

M E M O

TO: Engineering & Operations Committee
FROM: Aaron Cook, Senior Engineer
DATE: December 1, 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 first bid opening was on October 8, 2020. Two bids were received, but the apparent low bidder was determined to be non-responsive. To obtain a more competitive bid environment, all bids were rejected and the procurement was rebid, with bid opening scheduled on November 30, 2020. Again, two bids were received. A summary of the bid results is below:

	Company Name	Bid Amount
1	Calgon Carbon Corporation	\$1,260,493.00
2	Aqueous Vets	\$1,616,518.99

Calgon Carbon was the apparent low bidder at \$1,260,493. Calgon Carbon meets the experience and technical requirements and has worked with the District in the past.

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
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IEC DSDC Amendment	(\$733,655)
GAC Treatment Equipment	(\$1,260,493)
GAC Treatment Yard Piping Change Order	(\$559,145)
*Estimated GAC Treatment Design and Installation Costs	(\$3,500,000)
Estimated Remaining Funds for Potential Additional Construction Costs	(\$613,293)

*Note that the installation costs shown are an estimate based on current negotiations with the contractor. The actual cost should be confirmed within the next two months.

As more detailed pricing for the added GAC Treatment System has become available, it appears the contingency within the SRF Loan Agreement will not fully cover the GAC and other likely change order costs. Options for dealing with this budgetary concern include:

1. Request an amendment to the SRF Loan Agreement for additional funds to cover the GAC Treatment System costs and other potential change order costs. This can take as long as six months to obtain an amendment from the State Department of Water Resources and would increase the loan repayment costs by the amortized value of the additional costs.
2. Allocate PAYGO CIP funds to the portion of the SMRCUP that replaced existing water mains. Approximately 4,100 linear feet of the new SMRCUP pipeline (the portion along Palomino Rd) is replacing an existing water main that is over 60 years old. The value of this pipeline replacement is approximately \$2,400,000. That portion of the project costs can be paid for by CIP funds allocated to pipeline replacement efforts. This would be covered by PAYGO funds but would require reprioritizing some pipeline replacement projects.
3. Obtain a separate loan to cover the additional SMRCUP construction costs.

A final decision on the best approach can be evaluated once all the GAC Treatment System costs are finalized.

Recommended Action

That the Committee recommend to the Board authorization to award the SMRCUP GAC Treatment System Equipment Procurement to Calgon Carbon, the lowest responsive, responsible bidder for \$1,260,493.