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TO: Board of Directors
FROM: Aaron Cook, Senior Engineer
DATE: October 26, 2020
SUBJECT: SMRCUP GAC Treatment System Equipment Procurement

Description

Review of bids received for the SMRCUP Granular Activated Carbon Treatment System Equipment.

Purpose

Design and installation of additional treatment to the SMRCUP facilities to treat RO bypass flows was approved in January 2020. Granular Activated Carbon (GAC) treatment was identified as the best option to remove a wide range of potential emerging contaminants. This, coupled with the RO treatment, will provide the best available groundwater treatment technology. The GAC treatment system consists of three pairs of large vessels (12-foot diameter by approximately 20-foot height), which currently require about 9 months to acquire. To keep the project on schedule and accelerate the procurement, District staff, with the assistance of the project design engineer, prepared a bid package for the procurement of the additional treatment equipment. The bid opening was on October 8, 2020 and two bids were received. A summary of the bid results is below:

	Company Name	Bid Amount
1	Calgon Carbon Corporaton	\$1,254,578
2	AqueoUS Vets	\$1,565,333.99

Calgon Carbon was the apparent low bidder at \$1,254,578. On October 15, a formal bid protest was submitted by AqueoUS Vets claiming that Calgon Carbon did not adequately address the Disadvantage Business Enterprise requirements of the contract, which are required to receive Drinking Water State Revolving Funds. Upon review of the protest, including feedback from the state Department of Water Resources, staff agrees that Calgon Carbon's bid was non-responsive and award would jeopardize SRF loan funding. Options to proceed include:

1. Award to the 2nd low bidder
2. Reject all bids and re-advertise for procurement of the treatment equipment

Budgetary Impact

The necessary funds will come from the contingency included in the SRF Loan Agreement. The current anticipated breakdown of contingency funds is as follows:

Total SRF Loan Agreement Contingency	\$5,440,000
IEC DSDC Amendment	(\$733,655)
GAC Treatment Equipment (if awarded to the 2 nd low bidder)	(\$1,565,334)
*Estimated GAC Treatment Yard Piping and Installation Costs	(\$2,500,000)
Estimated Remaining Funds for Potential Additional Construction Costs	\$641,011

*Note that the yard piping and installation costs shown are an estimate. The actual cost should be confirmed within the next two months.

Recommended Action

Because the second low bid was \$310,756 more than the apparent low bid, staff recommends that the Board reject all bids and direct staff to re-advertise the procurement of the treatment equipment prior to the next Board Meeting scheduled for December 7.