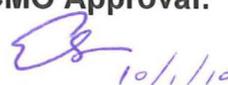




Subject: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT WASTE HEAT RECOVERY SILENCER, EG-1, REPLACEMENT PROJECT

Council Agenda: 10-19-10
Item: 2.12

City Council Action Request

Department: Environmental Services, Public Works	CEQA: Exempt, PP10-153	Coordination: Office of Risk Management, Equality Assurance, City Manager's Budget Office, City Attorney's Office, and the Treatment Plant Advisory Committee	CMO Approval:  10/1/10
			Dept. Approval: Katy Allen /s/ John Stuffelbean /s/

RECOMMENDED ACTION:

- 1) Award of construction contract for the Waste Heat Recovery Silencer EG-1 Replacement Project at the San Jose/Santa Clara Water Pollution Control Plant to the low bidder, Environmental Systems Inc., in the amount of \$252,000
- 2) Approve a 10% contingency in the amount of \$25,200.

BASIS FOR RECOMMENDATION:

This project will replace an existing 35 year old non-functional heat recovery/silencer for one of the engine generator at the San Jose/Santa Clara Water Pollution Control Plant. These heat recovery units are being used to convert the waste energy to become a heat source for the Plant's heating water loop.

The project was advertised for bid and a total of six bids were received on August 19, 2010. Environmental Systems, Inc.'s bid of \$252,000.00 is the low bid. It is 16.0% less than the engineer's estimate. Staff has determined that the bid is responsive. Based on this contractor's experience with similar projects at the Plant, staff believes that Environment Systems Inc. possesses adequate knowledge and technical capabilities to implement this project. Council Policy provides for a standard contingency of 10% on public works projects involving utilities. Staff considers the standard contingency appropriate for this project.

This project also qualifies for a rebate from PG&E through their Customized Energy Efficiency Incentive Program. An application has been submitted to and accepted by PG&E for a rebate of \$126,000. The final rebate amount will be verified by PG&E based on energy saving at the completion of the project.

COST AND FUNDING SOURCE:

1.	AMOUNT OF RECOMMENDATION:	\$252,000
2.	COST OF PROJECT:	
	Project Delivery	\$68,656
	Construction	\$252,000
	Contingency	\$25,200
	TOTAL PROJECT COSTS	\$345,856
	REMAINING PROJECT COSTS	\$345,856
3.	SOURCE OF FUNDING: 512 – San Jose-Santa Clara Treatment Plant Capital Fund. Equipment Replacement appropriation	
4.	FISCAL IMPACT: Existing funds are available for this project. No additional appropriation action is required.	

FOR QUESTIONS CONTACT: For questions please contact Harry Freitas, Public Works, Deputy Director at (408) 535-8488 or Bhavani Yerrapotu, Division Manager, Environmental Services Department at (408) 945-5321.