



# Santa Clara Valley Water District

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**File No.:** 21-0253

**Agenda Date:** 4/27/2021

**Item No.:** 5.1.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Adopt Plans and Specifications and Authorize Advertisement for Bids for the Rinconada Water Treatment Plant Residuals Remediation Project, Project No. 93294058, Contract No. C0671 (Los Gatos) (District 7).

### **RECOMMENDATION:**

- A. Find that the Rinconada Water Treatment Plant (RWTP) Residuals Remediation Project is substantially complex and requires a construction contract retention of ten percent;
- B. Find that Square D PowerLogic ION electrical power monitoring system (or most current) should be designated by specific brand name and catalog item as a sole source product, to match other products already in use at the Rinconada Water Treatment Plant. (Sole source justification previously approved by the Board on June 11, 2013 for the RWTP Residuals Management Project No. 93294051 and on February 10, 2015 for the RWTP Reliability Improvement Project No. 93294057). PCC 3400(c)(2);
- C. Find that Schneider Electric Modicon Unity Pro PLC programming software (or most current), and iFix HMI and Historian software by GE Intelligent Platforms (or most current) should be designated by specific brand name and catalog item as sole source products, to match other products already in use at the Rinconada Water Treatment Plant. (Sole source justification previously approved by the Board on June 11, 2013 for the RWTP Residuals Management Project No. 93294051 and on February 10, 2015 for the RWTP Reliability Improvement Project No. 93294057). PCC 3400(c)(2);
- D. Find that Cisco (IE3300 or most current) rack-mounted ethernet switches should be designated by specific brand name and catalog item as a sole source product, to match other products already in use at the Rinconada Water Treatment Plant. (Sole source justification previously approved by the Board on June 11, 2013 for the RWTP Residuals Management Project No. 93294051 and on February 10, 2015 for the RWTP Reliability Improvement Project No. 93294057). PCC 3400(c)(2);
- E. Find that RFIdeas RFID Reader (RDR-6081AKU or most current) and ESM Software TSL-RFID Security Software (or most current) should be designated by specific brand name and catalog item as a sole source product, to match other products already in use at the Rinconada Water Treatment Plant. PCC 3400(c)(2);
- F. Find that Hiller Separation & Process DP66-422 Centrifuges, identical to the two existing centrifuges, should be designated by specific brand name and catalog item as a sole source product, to match other products already in use at the Rinconada Water Treatment Plant. PCC 3400(c)(2);

- G. Find that Schneider Electric M580 PLCs (updated version of the Schneider Electric Modicon PLCs no longer in production) should be designated by specific brand name and catalog item as a sole source product, to match other products already in use at the Rinconada Water Treatment Plant. PCC 3400(c)(2);
- H. Consider the Second Addendum to the RWTP Residuals Management Project Initial Study/Mitigated Negative Declaration (IS/MND);
- I. Approve the Rinconada Water Treatment Plant Residuals Remediation Project;
- J. Adopt the plans and specifications and authorize advertisement for bids for the construction of the Rinconada Water Treatment Plant Residuals Remediation Project per the Notice to Bidders; and
- K. Authorize the Designated Engineer to issue addenda, as necessary, during bidding.

**SUMMARY:**

The objective of the Rinconada Water Treatment Plant Residuals Remediation Project (Project) is to address operational deficiencies existing in the RWTP Residuals Management Project completed in 2016, and to provide a reliable solids management solution.

The Project scope of work includes installing two new centrifuges, a new polymer feed system, new sludge storage tanks, and implementing other critical miscellaneous improvements to existing facilities.

Staff has completed the final construction documents and is recommending the Board approve the plans and specifications and authorize the advertisement for bids for construction of the Project per the Notice to Bidders (Attachment 1).

***Project Background***

The RWTP is the only source of treated water supply for the west side of Valley Water's service area. Its reliable operation is critical to meet the daily water demands of more than one million customers.

The RWTP Residuals Management Project No. 93294051 was implemented to modernize the handling of residual solids from the water treatment process. Construction was completed in 2016. However, start-up, testing and commissioning processes revealed numerous operational deficiencies. Staff has taken interim steps to maintain the system's operability. A long-term remediation effort to achieve reliable system operations was approved by the Valley Water Board of Directors in May 2018 as the RWTP Residuals Remediation Project No. 93294058.

The work performed by this Project will correct the outstanding deficiencies of RWTP's residuals management system and provide infrastructure to effectively process solids. The solids volume generated by the plant is approximately double the current system capacity. There is a notable lack of capacity in the existing, under-sized, sludge mix tank, which results in significant increased labor for operational staff to keep the system functioning correctly.

As part of this Project, two new centrifuges, a new polymer feed system, and new sludge storage

tanks will be installed. The Project will also include improvements to the existing centrifuge building, centrifuge feed pump, yard piping, gravity thickener rake arms, and the loadout structure. Including the specified sole sourced products will allow the Residuals Remediation Project, the Residuals Management Project, and the Reliability Improvement Project (completed in 2020) to be effectively integrated together.

