

MEMORANDUM

TO: CITY COUNCIL

FROM: GEOFF ENGLISH, PUBLIC WORKS DIRECTOR

BY: SHANE TAYLOR, UTILITIES MANAGER

SUBJECT: CONSIDERATION TO PURCHASE A WATER TREATMENT PLANT AND ASSOCIATED EQUIPMENT FOR WELL NO. 11

DATE: JUNE 14, 2016

RECOMMENDATION:

Approve the purchase of a Culligan Cullsorb Filter and associated treatment plant equipment in the amount of \$53,601.08 from Central Coast Water Treatment (\$32,544.53) and Hopkins Technical Products (\$21,056.55).

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The Capital Improvement Program budget currently includes \$254,664 for the project.

BACKGROUND:

On August 11, 2015, City Council rejected construction bids for Water Well No. 11 treatment plant construction, well equipment and piping installation project PW 2010-07. The lowest bid was \$146,000 above the engineer's estimate of \$317,500.

ANALYSIS OF ISSUES:

In meeting with the City's consulting engineering firm, Garing, Taylor & Associates, it was determined to revise the bid documents and solicit new construction bids.

The new bid documents have been prepared along with changes in the technical specifications. Part of the recommended changes to the Well No. 11 project are to have the City purchase the water treatment plant and associated equipment directly from the manufacturer and then provide it to the successful bidder on the future Well No. 11 project.

The above action will lower the cost and expedite the project. This recommended purchase is in accordance with the City's Purchasing Policy and Procedures Manual (page 16) Bidding Exceptions: #2: The merchandise or service is available from only one source. The Culligan Cullsorb filter is only available from Central Coast Water

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Treatment and the treatment plant equipment is only available through Hopkins Technical Products. Letters regarding the sole source providers is attached.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

- Approve staff's recommendation to purchase;
- Do not approve the purchase; or
- Provide direction to staff.

ADVANTAGES:

By purchasing the specialized equipment and treatment plant directly, the project will be less costly. The contractors that bid the project will have a shorter completion schedule since they will not be waiting for the plant and equipment to be delivered which is estimated to be 12 to 14 weeks.

DISADVANTAGES:

No disadvantages are identified.

ENVIRONMENTAL REVIEW:

The City Council adopted Resolution No. 4584 approving a Negative Declaration for the project in accordance with CEQA Guidelines.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, June 9, 2016. The Agenda and staff report were posted on the City's website on Friday, June 10, 2016. No public comments were received.

Attachments:

1. Letter dated May 20, 2016 from Central Coast Water Treatment regarding Sole Source Provider
2. Letter dated June 1, 2016 from Central Coast Water Treatment regarding the Filter
3. Letter dated May 10, 2016 from Hopkins Technical Products regarding the Treatment Plant Equipment
4. Letter dated May 18, 2016 from ProMinent Fluid Controls, Inc. regarding Hopkins Technical Products, Inc. as being the sole source provider of the treatment plant equipment
5. City of Arroyo Grande City Council Report dated August 11, 2015



May 20th, 2016

City of Arroyo Grande
1375 Ash St
Arroyo Grande, Ca 93420

To Whom It May Concern:

Our team is the premier sole provider for commercial DI water, commercial softeners, and other various water treatment needs on the Central Coast.

We are a Culligan dealer and specialize in our field.

Please let us know if you have any questions. We look forward to treating your water concerns.

Sincerely,

CCWT



June 1, 2016

City Of Arroyo Grande
 ATTN: Shane Taylor
 1375 Ash Street
 Arroyo Grande, CA 93420

Shane:

It was a pleasure speaking with you about your water treatment needs.

The following is the cost to filter the raw water before use:

HG-4825 HI-Flo 50 ASME Code Cullorb Filter, Including pressure Differential Switch and (2) 3" Static Mixers		\$25,918.50
Setup and Startup		\$ 3,000.00
	Tax	\$ 2,073.48
	Freight	\$ 1,552.55
	<u>Total</u>	<u>\$32,544.53</u>

Note: equipment based on water analysis from clinical laboratory of San Bernardino work order #1212231

Note: price includes bedding and start up

Note: price does not include installation

If you have any questions please don't hesitate to call.

It's always a pleasure to help serve you with your water quality needs.

Sincerely,

A handwritten signature in black ink that reads "Dave Woods". The signature is written in a cursive style with a large initial "D".

Dave Woods
 Culligan CCWT
 966 Huber St.
 Grover Beach 93433
 805-481-4590
 805-441-6642



May 10, 2016

Quote #: HTP-16111

City of Arroyo Grande
1375 Ash Street
Arroyo Grande, CA 93421

Subject: City of Arroyo Grande – Well 11 TCP

Attention: Shane Taylor

We are pleased to offer you the following equipment for your favorable consideration.

