

SAN JOSÉ / SANTA CLARA  
WATER POLLUTION CONTROL PLANT

TREATMENT PLANT ADVISORY COMMITTEE

April 11, 2006

The Honorable Mayor and City Council  
City of San Jose  
200 East Santa Clara Street  
San Jose, CA 95113

Dear Mayor Gonzales and City Council:

At its meeting of April 13, 2006, the Treatment Plant Advisory Committee (TPAC) reviewed the items concerning the Water Pollution Control Plant on the San Jose City Council agenda for May 2, 2006.

This item is listed below along with the TPAC recommendation for San Jose City Council action.

**Approval to reject all bids**

1. Report on bids and award of contract for the construction project entitled "San Jose/Santa Clara Water Pollution Control Plant (Plant), FY 2005-2006 Capital Improvement Program, DAF Pressure Retention Tanks and Valves Replacement - Phase 1," to the low bidder, D.W. Nicholson Corp. Inc., in the amount of \$458,000; and approval of a budget contingency in the amount of \$50,000.

Sincerely,



Patricia Mahan, Chairperson  
Treatment Plant Advisory Committee





# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** John Stufflebean

**SUBJECT:** SEE BELOW

**DATE:** 4-12-06

Approved

Date

4/04/06

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT, FY 2005/2006 CAPITAL IMPROVEMENT PROGRAM, DAF PRESSURE RETENTION TANKS AND VALVES REPLACEMENT PROJECT**

## RECOMMENDATION

Report on bids and award of contract for the construction project entitled "San Jose/Santa Clara Water Pollution Control Plant (Plant), FY 2005-2006 Capital Improvement Program, DAF Pressure Retention Tanks and Valves Replacement – Phase 1," to the low bidder, D.W. Nicholson Corp. Inc., in the amount of \$458,000; and approval of a budget contingency in the amount of \$50,000. CEQA: Exempt, PP05-124

## OUTCOME

The contract will allow for the removal and replacement of four of the sixteen dissolved-air-flotation (DAF) tanks and associated process control equipment.

## BACKGROUND

DAF tanks are the large 1200-gallon pressure vessels used to thicken solids in the process of treating wastewater. The Plant currently has sixteen DAF tanks: seven are constructed of steel with a PVC lining and were installed in 1961; and the remaining eight are fiberglass and were installed in 1970. The sixteenth tank is stainless steel and was installed in 2004. With an expected lifetime of approximately thirty years each, the fifteen aged tanks have developed noticeable signs of deterioration such as leaks, cracks, and corrosion.

In addition to the tanks themselves, the associated instrumentation and process equipment used to operate the tanks properly during the process are also antiquated and in need of replacement. This project will begin the series of replacing these tanks and equipment over the next several

years. Phase 1 will replace the four most worn tanks with stainless steel tanks in order to achieve a higher quality and expected years of service.

### ANALYSIS

The bid was opened on March 2, 2006 for the project. The result of the bid is listed as follows:

<u>Contractor</u>	<u>City</u>	<u>Bid Amount</u>	<u>Variance Over / (Under) Engineer's Estimate Amount</u>	<u>Percent</u>
D.W. Nicholson Corp., Inc.	Hayward	\$458,000	\$38,000	9 %
<b>Engineer's Estimate</b>		<b>\$420,000</b>		

The bid submitted by D.W. Nicholson Corp., for the amount of \$458,000 is recommended for approval. This bid is 9% higher than the engineer's estimate. The bid document has been evaluated and found to be in order. Although multiple bids were sought; of the four firms present at the mandatory pre-proposal meeting, three firms declined to submit based upon workload, experience and or the small nature of the job, leaving D.W. Nicholson as the sole bidder. D.W. Nicholson successfully completed the DAF tank replacement during 2004 as well as various CIP projects at the Plant in the past.

Due to the possibility of difficulties that might arise during the project, with respect to the age of the equipment, the confined operating environment, and complexity of the work, a contingency in the amount of \$50,000 is requested for any unforeseen conditions that may arise during construction.

### PUBLIC OUTREACH

Notice inviting qualified firms to submit bids was published by the City Clerk's Office in the *San José Post Record*, and by the City's Project Manager on the ESD Internet website and General Service's BidLine. The bid packages for all of the Environmental Services Department's construction projects are routinely provided to a standard list of contractor organizations and builder's exchanges.

**COORDINATION**

This project and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, Public Works, Equality Assurance, Risk Management, the City Attorney's Office and the City Manager's Budget Office; and is scheduled to be heard at the April 13, 2006 Treatment Plant Advisory Committee meeting.

**COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: \$508,000
2. COST OF PROJECT
 

Construction	458,000
Contingency	<u>50,000</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 508,000</b>
 Prior Year Expenditures	 \$0
 <b>REMAINING PROJECT COSTS</b>	 <b>\$ 508,000</b>

3. SOURCE OF FUNDING: 512 – San Jose/Santa Clara Treatment Plant Capital Fund.

Existing funds are available for this project. No additional appropriation action is required.

4. FISCAL IMPACT: This project is consistent with the Council approved Budget Strategy Economic Recovery section in that it will help spur construction spending in our local economy.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2005-2006 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
512	5157	Dissolved Air Flotation Pressure Retention Tank and Valves	141784	\$402,000	\$402,000	V-243	N/A
512	5691	Unanticipated/Critical Repairs	042863	\$250,000	\$106,000	V-250	N/A

HONORABLE MAYOR AND CITY COUNCIL

4-12-06

**Subject: DAF Tanks Replacement Project**

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**CEQA**

Exempt, CEQA PP05-124



JOHN STUFFLEBEAN

Director, Environmental Services Department

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