File #: 18-1146, **Version:** 1

Report regarding a resolution approving a consulting services agreement with EKI Environment & Water of Burlingame, California for design and construction support services for the WQCP Plant-Wide Coating and Corrosion Protection Project (Project No. ss1307) in an amount not to exceed $687,100, authorizing the City Manager to execute the agreement, and authorizing a total budget of $755,810. (*Brian Schumacker, Superintendent and Peter Vorametsanti, Swinerton*)

RECOMMENDATION

Staff recommends that the City Council adopt a resolution approving a consulting services agreement with EKI Environment & Water of Burlingame, California for design and construction support services for the WQCP Plant-Wide Coating and Corrosion Protection Project (Project No. ss1307) in an amount not to exceed $687,100, authorizing the City Manager to execute the agreement, and authorizing a total budget of $755,810.

BACKGROUND/DISCUSSION

Capital Improvement Program (CIP) project ss1307 calls for design and construction (application) of new protective paint and coatings for the metal components of the Water Quality Control Plant (WQCP or Plant) and sanitary sewer pump stations (see Attachment 1).

The purpose of this project is to prolong the useful life of the system components, meet service expectations and regulatory requirements, and safeguard the system's safety and reliability. Constant moisture and hydrogen sulfide common at a wastewater treatment plants create corrosive conditions that impact metal and concrete structures.

The wastewater system consists of nearly 120 miles of gravity sewer line, 6 miles of force mains and 13 sewer pump stations. All sewage flows are conveyed to the South San Francisco/San Bruno Water Quality Control Plant (WQCP), which is jointly owned by the City and the City of San Bruno. The City of South San Francisco operates the South San Francisco/San Bruno Water Quality Control Plant (WQCP or Plant), located at 195 Belle Air Road. This is a critical facility providing secondary wastewater treatment for the Cities of South San Francisco and San Bruno, Town of Colma, and portions of City of Daly City, a population over 110,000.

In 2016, engineers completed a comprehensive condition assessment of the facilities. Staff also completed an asset inventory to prioritize rehabilitation needs based off the condition assessment. The condition assessment included over 1,000 individual components, including buildings, structural supports, equipment, electrical boards and wiring, pumps, pipes, valves, and vaults in 46 buildings/process units and 13 pump stations. Staff inspected the assets and evaluated them for their condition, exposure, vulnerability, criticality to operations, and safety. Engineers rated the overall condition of these assets at a level 2, based on the Metal Corrosion Index Rating System. A level 2 rating represents a fair condition. Additionally, engineers rated many of individual assets at a level 3. A level 3 rating describes metal assets exhibiting layers of corrosion byproduct, known as scaling or foliation. Metal assets rated at level 3 include electrical, plumbing, and process equipment.

Design of coatings includes specifying materials and preparation/application methods such as corrosion-

inhibiting epoxy-based paints for metal structures, urethane-based materials for components exposed to harsh outdoor conditions, and migrating corrosion inhibitors for concrete structures to produce a protective layer on embedded steel. Coating operations at the active Plant are logistically complicated because much of the equipment needs to be taken off line during treatment. Therefore, the scope of this project includes design of temporary facilities and development of sequencing plans to minimize disruption to Plant operations. All design work will need to be developed in close coordination with Plant operators and the designers for the Wet Weather and Digester Improvements Project.

On December 12, 2018 staff presented Staff Report No. 18-959 recommending City Council adopt a resolution approving a consulting services agreement with EKI Environment & Water, Inc. of Burlingame, California for design and construction support services for the WQCP Plant-Wide Coating and Corrosion Protection Project (Project No. ss1307). City Council did not approve the item because only one firm responded to the request for proposal.

At City Council's direction, staff reissued a request for proposals for design and construction support services for the project on February 14, 2019 on the eBidboard website. Additionally, the engineering division conducted outreach about the proposal opportunity. Staff contacted EKI, AECOM, Kennedy Jenks and Corrosion Protection Engineers. These firms are known to be qualified to provide design and construction support consulting services. All of the firms contacted by staff acknowledged that this is their line of work. A pre-proposal conference was held on March 8, 2019 and two firms attended. Representatives from the two interested firms viewed the equipment and spoke with staff.

Staff received one proposal from EKI Environment & Water by the due date of March 15, 2019. EKI Environment & Water's proposal amount did not increase from when they proposed on the work in December of 2018.

A rating panel from the engineering and Plant divisions rated the proposals for project understanding, firm and staff qualifications, and experience with similar projects. The rating panel found EKI Environment & Water's proposal to be complete. The South San Francisco Municipal Code (SSFMC) provides that when entering into professional services agreement, the knowledge and expertise of the entity or person performing the services is a key component of the selection criteria. The selection was therefore basis of demonstrated competence, overall value to the city, and on the professional qualifications necessary for the satisfactory performance of the services required. Cost is only one factor in determining the selection. EKI Environment & Water is well qualified to undertake the design and construction support task. The panel review summary is included with this staff report as Attachment 2.

In accordance with the SSFMC, staff evaluated the most qualified firm's cost proposal and negotiated to obtain a fair and reasonable cost for the desired product. Unlike public works construction, contracts that are based on the lowest bid price, professional services agreements specify that costs be paid on a time and materials basis; that is, the consultant is only paid for its actual incurred labor and materials, regardless of its prior estimated level of effort cost. Staff found the fees proposed by EKI Environment & Water in line with industry standards. Staff's independent assessment of a fair and reasonable cost for this work is in the range of $650,000 to $750,000.

Staff also contacted some of the firms that choose not to propose. Staff learned that other firms declined to propose because they generally do not accept jobs this small in scope; their current heavy workload prevented them from committing the necessary key personnel, or their disinterest in working at wastewater treatment plant equipment due to their complexity. Staff also spoke with other agencies with treatment plants and

powered by Legistar™

confirmed that providers of this type of design work in the San Francisco Bay Area are overwhelmingly busy and it is difficult to stimulate interest for these types of projects given the overheated economy in the State.

This project will span three years because coating can only be done during the summer months and there are numerous assets to be re-coated. The elements will have to be taken off-line in a managed fashion necessitating more time to complete the work. EKI will prepare three separate construction bid packages for each of the three years under this agreement.

FISCAL IMPACT

Coating facilities and equipment to protect them from corrosion damage will extend their useful lives.

Sufficient funding for this design project is included in the City of South San Francisco 2018-19 Capital Improvement Program (CIP):

EKI Design and Construction Support Consulting Services	$687,100
Contingency (10%)	$68,710
Total Project Agreement Funding	$755,810

Available Total Project Budget in FY 2018/19 (Project No. ss1307) CIP	$4,129,100

The current five-year CIP plan calls for additional appropriations in FY 2019/20 and FY 2020/21 such that, if approved, will provide a total project budget of $7,379,100.

RELATIONSHIP TO STRATEGIC PLAN

This project will contribute to the City's Strategic Plan outcome of improved Quality of Life by maintaining the WQCP per discharge permit requirements.

CONCLUSION

Staff recommends the City Council adopt a resolution authorizing the City Manager to execute a consulting services agreement with EKI Environment & Water based on the firm's qualifications, experience, references and understanding of the project.

Attachments:

1. Vicinity Map
2. Panel Review Summary
3. EKI Environment & Water Profile and Project Team Sheet
4. Example Project Similar to the Subject Project

powered by Legistar™