Well 11
Treatment Plant Equipment

1. ProMinent Fluid Controls Gamma L Series Chemical Metering Pump.
Model #: GMXA1602NPE9M000UD113100EN, Qty. 4

- a. Maximum Capacity: 0.34 GPH.
- b. Maximum Pressure: 232 PSI.
- c. Liquid End Material: Acrylic/PVC/EPDM
- d. Power Requirements: 120 Vac, 60 Hz, Single Phase.
- e. Signal Input: 4 – 20 mADC
- f. Signal Output: Fault Alarm.

Qty. 4 @...\$ 1,294.04 each...\$ 5,176.16

2. ProMinent Fluid Controls Universal Control Cable.
Part #: 1001300.

- a. Cable Length: 6 – Foot.

Qty. 4 @...\$ 34.87 each...\$ 139.48

City of Arroyo Grande

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May 10, 2016

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- ii. Low Pressure Regulator: Included.
- iii. Needle Valve: for flow Adjustment

Qty 1 @...\$ 6,430.66 each. NOTE: SENSUS IPERL FLOW METERS ARE SUPPLIED BY OTHERS AND ARE NOT INCLUDED.

6. Saf-T-Flo Chemical Injector for Sodium Hypochlorite

Part #: EB-145-B-P-3-CV-V

- a. Corporation Stop Size: 3/4-Inch
- b. Ball Valve and Compression Nut: Bras (No Lead)
- c. Solution Tube: 3/8-Inch PVC.
- d. Length of Solution Tube: 3-Inches.
- e. Tip Configuration: Saf-T-Flo Viton.
- f. Check Valve Seal: Viton

Qty. 1 @...\$ 397.74 each

7. Saf-T-Flo Chemical Injector for Caustic Soda and Aqueous Ammonia

Part #: EB-145-B-P-3-CE-E

- a. Corporation Stop Size: 3/4-Inch.
- b. Ball Valve and Compression Nut: Brass (No Lead).
- c. Solution Tube: 3/8-Inch PVC.
- d. Length of Solution Tube: 3-Inches.
- e. Tip Configuration: Saf-T-Flo EPDM.
- f. Check Valve Seal: EPDM

Qty. 3 @...\$ 397.74 each...\$ 1,193.21

8. ProMinent Fluid Controls Pressure Gauge with Isolator

Part #: 7746186

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Terms:

Net 30 days.
Quote is valid for 60 days.
State and Local taxes are included.
F.O.B.: Factory.
Freight: Allowed to jobsite, included above.
Delivery: 4 to 5 weeks ARO.

If you have any questions, or if we can be of further service, please do not hesitate to contact us at (925) 240-2160.

Sincerely,

Richard M. Hopkins
General Manager
Hopkins Technical Products, Inc.

May 18, 2016

Paul Marsalek
City of Arroyo Grande
1375 Ash Street
Arroyo Grande, CA 93421

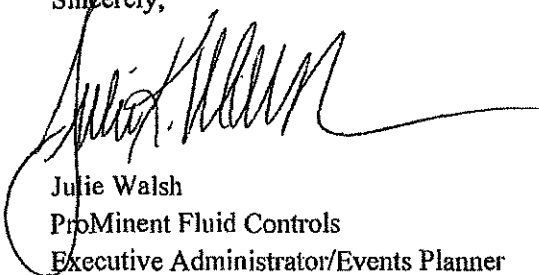
Dear Paul:

Hopkins Technical Products, Inc. is our exclusive sales representative for the state of California and our Authorized Service Provider for the Western United States.

Hopkins Technical Products, Inc. is the only company in California who is authorized by ProMinent Fluid Controls, Inc. to sell directly to local, county and state governments as well end users, contractors and/or system integrators. Be advised that ProMinent Fluid Controls, Inc. will honor new equipment warranties only when purchased and serviced through an authorized representative.

Please feel free to contact me with any questions or contact Hopkins Technical Products, Inc. directly at (925)240-2160 for assistance.

Sincerely,



Julie Walsh
ProMinent Fluid Controls
Executive Administrator/Events Planner
Ph: (412) 446-4733
Fx: (412) 787-7147
juliew@prominent.us

Cc: R. Hopkins
A. Cercone



MEMORANDUM

TO: CITY COUNCIL

FROM: GEOFF ENGLISH, PUBLIC WORKS DIRECTOR

BY: MIKE LINN, ASSISTANT CITY ENGINEER

SUBJECT: CONSIDERATION TO REJECT CONSTRUCTION BIDS AND SOLICIT NEW CONSTRUCTION BIDS FOR THE MUNICIPAL WATER WELL NO. 11 TREATMENT PLANT CONSTRUCTION, WELL EQUIPMENT AND PIPING INSTALLATION PROJECT, PW 2010-07

DATE: AUGUST 11, 2015

RECOMMENDATION:

It is recommended the City Council:

1. Reject all construction bids received on July 14, 2015 for the subject project; and
2. Direct staff to revise the bid documents and solicit new construction bids for the subject project at a future date.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The Capital Improvement Program budget includes \$285,200 for the subject project.

