TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS

DATE: JANUARY 14, 2002 CMR:101:02

SUBJECT: AWARD OF CONTRACT TO MONTEREY MECHANICAL CO. IN THE AMOUNT OF $638,000 FOR THE SLUDGE THICKENER REHABILITATION PROJECT AT THE WATER QUALITY CONTROL PLANT (WASTEWATER TREATMENT CAPITAL IMPROVEMENT PROGRAM PROJECT #8021)

RECOMMENDATION
Staff recommends that Council:

1. Approve and authorize the Mayor to execute the attached contract with Monterey Mechanical Co. in the amount of $638,000 for the Sludge Thickener Rehabilitation project at 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 Co. for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed $63,800.

DISCUSSION
Project Description
The work to be performed under this contract is to rebuild three existing sludge thickeners, and to perform minor work on the fourth thickener at the RWQCP. This project is part of the RWQCP's planned equipment replacement program. The thickeners were constructed in 1970 for sludge thickening and removal. Under the equipment replacement program, the thickeners will be rebuilt based on the hours of operation and maintenance records. The RWQCP has four thickeners. Three of the thickeners have been in continuous operation with the original mechanisms since installation. Because of the severe duty and corrosive environment, the mechanisms have corroded and now require replacement. This project will replace the mechanisms in three thickeners in two phases to avoid impact to plant operation.

Bid Process
A notice inviting formal bids for the Sludge Thickener Rehabilitation Project was sent on October 31, 2001 to six contractors. The bidding period was 42 days. A mandatory
prebid meeting was held on November 15, 2001; four bidders attended the meeting. Bids were received from two qualified contractors on December 11, 2001, as listed on the attached bid summary (Attachment B). One bid was not accepted because it was late. Contractors not responding indicated that they did not submit a bid because of other project commitments.

Bids received ranged from a high of $800,000 to a low bid of $638,000. Staff has reviewed all bids submitted and recommends that the bid of $638,000 submitted by Monterey Mechanical Co. be accepted and that Monterey Mechanical Co. be declared the lowest responsible bidder. At $638,000, the bid is eight percent below staff’s estimate of $690,000. The change order amount of $63,800 which equals 10 percent of the total contract, is requested.

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 Phase 1 of the Sludge Thickener Rehabilitation Project ($245,000 for contract work and $24,500 for the Phase 1 contingency amount) have been appropriated under the FY 2001-2002 Wastewater Treatment CIP #8021. The proposed FY 2002-2003 CIP includes the funds for Phase 2 of the project, $432,300, contingent on Council approval. Work on Phase 2 of the project is scheduled to start in July 2002 upon written authorization from the City after Council budget approval.

**POLICY IMPLICATIONS**
Recommendations of this staff report are consistent with 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

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