Approve the project and adopt the plans and specifications for the construction of the Los Osos Wastewater Project, Water Recycling Facility, Los Osos (No. 300448.08.02); and 3. Authorize the contract to be advertised for construction bids. The recommended bid opening date is Thursday, November 21, 2013; and 4. Provide the Public Works Director, or his designee, the discretion to extend the bid opening date to a date deemed more appropriate by the Director or his designee, so long as any such extension is in compliance with all applicable laws. 			
(6) FUNDING SOURCE(S) LOWWP	(7) CURRENT YEAR FINANCIAL IMPACT \$46,579,000.00	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { } Consent { } Presentation { } Hearing (Time Est. ___) { } Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS { } Resolutions { } Contracts { } Ordinances { } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A { } 4/5th's Vote Required { } N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { } N/A Date: 6/18/13; # 53	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 2 -			

Reference: 13OCT08-BB-1

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Jeff Werst, Design Division Manager

John Waddell, Los Osos Wastewater Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 10/8/2013

SUBJECT: Letter transmitting plans and specifications (Clerk's File) for the Los Osos Wastewater Project, Water Recycling Facility, Los Osos for Board approval and advertisement for construction bids and submittal of a resolution making findings pursuant to Public Contract Code Section 3400 designating product requirements. The recommended bid opening date is Thursday November 21, 2013. District 2.

RECOMMENDATION

In accordance with applicable State Law, it is our recommendation that your Honorable Board:

1. Adopt the attached resolution making findings pursuant to Public Contract Code Section 3400 designating products by specific brand or trade name in the plans and specifications for the construction of the Los Osos Wastewater Project, Water Recycling Facility, Los Osos; and
2. Approve the project and adopt the plans and specifications for the construction of the Los Osos Wastewater Project, Water Recycling Facility, Los Osos (No. 300448.08.02); and
3. Authorize the contract to be advertised for construction bids. The recommended bid opening date is Thursday, November 21, 2013; and
4. Provide the Public Works Director, or his designee, the discretion to extend the bid opening date to a date deemed more appropriate by the Director or his designee, so long as any such extension is in compliance with all applicable laws.

DISCUSSION

On September 20, 2006, California State Governor Arnold Schwarzenegger signed Assembly Bill 2701 (Blakeslee) which allowed the County, at your Board's discretion, to assume responsibility for development of a wastewater project for the community of Los Osos. Since 2006, environmental permits and funding approvals have been obtained, and on March 15, 2011, your Board adopted the

Due Diligence resolution to assume responsibility for the project and proceed to project completion. The adoption of the Due Diligence resolution predicated your Board's action on May 17, 2011, to approve the \$173 million project budget.

The collection system portion of the project is currently in construction under separate contracts. The pipeline contracts, which constitute the major part of the work, are more than 50% complete and scheduled to finish in July 2014. The collection system pump stations contract is scheduled to finish in February 2015. The final portion of the project is the water recycling facility, which is the subject of today's recommended Board action.

The water recycling facility contract specifies that the work necessary to begin the start-up of the facility be completed within two years. Depending on the actual date of award of the contract and the subsequent issuance of the Notice to Proceed to the contractor, the facility should be ready for wastewater flows in the first few months of 2016, after which time, individual properties can decommission their septic system and connect to the project.

The engineer's estimate for the construction of the water recycling facility is \$46,579,000 which is significantly more than the planning estimates of \$31.5 million in the 2007 Fine Screening Report and the May 17, 2011 project budget. The estimated cost increase can be attributed to a number of factors, including the following:

- P Additional treatment requirements and environmental mitigation measures established in project permit conditions.
- P Added grading and earthwork requirements. The budget estimates were based on an assumed 40 acre site with minimal slopes. Due to environmental constraints, the planned 40 acre site was reduced to approximately 13 useable acres on the more steeply sloped portion of the site.
- P Inflation factors due to the actual construction period being several years beyond the estimated time.

A general contractor and electrical subcontractor pre-qualification process is being completed for this contract, which is a quality control and potential cost saving measure. Twelve general contractors and ten electrical subcontractors have submitted pre-qualification packages and most are expected to be found to meet the pre-qualification requirements and be eligible to bid on the project. Each contractor must demonstrate experience in treatment facility construction and other qualifications necessary to successfully complete this project. It is expected that the pre-qualification process will provide competitive bids as each potential contractor will know that there is strong competition from proven contractors in the treatment facility sector.

These contract plans and specifications prepared by Carollo Engineers have been completed to the satisfaction of the Department of Public Works and it is our recommendation that your Board approve the project for the Water Recycling Facility by adopting these plans and the specifications. Additionally, it is our recommendation that your Board authorize that a contract be advertised for construction bids on these adopted plans and specifications, with a bid opening date of Thursday, November 21, 2013.

