Submitted by staff at 10/8/2019 Meeting
Discussion Item-2

Santa Margarita Treatment Facility Bid Results

Water Supply Planning Committee

8 October 2019

History - Cost Estimates

- Planning estimate January 2019
  - Class 5 $1.2-$1.4M (-50% to +100%)
- Budget April 2019
  - Insufficient schedule and project budget for interim engineers estimate
  - Budgeted $2M allowing for +50%
- 60% Design Review Meeting 5/30/19
- 95% Design Review Meeting 7/23/19
- Bid drawings and specification 8/6/19
  - Class 3 engineers estimate $3.64M (-20% to +30%)

Bid Results

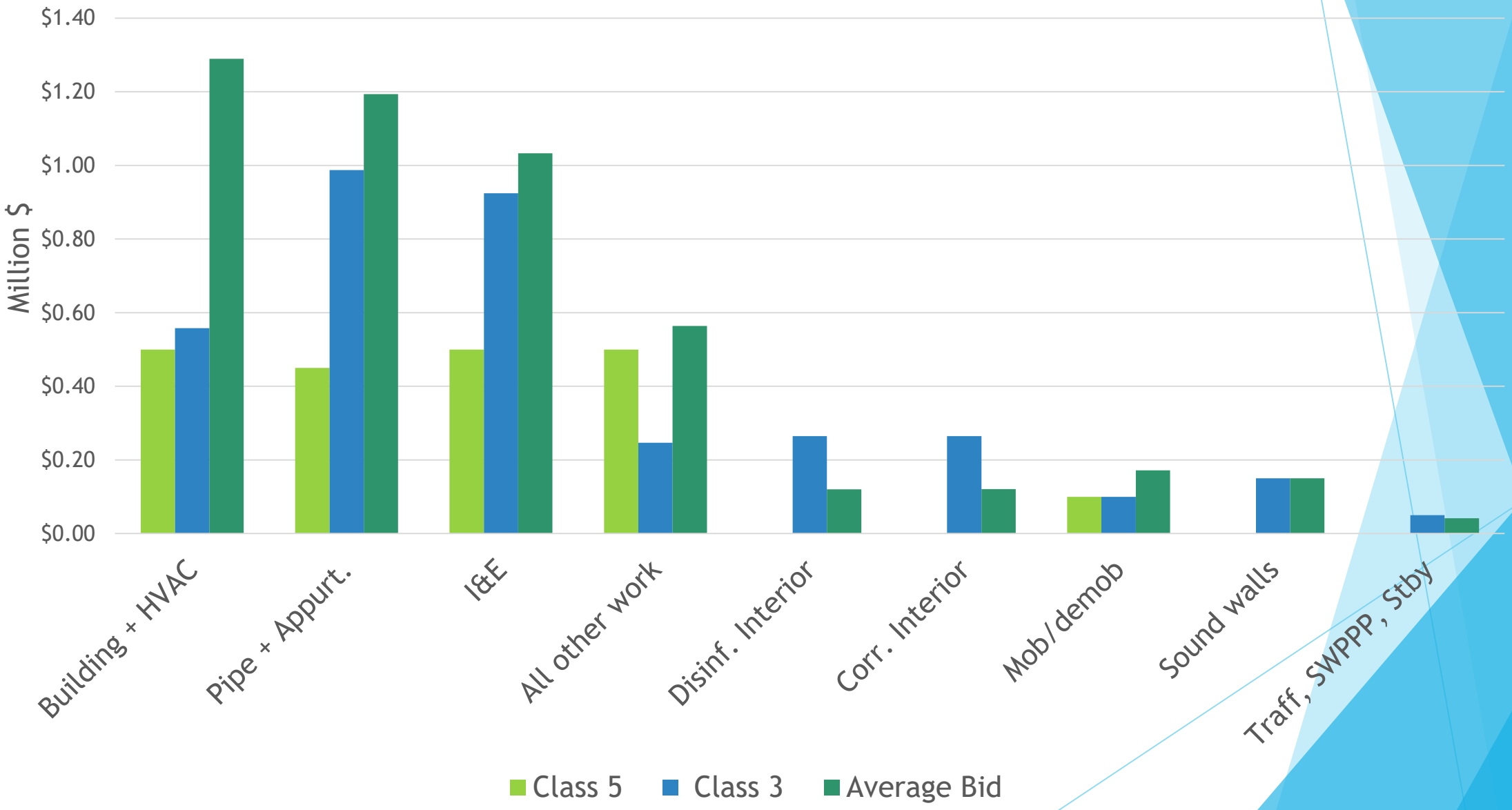
	Specialty Construction	MPE	Anderson Pacific	Mercer-Fraser
Total	**$4,649,400**	**$4,678,000**	**$4,724,400**	**$5,558,600**

