

WEST BASIN MUNICIPAL WATER DISTRICT

DECEMBER 5, 2006 - Water Resources

Little, Dear

DECEMBER 21, 2006 – Sp. Board Meeting

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ACTION CALENDAR

CHEVRON NITRIFICATION TANK RECOATING PROJECT
CONSTRUCTION MANAGEMENT AND BYPASS SERVICES

SUMMARY:

In 1995, West Basin Municipal Water District (District) constructed a 640,000 gallon welded steel tank in the City of El Segundo as part of the Chevron Nitrification Plant Project. The tank stores nitrified Title 22 water that is used in Chevron’s refinery cooling towers. Chevron places a high importance on the reliability of this water source as it directly affects their ability to effectively operate their refining processes. The District has had tremendous success in maintaining reliable service to Chevron since the commissioning of the tank in 1995, thus, enhancing the District’s collaborative partnership with Chevron.

In an effort to ensure the integrity of District’s assets and continued ability to provide reliable service, the District competitively solicited the services of Harper and Associates to assess the condition of and provide necessary professional engineering services for the Chevron Nitrification Tank. These services consist of performing a detailed maintenance inspection of the tank, perform necessary design work to bring the Chevron tank up to current standards, and to assist with review of submittals during the construction process.

The first phase of work consisted of performing a maintenance evaluation to determine whether any repairs and/or modifications to the tank were necessary. The tank was structurally and seismically evaluated as well as the interior and exterior coating conditions. Findings from this evaluation included a recommendation to perform minor structural modifications to bring the tank into compliance with current AWWA seismic standards along with a recommendation to perform an entire recoating of the interior surfaces and spot coating repair of the tank’s exterior surfaces. Subsequent to these recommendations, staff has initiated the second phase of work to incorporate the suggested design recommendations into a construction bid package. A construction bid package is currently being finalized and will be released for advertisement in early December with bids being due in January. Construction is anticipated to start in March 2007 and will last approximately six to eight weeks. The engineer’s estimated cost of construction is approximately \$100,000. Staff will bring the bid results and recommendation to the Board at a future Board meeting.

Bypass System

Due to the critical nature of Chevron’s operational characteristics, the storage tank can only be taken off-line during winter months, which traditionally occurs during Chevron’s turn-around period. Chevron has identified a window of time from March to early May in which a reduced flow of water is traditionally needed, thereby allowing the District to service Chevron through a temporary bypass system. The temporary bypass system will be implemented on-site adjacent to the Chevron nitrification tank. Staff has requested United Water Service to be responsible for the procurement, installation, and operation of the temporary bypass system. The implementation of this temporary bypass system will cost approximately \$140,000. Staff is recommending that the Board approve United Water Service to procure and implement the temporary bypass system.

Construction Management Services

In an effort to effectively manage the construction activities and ensure that all work is being implemented in compliance with the Project specifications, staff prepared a “Request for Proposals” (RFP) to competitively solicit professional construction management and inspection services. These services will provide a full-time construction manager/inspector on-site to oversee, monitor, and report

on the daily progress of the contractor's work, coordinate and respond to unforeseen field conditions, provide inspection of the contractor's work, enforce the contract specifications, and negotiate potential change orders.

RFP's were solicited in late October with a submittal date of November 16, 2006. The RFP's was sent to ten qualified firms that possessed construction management experience in water tank construction and maintenance. In addition, the RFP's were advertised on the District's website for the duration of the solicitation period. A mandatory preproposal meeting was held on November 2, 2006, to allow the District to provide a scoping overview, allow prospective proposers an opportunity to ask questions, and provide an opportunity for the proposing teams to visit the Project site. Four prospective construction management firms attended the mandatory preproposal meeting.

RFP's from Mangan, Inc. and Harper and Associates Engineering, Inc. were received on November 16, 2006. While both teams meet the District's construction management requirements, Harper and Associates Engineering, Inc. appears to provide a more qualified on-site certified inspector/construction manager at a substantially competitive rate and provides a more comprehensive and rigorous inspection protocol. Mangan's proposed Project cost is \$72,300 as compared to Harper and Associates Engineering, Inc.'s proposed costs of \$31,320. Staff has carefully reviewed both proposals and is assured that Harper and Associates will provide equal or better services than that proposed by Mangan, Inc, for the proposed amount. Additionally, it was determined that interviews for these construction management services were not necessary since only two proposals were received, the proposals were complete and very detailed, and both firms have performed work for the District in the past, thus, staff is familiar with each team's proposed personnel and capabilities.

Staff did solicit feedback from the other firms that were sent and RFP as to why they chose not to submit proposals. The various reasons for not participating consisted of most firms not having available resources and that many of the firms would typically subcontract to either Harper and Associates Engineering, Inc., or Mangan, Inc. for these services and felt they would not be competitive on this Project when bidding directly against them. Therefore, staff believes they have received very qualified proposals and recommends that the Board award a construction management contract to Harper and Associates Engineering, Inc.

FISCAL IMPACTS:

Funds for this Project are available from the Fiscal Year 2006-07 Construction Fund.

ENVIRONMENTAL COMPLIANCE:

Environmental requirements for this Project are exempt due to the maintenance function of this work.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on December 5, 2006 and recommended for approval at the December 21, 2006 Special Board meeting.

RECOMMENDED MOTIONS:

That the Board authorizes:

1. United Water Service to procure, implement, and manage a bypass system for the duration of the Chevron Nitrification Tank Recoating Project for an amount of \$140,000 plus a 10% contingency for a not to exceed amount of \$154,000; and
2. The General Manager to execute a contract with Harper and Associates Engineering, Inc. to perform construction management services for the Chevron Nitrification Tank Recoating for an amount of \$31,320 plus a 10% contingency for a not to exceed amount of \$34,452.