



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

(1) DEPARTMENT Public Works		(2) MEETING DATE 11/5/2019		(3) CONTACT/PHONE Eric Laurie, Project Manager (805) 788-2758	
(4) SUBJECT Submittal of bid opening report for the Groundwater Extraction and Treatment System, Los Osos Landfill Project, to award the subject contract (Clerk's File) to Jensen Drilling Company, the lowest responsive, responsible bidder, in the amount of \$777,000; and authorize a budget adjustment, in the amount of \$575,660, to increase appropriation and associated funding, by 4/5 vote. District 2.					
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is recommended that the Board: <ol style="list-style-type: none"> 1. Award the subject contract (no. 320071) to Jensen Drilling Company, the lowest responsive, responsible bidder, at \$777,000; and 2. Authorize the Director of Public Works, or designee, to approve change orders for a contingency amount up to \$77,700, for a final total construction amount of \$854,700; and 3. Authorize a budget adjustment, in the amount of \$575,660: <ol style="list-style-type: none"> a. Using \$232,644 available budget in Fund Center (FC) 230 – Capital Projects; and b. Using \$90,417, the remaining budget from completed project no. 320115 - COC FCA Public Works Roof Building, within FC 230 - Capital Projects; and c. Transferring \$252,599 from two cancelled projects, 350034 - Animal Services Roof Replacement and 350101 - Paint Animal Services Facility, within FC 200 – Maintenance Projects General Fund, by 4/5 vote. 					
(6) FUNDING SOURCE(S) Fund Center 230- Capital Projects		(7) CURRENT YEAR FINANCIAL IMPACT Estimated Project Cost = \$1,641,063.00		(8) ANNUAL FINANCIAL IMPACT N/A	
(9) BUDGETED? Yes					
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)					
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A					
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19002001				(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1920053 <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Attached		(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date 08/20/19, #16	
(17) ADMINISTRATIVE OFFICE REVIEW Kristin Eriksson					
(18) SUPERVISOR DISTRICT(S) District 2					

Reference: 19.157



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Public Works
Eric Laurie, Project Manager

VIA: Jeff Werst, Design Division Manager

DATE: 11/5/2019

SUBJECT: Submittal of bid opening report for the Groundwater Extraction and Treatment System, Los Osos Landfill Project, to award the subject contract (Clerk's File) to Jensen Drilling Company, the lowest responsive, responsible bidder, in the amount of \$777,000; and authorize a budget adjustment, in the amount of \$575,660, to increase appropriation and associated funding, by 4/5 vote. District 2.

RECOMMENDATION

In accordance with applicable State Law, it is recommended that the Board:

1. Award the subject contract (no. 320071) to Jensen Drilling Company, the lowest responsive, responsible bidder, at \$777,000; and
2. Authorize the Director of Public Works, or designee, to approve change orders for a contingency amount up to \$77,700, for a final total construction amount of \$854,700; and
4. Authorize a budget adjustment, in the amount of \$575,660:
 - a. Using \$232,644 available budget in Fund Center (FC) 230 – Capital Projects; and
 - b. Using \$90,417, the remaining budget from completed project no. 320115 - COC FCA Public Works Roof Building, within FC 230 - Capital Projects; and
 - c. Transferring \$252,599 from two cancelled projects, 350034 - Animal Services Roof Replacement and 350101 - Paint Animal Services Facility, within FC 200 – Maintenance Projects General Fund, by 4/5 vote.

DISCUSSION

In accordance with direction from your Board, bids for the subject contract were opened on Thursday, September 26, 2019.

Five bids were received. They are as follows:

Engineer's Estimate	\$640,578.00
Jensen Drilling Company	\$777,000.00
Specialty Construction, Inc.	\$874,700.00

HPS Mechanical, Inc.	\$899,130.00
Genesis Construction	\$978,368.00
Remediation Risk Management, Inc.	\$992,002.00

The low bid came in 21% above the Engineer’s Estimate. Based on feedback from the consultant that prepared the Engineer’s Estimate, higher bids are the result of present market factors that are keeping contractors very busy, which is reflected in increased bid prices. We have reviewed the submittal from Jensen Drilling Company and verified that they are the lowest responsive, responsible bidder.