3 lowest bids within 1% of their mean

Item	Specialty Construction	MPE	Anderson Pacific	Mercer-Fraser
Building & HVAC	$1,330,000	$1,279,000	$1,259,000	$1,800,000
Pipe & Appurtenance	$1,181,000	$1,295,000	$1,105,000	$1,030,000
I&E	$999,000	$1,000,000	$1,100,000	$1,200,000
Disinfection interior	$146,000	$100,000	$115,000	$125,000
Corrosion Inhibitor interior	$150,000	$90,000	$122,000	$120,000
All other work	$469,000	$600,000	$622,000	$525,000
Mob/demob	$185,000	$100,000	$230,000	$550,000

Not shown - soundwall, standby, stormwater, traffic control

Bid Results and Estimates Analysis



Major Costs – Building and HVAC

- Construction cost increase since recession.
  - Cellar to contain spills, double containment, reduces building height.
  - Materials, standard in other two buildings, previously required by jurisdiction.
- Corrosion Inhibitor – DDW has indicated corrosion inhibitor will be required in ASR production permits due to injection of new waters (PWM, Desalination).
  - Required in advance of new water introduction
- Dechlorination building space -
  - The PWM EIR identified that the Seaside Basin well field capacity should be expanded.
  - Dechlorination at Santa Margarita can increase production capacity up to 900 af/year during peak demand months by reducing turnaround time for DBP breakdown between injection and production seasons.
  - This option was found to be the cheapest additional production capacity from the Seaside well field, which is our least expensive water outside Carmel River diversions.
  - Dechlorination would provide up to 2 months of firm capacity.

Major Costs

- Piping & Appurtenances
  - Crowded, multiple crossings
  - Capacity commensurate with transmission capacity
  - Piping reconfiguration - GJMB as-builts are incorrect in some places
- I&E
  - Skyrocketing cost for electrical work since the recession
  - Hardwire shutoffs
  - Automated pressure relief valve
  - Electrical inspection requirement
- Earthworks
  - Basin access ramp
  - LID requirements
  - Addition of retaining wall on north side of property

Value Engineering

- Deleted SCADA (Cal Am)
- Deleted operations manual (Cal Am)
- Deleted road paving for upper site
- Deleted cement in favor of asphalt for lower site
- Deleted separate PG&E service
- Deleted mixer/stabilizer for injection mode
- Deleted telemetry shed and foundation
- Deleted compressor housing and foundation
- Abandon replaced underground pipes
- Landscaping on 20-21 contract, City approved
- Cal Am hired liaison, former CM for previous Santa Margarita projects
  - Future – administrative approval for more cost effective gates and doors, less expensive LID per City advice

=> There is no magic bullet

Rationale

- Corrosion inhibitor as a permit condition for ASR wells production.
- Dechlorination prior to injection increases production capacity for the least cost for recovery of the least expensive waters.
- Reliably treat $100M+ project.
- Require works now for new water supply.
- Lowest bidder positive experience at PWM, same builder that constructed the existing buildings.

Vs.

Can we afford it?

Budget Information

- FY 2019-2020 Budget for the project was $2,450,000
- Total project cost including contingencies $5,277,250
- Unbudgeted portion of the project $2,827,250
- District's fund balance currently estimated at $12,324,065
- After funding of this project, reserve balance will end up at $9,496,815

Request

- Authorization for the General Manager to enter into a contract agreement with Specialty Construction Inc. for the amount of $4,649,400
- Authorization for the General Manager to enter into a contract agreement with Pueblo Water Resources for Engineering Services During Construction for the amount $148,100
- Authorization for the General Manager to authorize general contingency for unforeseeable circumstances for the amount $479,750.
- Budget adjustment for $2,827,250