



- Board of Directors
Engineering and Operations Committee

5/14/2019 Board Meeting

7-2

Subject

Award \$331,996 procurement contract to Pacific Mechanical Supply for sodium hypochlorite storage tanks at Lake Mathews; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action awards a procurement contract for two sodium hypochlorite storage tanks to replace the existing tanks at Lake Mathews. These tanks are essential to control quagga mussels at Lake Mathews.

Timing and Urgency

Recent inspections of Lake Mathews' sodium hypochlorite storage tanks identified significant degradation of the interior corrosion barrier in each tank. Failure of the tanks would disrupt the chlorination process and may jeopardize quagga mussel control. Staff recommends award of the tank procurement contract at this time. The tanks will be installed by Metropolitan forces upon delivery.

This work has been reviewed with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and is included in the Distribution System Reliability Program. Funds for this action are available within the appropriation for planned biennial expenditures for fiscal years 2018/19 and 2019/20.

Details

Background

Lake Mathews is the terminus of Metropolitan's Colorado River Aqueduct (CRA). Untreated water stored in the reservoir is withdrawn through the lake's forebay and hydroelectric plant and is then conveyed through the Upper Feeder and Lower Feeder to the Weymouth and Diemer Treatment Plants, respectively.

The sodium hypochlorite feed system at Lake Mathews is a critical component of Metropolitan's distribution system. Since the discovery of quagga mussels in Metropolitan's CRA system in June 2007, sodium hypochlorite is continuously injected into the Lake Mathews forebay structure to control quagga mussel growth in the forebay, as well as in the Upper and Lower Feeders. Uncontrolled quagga mussel growth can lead to increased maintenance and costly repairs. Recent inspections identified severe deterioration of the corrosion barrier that protects the interior walls and floors of each tank.

In October 2018, Metropolitan's Board authorized design activities for the replacement of the sodium hypochlorite tanks at Lake Mathews. Design work is now complete and staff recommends moving forward with procurement and installation of the tanks at this time.

Lake Mathews Sodium Hypochlorite Tank Replacement – Procurement and Installation

This procurement contract will provide two sodium hypochlorite storage tanks that are each 14 feet in diameter and 16 feet tall, with a storage capacity of 16,700 gallons. The tanks are constructed with fiber-reinforced plastic, with a resin corrosion barrier. Metropolitan forces will remove the existing tanks, and install the new tanks, two chemical feed pumps, and one chemical transfer pump. The use of Metropolitan forces to perform this work was selected because: (1) staff will be able to expeditiously complete the work as soon as the tanks are delivered; (2) staff and equipment to perform the work are located at the Lake Mathews site which will ensure efficient

installation; and (3) with staff performing this work, costs associated with a relatively small construction contract (e.g., contract administration, installation specifications, and construction management) will be avoided. Overall, staff determined that this approach is cost effective for this relatively small project.

A total of \$1.2 million is required for these recommended activities. The allocation of budgeted funds for the project are shown in **Attachment 1** and described below.

Award of Procurement Contract (Pacific Mechanical Supply)

Specifications No. ME-13212-LM for furnishing two sodium hypochlorite storage tanks for Lake Mathews was advertised for bids on March 15, 2019. As shown in **Attachment 2**, two bids were received and opened on April 4, 2019. Bidders who qualified as a Small Business Enterprise (SBE) or Disabled Veteran Business Enterprise (DVBE) received a five percent bid-price reduction credit. In addition, bidders who qualified as a Regional Business Enterprise (RBE) received a five percent bid-price reduction credit. A maximum of \$25,000 or 10 percent in bid-price reduction credit was available for a business that meets SBE or DVBE criteria, and the RBE criteria. As a procurement contract, there are no subcontracting opportunities.

The apparent low bidder did not meet the requirements outlined in the bid documents, so its bid was deemed to be non-responsive. The second low bidder from Pacific Mechanical Supply, with a base bid amount of \$331,996, complies with the requirements of the specifications. The budgetary cost estimate for this equipment, based on a survey of vendors, ranged from \$275,000 to \$325,000.

Summary

This action awards a \$331,996 procurement contract to Pacific Mechanical Supply to furnish two sodium hypochlorite storage tanks for Lake Mathews. The contract amount includes all sales and use taxes imposed by the state of California. See **Attachment 1** for the Allocation of Budgeted Funds, **Attachment 2** for the Abstract of Bids, and **Attachment 3** for the Location Map.

