TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS
DATE: JUNE 21, 2004 CMR:322:04

SUBJECT: AWARD OF CONTRACT TO MONTEREY MECHANICAL COMPANY IN THE AMOUNT OF $729,763 FOR THE LANDFILL GAS AFTERBURNER PROJECT FOR THE WATER QUALITY CONTROL PLANT (WASTEWATER TREATMENT CAPITAL IMPROVEMENT PROGRAM PROJECT WQ04012 & EQUIPMENT REPLACEMENT PROGRAM WQ04010)

RECOMMENDATION
Staff recommends that Council:

1. Approve and authorize the Mayor to execute the attached contract with Monterey Mechanical Company in the amount of $729,763 for the Landfill Gas Afterburner Project for the Regional Water Quality Control Plant (RWQCP).

2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Monterey Mechanical Company for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed $70,000.

DISCUSSION
Project Description
The work to be performed under this contract is to replace the existing afterburners of the incinerators at the RWQCP with dual-fuel burners in order to utilize landfill gas as supplemental fuel. The project also includes the installation of ancillary equipment to transport, compress, and condition the landfill gas from the Palo Alto Landfill for use at the RWQCP.

The Palo Alto Landfill, located next to the RWQCP, is required by the Bay Area Air Quality Control Board to either utilize or flare off (open-burn) the landfill gas. The incinerators at the RWQCP are permitted to utilize natural gas as well as landfill gas for fuel. This project would reduce the natural gas consumption at the RWQCP and pollutant emission through flaring at the landfill. It furthers the RWQCP long-term goal to take a leadership role in promoting beneficial reuse and environmental enhancement.
Summary of Bid Process

<table>
<thead>
<tr>
<th>Bid Name</th>
<th>Landfill Gas Afterburner Rehab.</th>
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<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>12 months</td>
</tr>
<tr>
<td>Number of Bids Mailed to Contractors</td>
<td>6</td>
</tr>
<tr>
<td>Number of Bids Mailed to Builder’s Exchanges</td>
<td>Not applicable (specialty project)</td>
</tr>
<tr>
<td>Total Days to Respond to Bid</td>
<td>31</td>
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<tr>
<td>Pre-Bid Meeting?</td>
<td>Yes</td>
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<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
<td>5</td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>3</td>
</tr>
<tr>
<td>Bid Price Range (Grand total for the basic works and add-alternate work)</td>
<td>$775,513 - $866,200</td>
</tr>
<tr>
<td>Bid Price Range (for basic works only)</td>
<td>$729,763 - $815,300</td>
</tr>
</tbody>
</table>

A notice inviting formal bids for the Landfill Gas Afterburner Project was sent on April 30, 2004 to six contractors and posted at City Hall. The bidding period was 31 days. A mandatory pre-bid meeting was held on May 10, 2004. Five bidders attended the meeting. Bids were received from three qualified contractors on time on June 1, 2004 as listed in the bid summary, Attachment B. Contractors not responding indicated that they did not submit a bid because of other project commitments.

Bids received ranged from $775,513 to $866,200 for the basic works plus the add-alternate work, which is the basis for the bid evaluation. Staff has reviewed all bids submitted and recommends that the bid of $775,513 submitted by Monterey Mechanical Company be accepted and that Monterey Mechanical Company be declared the lowest responsible bidder. The bid is twenty percent above staff's estimate of $640,000. The higher price is due mainly to the rapidly escalating cost of steel in recent months. This report recommends that Council award $729,763 for only the base bid to Monterey Mechanical Company. The change order amount of $70,000 (which equals 9.6 percent of the total contract) is requested to resolve unforeseen problems and/or conflicts that may arise during the construction period.

Staff checked references supplied by the contractor for previous work performed and found no significant complaints. Staff also checked with the Contractor's State License Board and found that the contractor has an active license on file.

RESOURCE IMPACT
Funds for the Landfill Gas Afterburner project have been appropriated under the FY 2003-2004 Wastewater Treatment Capital Improvement Program Project WQ04012 and Wastewater Equipment Replacement Program WQ04010.

POLICY IMPLICATIONS
Recommendations of this staff report are consistent with existing City policies.
ENVIRONMENTAL REVIEW
This project is an equipment replacement project and is categorically exempt from California Environmental Quality Act.

ATTACHMENTS
Attachment A: Contract
Attachment B: Bid Summary
Attachment C: Certification of Nondiscrimination

PREPARED BY: Daisy Stark, Senior Engineer RWQCP
              William D. Miks, Manager RWQCP

DEPARTMENT HEAD: ____________________________
                   GLENN S. ROBERTS
                   Director of Public Works

CITY MANAGER APPROVAL: ____________________________
                        EMILY HARRISON
                        Assistant City Manager