Project Background Information

The Los Osos Landfill (Landfill) was an active landfill from December 1958 through November 1988, accepting approximately 838,000 tons of refuse. The Department of Public Works (Department) was assigned responsibility for maintaining the Landfill premises to meet all Federal, State, and County health laws, rules, and regulations once waste disposal operations ceased. Since the Landfill’s closure, the Department has worked with the consensus and approval of the Regional Water Quality Control Board (RWQCB) to conduct several corrective action programs focused on removing volatile organic compound (VOC) contaminants from groundwater directly beneath and adjacent to the Landfill. The corrective action program currently consists of operating a gas collection and destruction system and maintaining a clay layer “cap” and a surface drainage control system to minimize landfill gas and VOC impacts to groundwater. The Landfill gas control system has been in operation since September 1998.

Groundwater monitoring at the Landfill identified a plume containing trace to low-level concentrations of VOC contaminants, which continues to be present in the groundwater beyond “the point of compliance”, along the downgradient edge of the Landfill.

Although there has not been a significant change in plume composition or dimension since it was identified in 1987, the RWQCB is requiring that additional corrective action measures be implemented. Groundwater extraction and treatment was determined to be the most viable and cost-effective method to accelerate VOC level reductions at the Landfill.

The groundwater extraction, treatment and disposal system is designed to pump and treat groundwater from the edge of the Landfill to reduce migration of VOC contaminated groundwater to downgradient of the Landfill. The project consists of ten groundwater extraction wells, a carbon treatment system to remove VOCs from the extracted groundwater, and the discharge of the treated water into the existing stormwater basin. The system will be operated and monitored by staff, and results will be reported to the RWQCB.

This is the second time this project has been advertised for construction bids. The project was approved by the Board and authorized for advertisement on August 7, 2018. However, bids that were received were significantly over the budget available for constructing the project. The County of San Luis Obispo (County) met with RWQCB staff on October 10, 2018, to discuss the cost and feasibility of implementing the project and the terms of the existing cleanup and abatement order. RWQCB staff confirmed that the additional corrective action measures are needed. The County then evaluated project scoping and phasing options and determined the proposed design was unable to be re-scoped or re-phased effectively and should be re-advertised for bids with additional project funding. An independent Engineer’s Estimate was prepared, and the estimate was used to develop project funding requirements to facilitate re-bidding.

OTHER AGENCY INVOLVEMENT/IMPACT

The Environmental Coordinator issued a Mitigated Negative Declaration for the project which was approved concurrently with the issuance of the project's Coastal Development Permit on October 21, 2016. Agencies that are involved with the Landfill closure operations include the Central Coast Regional Water Quality Control Board, the Air Pollution Control Board, the California Coastal Commission, and CalRecycle.

The construction contract was prepared using standard County terms and conditions, and County Counsel reviewed and approved the contract as to legal form and effect prior to advertisement.

The County Clerk formally processed the bid opening.

FINANCIAL CONSIDERATIONS

This a multi-year project budgeted in the Capital Projects Fund – WBS 320071 Los Osos Landfill Remediation Project. The total project costs are estimated at \$1,641,063.

Existing funding of \$1,065,403 for the project has come from the Los Osos Remediation Fund, Facilities Planning Reserves, and the General Fund.

If approved, the budget adjustment will authorize \$575,660 of additional funding needed to complete the project, using \$232,644 from budget available within FC 230 – Capital Projects, and \$90,417 remaining budget from completed project 320115 – COC FCA Public Works Roof Building within FC 230 - Capital Projects, and transferring \$252,599 from two cancelled projects 350034 – Animal Services Roof Replacement and 350101 – Paint Animal Services Facility, within FC 200 – Maintenance Projects General Fund, by 4/5 vote.

Please see Exhibit "A" for estimated project costs and funding sources.

RESULTS

The immediate result of the recommended action will be the construction of this project, which will improve the groundwater quality at the site, contributing to a healthy, more livable community.

ATTACHMENTS

- 1 Vicinity Map
- 2 Exhibit A – Project Cost Estimates
- 3 Contract Documents for Groundwater Extraction and Treatment System, Los Osos Landfill, San Luis Obispo County, CA, Contract No. 320071

File: Contract No. 320071

c: Resident Engineer
Construction Engineer
Jensen Drilling Company, Contractor

Reference: 19.157

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