BACKGROUND:

The existing well is located on the south side of La Canada Street approximately 800 feet north of the intersection with James Way and was drilled and developed to provide irrigation water for the Rancho Grande project. The well was constructed in 1992 with a PVC casing that is 6 inches in diameter and 305 feet deep. The City acquired the well in 2009 as a condition of approval of Tract 1998 to help mitigate impacts of the project on the City's water supply.

On August 24, 2010, Council approved a Consultant Services Agreement (CSA) with Garing, Taylor & Associates to rehabilitate the existing irrigation well and provide the appropriate treatment facilities for conversion of the well for domestic use. Council has since approved three additional amendments to the CSA for additional testing, environmental determination, and future construction support.

On May 13, 2014, Council approved the design improvements for the project, and adopted Resolution No. 4584 to approve a Negative Declaration for the project, in accordance with CEQA guidelines.

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ANALYSIS OF ISSUES:

On July 14, 2015, four bids were opened for the subject project (see Attachment No. 1). The lowest bid, from Brough Construction, Inc., was in the amount of \$463,728. Although staff determined the bidder to be responsible, the lowest bid was approximately \$146,000 above the Engineer's Estimate of \$317,500.

On July 29, 2015, staff met with Garing, Taylor & Associates to review the unit prices for the construction bids, and explore whether cost savings could be achieved through changes in the project design. The group concluded the following:

- Construction activity is accelerating and many qualified contractors were apparently too busy to submit bids. Rebidding the project during the fall or winter months may increase the number of potential bidders and provide lower prices.
- The pricing for the premanufactured water treatment facility was considerably higher than originally quoted during the project design. Garing, Taylor & Associates will investigate having the City purchase the water treatment facility separately to furnish to the selected contractor for final installation.

Based on the discussions, staff recommends rejecting all construction bids, exploring potential design savings including the purchase of the water treatment facility as a separate contract, and rebidding the construction project at a future date.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendation to reject all construction bids and solicit new construction bids at a future date for the subject project;
2. Do not award a construction contract for the project; or
3. Provide direction to staff.

ADVANTAGES:

Many qualified local contractors did not submit bids as the current construction climate is accelerating. Rebidding the project during the winter months may increase the number of qualified bidders and result in competitively lower prices.

DISADVANTAGES:

Construction activity continues to increase coming out of the recession and there are no guarantees that more favorable prices will be obtained.

ENVIRONMENTAL REVIEW:

The City Council adopted Resolution No. 4584 approving a Negative Declaration for the project in accordance with CEQA guidelines.

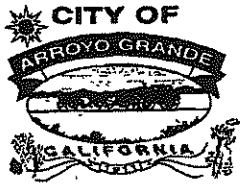
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CONSTRUCTION BIDS FOR THE MUNICIPAL WATER WELL NO. 11 TREATMENT PLANT
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PUBLIC NOTIFICATION AND COMMENTS:

The agenda was posted at City Hall on Thursday, August 6, 2015. The agenda and staff report was posted on the City's website on Friday, August 7, 2015. No public comments were received as of the time of preparation of this report.

Attachment:

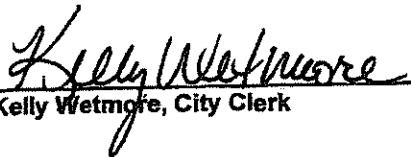
1. Bid Opening Log Sheet



**CITY OF ARROYO GRANDE
BID OPENING LOG SHEET**

**DEADLINE: TUESDAY, JULY 14, 2015 - 2:00 PM
PROJECT NAME: MUNICIPAL WELL NO. 11 PROJECT
PROJECT NO. PW 2010-07
ENGINEER'S ESTIMATE: \$317,500.00**

<u>SUBMITTED BY:</u>	<u>TOTAL</u>
V. Lopez Jr. & Sons Santa Maria, CA	\$564,436.60
Speiss Construction Co., Inc Santa Maria, CA	\$529,076.00
Brough Construction Inc. Arroyo Grande, CA	\$463,728.00
Whitaker Construction Group, Inc. Paso Robles, CA	\$521,345.00


Kelly Wetmore, City Clerk



c: Director of Public Works
Capital Projects Engineer
Interim City Manager