A total of \$1.2 million has been budgeted for this work; besides the amount of the contract, other allocated funds include: \$53,000 for factory inspection of the tank fabrication; \$54,000 for review of tank submittals and responding to technical requests for information; \$36,000 for contract administration and project management work related to the tank procurement; \$575,000 for Metropolitan force construction to remove the existing tanks and install the new tanks; and \$150,004 for remaining budget.

This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the appropriation for planned biennial CIP expenditures for fiscal years 2018/19 and 2019/20.

Project Milestones

February 2020 – Delivery of the sodium hypochlorite storage tanks at Lake Mathews

March 2020 – Completion of construction

Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 51351, dated October 9, 2018, the Board authorized design to replace sodium hypochlorite tanks at Lake Mathews

By Minute Item 51353, dated October 9, 2018, the Board appropriated a total of \$290 million for projects identified in the Capital Investment Plan for Fiscal Years 2018/19 and 2019/20

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed project involves the funding, final design, minor alterations, or replacement or reconstruction of existing public facilities with no expansion of use and no possibility of significantly impacting the physical environment. In addition, the proposed project involves minor modifications in the condition of land, water, and/or vegetation which does not involve removal of healthy, mature, scenic trees. Accordingly, the proposed action qualifies under Class 1, Class 2, and Class 4 Categorical Exemptions (Sections 15301, 15302, and 15304 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Award \$331,996 procurement contract to Pacific Mechanical Supply to furnish sodium hypochlorite tanks for Lake Mathews

Fiscal Impact: \$1,200,000 in capital funds

Business Analysis: This option will reduce the risk of interruption in quagga mussel control at Lake Mathews.

Option #2

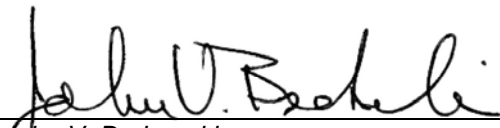
Do not proceed with the project at this time.

Fiscal Impact: None

Business Analysis: Under this option, Metropolitan staff would continue to monitor the condition of the tanks, and will replace the tanks when they fail. This option would forego an opportunity to enhance the reliability of deliveries to member agencies.

Staff Recommendation

Option #1


 _____ 4/17/2019
 John V. Bednarski **Date**
 Chief Engineer
 Engineering Services


 _____ 4/25/2019
 Jeffrey Kightlinger **Date**
 General Manager

Attachment 1 – Allocation of Budgeted Funds

Attachment 2 – Abstract of Bids

Attachment 3 – Location Map

Ref# es12663697

Allocation of Budgeted Funds for Lake Mathews Sodium Hypochlorite Tank Replacement

	Current Board Action (May 2019)
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs (Contr. Admin. & P.M.)	36,000
Submittals Review & Record Drwgs.	54,000
Fabrication Inspection & Support	39,000
Metropolitan Force Construction	575,000
Materials & Supplies	-
Incidental Expenses	14,000
Professional/Technical Services	-
Equipment Use	-
Contracts	-
Pacific Mechanical Supply	331,996
Remaining Budget	150,004
Total	<u><u>\$ 1,200,000</u></u>

The total amount expended to date to replace the Lake Mathews sodium hypochlorite tanks is approximately \$115,000. The total estimated cost to complete this project, including the amount appropriated to date and funds allocated for the work described in this action is \$1.315 million. No future funding requests are currently anticipated for this project.

The Metropolitan Water District of Southern California

Abstract of Bids Received on April 4, 2019 at 2:00 P.M.

**Specifications No. ME-13212-LM
Lake Mathews Sodium Hypochlorite Tanks Procurement**

This contract furnishes two new 16,700 gallon fiber reinforced plastic tanks for the storage of sodium hypochlorite.

Estimated Range of Cost: \$275,000 to \$325,000

Bidder and Location	Base Bid Price Total¹	Small Business or Disabled Veteran Business (Y/N)	Regional Business (Y/N)	Bid Price Reduction for SBE/DVBE or RBE²	Total Evaluated Bid Price
ABC Development ³ Corporation	\$10,815	-	-	-	-
Pacific Mechanical Supply	\$331,996	N	Y	\$16,600	\$315,396

¹ Includes sales and use taxes of 7.75 percent imposed by the state of California, which took effect on October 1, 2018.

² For bid evaluation purposes, bidders who qualified as a Small Business Enterprise (SBE) or Disabled Veteran Business Enterprise (DVBE) received a five percent bid-price reduction credit. In addition, bidders who qualified as a Regional Business Enterprise (RBE) received a five percent bid-price reduction credit. A maximum of \$25,000 or 10 percent in bid-price reduction credit was available for a business that meets SBE or DVBE criteria, and the RBE criteria.

³ Non-responsive bid

Distribution System