### ***Sole Source Justification***

One of four criteria must be met, as stated in Public Contract Code (PCC) Section 3400(c), for a sole source designation to be made. For this Project, PCC Section 3400(c)(2) allows the awarding authority to make a finding that such designations are justified to obtain necessary items to match other products in use on a particular public improvement, either completed or in the course of completion.

Staff recommends the Board find that sole source products identified in the recommendations stated above in this memo and the Notice to Bidders (Attachment 1), are necessary to ensure system compatibility with existing equipment, some of which were also installed in the original RWTP Residuals Management Project and in the RWTP Reliability Improvement Project.

### ***Construction Contract Retention***

Public Contract Code (PCC) Section 7201 limits retention amounts for public works construction contracts to five percent (5%) of the total contract price. PCC section 7201(b)(4) provides that retention proceeds on a project may exceed 5% where the Board makes a finding that the proposed project is “substantially complex” and, therefore, requires a retention amount greater than 5%.

To comply with the PCC in regard to increasing the retention to 10%, staff recommends the Board find that the Project is substantially complex based on the precision required to perform this critical work within a constrained shutdown schedule to minimize unplanned disruption in the delivery of treated water to Santa Clara County.

### ***Relevant Prior Board Actions***

On May 15, 2012, the Board awarded Agreement No. A3585A to CDM Smith, Inc., to perform engineering services for the design of the RWTP Residuals Management Project for a not-to-exceed fee of \$1,449,316.

On August 27, 2013, the Board awarded a construction contract for the RWTP Residuals Management Project to Preston Pipeline, Inc., in the amount of \$15,818,300.

On October 25, 2016, the Board accepted the RWTP Residuals Management Project as complete and authorized the Clerk to sign the Notice of Completion of Contract and Acceptance of the Work.

On January 24, 2017, the Board approved a budget adjustment of \$3,356,000 from the Water Utility

Operating and Capital Reserve to the Fiscal Year 2016-17 Project budget to fund short-term remediation efforts necessary to maintain the system's functionality.

On May 8, 2018, the Board approved a budget adjustment of \$5 million from the RWTP Residuals Management Project to fund project expenditures for Fiscal years 2018 and 2019, and awarded Agreement No. A4144A to Stantec Consulting Services Inc. for project planning and design services for a not-to-exceed fee of \$3,296,795.

### ***Public Outreach***

As the proposed Project involves replacing and upgrading the existing treatment plant facilities, its impact on the surrounding community is anticipated to be minor. During construction, steps will be taken to minimize impacts associated with the Project, such as noise and traffic. Neighbors will be informed of potential issues, as appropriate. Construction contract documents include requirements and measures to minimize impacts during the construction.

### ***Permits***

Staff has coordinated with the Santa Clara County Fire Department, and a hazardous materials permit will be finalized after contract award by the construction contractor when submittals for the permits are approved.

### ***Next Steps***

If the Board approves the recommendations, staff will proceed to advertise the Project for construction bids. The next Board action is award of the construction contract, tentatively scheduled for July 13, 2021.

### **FINANCIAL IMPACT:**

This Project is included in the Draft Five-Year 2022-26 Capital Improvement Program (CIP). The current estimated total Project cost is \$31.5M. Staff currently estimates that the construction contract cost is between \$15M and \$17M, and will be recommended by staff for inclusion in Board-approved budgets during two (2) fiscal years. There are sufficient funds in the Board-adopted FY2020-21 budget to encumber the anticipated \$9.6M, estimated to be spent in FY2021-22, the first year of construction. The Project is funded by the Water Utility Enterprise Fund, with 100% of the cost allocated to Zone W-2 (North County).

### **CEQA:**

A Final Initial Study/Mitigated Negative Declaration for the RWTP Residuals Management Project was prepared in accordance with California Environmental Quality Act (CEQA). On April 23, 2013 the Board adopted the Final Initial Study/Mitigated Negative Declaration and Mitigated Monitoring and Reporting Program before approving the RWTP Residuals Management Project.

An Addendum to the Final Initial Study/Mitigated Negative Declaration (Attachment 7) has been prepared by staff to evaluate the environmental effects of proposed modifications to the approved RWTP Residuals Management Project to address the deficiencies identified after that Project was completed. The Addendum concludes that the proposed Project modifications would not result in any new significant impacts or substantial increase in severity of a previously identified significant impact. Pursuant to Section 15164 of the CEQA Guidelines, the Board should consider the Addendum before taking action on the Project. Also included for reference is the 2013 Final Initial Study/Mitigated Negative Declaration (Attachment 8) for the RWTP Residuals Management Project.

**ATTACHMENTS:**

- Attachment 1: Notice to Bidders
- Attachment 2: Project Delivery Process Chart
- Attachment 3: Location Map
- Attachment 4: Plans
- Attachment 5: Specifications
- Attachment 6: PowerPoint
- Attachment 7: Second Addendum to MND
- Attachment 8: Final MND

**UNCLASSIFIED MANAGER:**

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