Designation of Specific Product Manufacturers

The contract specifications contain requirements for specific equipment manufacturers for three

components of the water recycling facility, with no substitutions or “equal” products allowed to be used as alternatives. This type of requirement for specific products is allowed under Public Contract Code Section 3400. In order to designate specific, sole source products with no equal, the Public Contract Code requires that the awarding authority, your Board, make findings that those products are required because there are no suitable alternatives. The findings are contained in the attached resolution. The following discussion describes each of the three designated products and the reasons that no alternative products are allowed.

Diaphragm-type metering pump: Special pumps are required to feed chlorine disinfectant into the recycled water pipeline as water is being pumped to the community for use. The injection point is after the effluent pump station, so the water in the pipeline is at relatively high pressure. Typical chlorine metering pumps deliver disinfectant at low pressure to processes in a treatment plant, and therefore would not be suitable. The specified manufacturer, Pulsafeeder, is the only source for the type of pumps that meet the project requirements for this application. In order to ensure a fair cost for this equipment, the cost for this equipment has been pre-negotiated with the manufacturer and included as a line item cost of \$58,940.60 as Item 3 on the bid sheet.

Cloth media disk filter units: Filtration units are required to meet the water quality standards for Title 22 tertiary recycled water. It is essential that the cloth media disk filters provide reliable, low maintenance service that is well suited for the type of wastewater that will be treated at the new facility. It is also essential that the cloth media filters also have a small footprint to fit within the limited space available at the site and have low life-cycle costs and energy consumption compared to other filtering technologies. The specified manufacturer, Aqua-Aerobic Systems, is the only source that has a demonstrated performance record of meeting the project constraints and is accepted by the CA Department of Public Health. The CA Department of Public Health is the regulatory agency responsible for oversight of recycled water use and must approve all such applications in California. In order to ensure a fair cost for this equipment, the cost for this equipment has been pre-negotiated with the manufacturer and included as a line item cost of \$1,096,230.18 as Item 4 on the bid sheet.

Programmable Logic Controller (PLC): PLC’s are the industrial computers that control the equipment and treatment processes within a treatment facility. They are self-contained units capable of performing in harsh environments and include redundant systems and battery backup. The PLC’s and related hardware within a system should be provided by a single manufacturer to ensure compatibility. The specified manufacturer, Allen Bradley - a subsidiary of Rockwell Automation, is required to match the PLC products that are being used for the project collection system. A cost has not been pre-negotiated for these products, due to the multiple pieces of equipment and variability of the final configuration used to meet the performance requirements in the specifications. The estimated cost of the required Allen Bradley equipment is \$200,000 and is a part of the larger Item 5 on the bid sheet for providing instrumentation and control systems.

OTHER AGENCY INVOLVEMENT/IMPACT

The U.S. Department of Agriculture (USDA) and State Water Resources Control Board (SWRCB) are jointly financing the Project and provide oversight of engineering and consulting agreements and construction contracts. Numerous other federal, state and local agencies are involved in the project. County Counsel is providing legal guidance on all aspects of the project and has approved the attached contract as to legal form and effect.

FINANCIAL CONSIDERATIONS

The budget includes all costs and contingencies for the project, some of which will be funded by grants. It should be noted that the SWRCB will consider approval of \$4 million in additional grant funding at their October 8, 2013 meeting. The recommended grant is from the Water Recycling Funding Program.

The water recycling facility design and construction is budgeted in the Capital Project Budget for the Los Osos Wastewater Project at \$36.1 million with a remaining unallocated amount of \$27.0 million. The engineer's estimate for this contract is \$46,579,000. However, the actual contract cost will be determined later this year at the time of award and will depend on the final bid results.

The construction contract will be funded from the unallocated line item for the treatment facility (Exhibit "A," Line 41), with any additional funding needed being transferred from the remaining unallocated costs for the collection system (Exhibit "A," Line 33) or project contingencies (Exhibit "A," Line 53). These costs are included in the overall budget approved by your Board on May 17, 2011.

Refer to attached Exhibit "A" for an estimated cost breakdown of the project.

RESULTS

Approval of the recommended action will result in this water recycling facility contract being advertised for construction bids, which continues the progress toward a community wastewater project for Los Osos. Completion of the Project will contribute to the County's goal of providing a safe and healthy community.

File: Contract No. 300448.08.02

Reference: 13OCT08-BB-1

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ATTACHMENTS

1. Vicinity Map
2. Exhibit A - Budget Status Update
3. Resolution Making Findings Pursuant to Public Contract Code Section 3400 Designating Products by Specific Brand or Trade Name in the Plans and Specifications for the Construction of the Los Osos Wastewater Project, Water Recycling Facility
4. Plans and Specifications