



CITY COUNCIL STAFF REPORT

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Public Works

Meeting Date: March 6, 2023

Report #: 2212-0703

TITLE

Approval of Contract Number C23186274 With Monterey Mechanical Co. in an Amount Not-to-Exceed \$1,500,000 to Provide On-Call Emergency and Critical Construction Services at the Regional Water Quality Control Plant - Wastewater Treatment Fund Capital Improvement Program Project WQ-19002; CEQA status—exempt under CEQA Guidelines sections 15301(b)

RECOMMENDATION

Staff recommends that Council approve and authorize the City Manager or their designee to execute Contract No. C23186274 with Monterey Mechanical Co. in an amount not to exceed \$1,500,000 to provide on-call emergency and critical construction services at the Regional Water Quality Control Plant over a five-year term from March 6, 2023 to March 5, 2028.

BACKGROUND

The City of Palo Alto Regional Water Quality Control Plant (Plant) serves the residents and businesses of Palo Alto and five neighboring communities (Mountain View, Los Altos, Los Altos Hills, East Palo Alto Sanitary District, and Stanford University). The Plant operates 24/7 to provide wastewater treatment, recycled water delivery, and related environmental services to protect health and safety. From time to time, the Plant requires emergency repairs and construction services to maintain operations. The City retains a contractor to perform this emergency work on an on-call basis.

The current contract with Monterey Mechanical Co. (Monterey Mechanical), C20174826¹, with a term of September 16, 2019 to March 15, 2023 has a not to exceed contract sum of \$750,000, with \$364,649 expended to date and additional expenses pending based on work on the seventh

¹ <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2019/id-10526-contract-approval-for-on-call-emergency-and-critical-construction-services.pdf>

task order of the contract; the final work began in January 2023 on repair of an outfall line with a not to exceed amount of \$350,000.

Other work performed by Monterey Mechanical under the current includes a re-build of the Grit Building roof; excavation and repair of a leak in the 72-inch diameter interceptor in Byxbee Park; excavation and replacement of a corroded drain line from an odor control system; excavation and repair of an underground broken process line; and excavation and repairs of leaking joints in the Plant outfall line in Embarcadero Road. In previous on-call emergency construction service contracts, repairs have included numerous pipe and structural wall leak repairs and replacements; installation and removal of inflatable blow-up plugs by specialty underwater commercial divers to allow for unit process isolation; repair of unsafe work conditions; replacement of a damaged sewage sludge conveyor plastic liner; replacement of damaged power distribution equipment; repair of a damaged secondary clarifier mechanism; repair of damaged isolation stop logs; and excavation and repair of underground utility lines.

ANALYSIS

Staff recommends that Council approve the proposed contract with Monterey Mechanical² to provide emergency and critical construction services at the Plant on an on-call basis for a term of five years.

On November 10, 2022, the City posted an Invitation for Bids for the On-Call Emergency and Critical Construction Services Project on PlanetBids, the City's eProcurement platform. The Engineer's estimate of \$1.5 million is based on a rough approximation of costs, on an annual basis, associated with typical work orders that have been completed under past On-Call contracts. The bidding period was 33 days and the City received one bid, from Monterey Mechanical.

Summary of Bid Process

Bid Name/Number	On-Call Emergency and Critical Construction Services (IFB-186274)
Proposed Length of Project	5-years after Contract Execution
Number of Bid Packages downloaded by Contractors	21
Number of Bid Packages downloaded by Builder's Exchanges	6
Total Days to Respond to Bid	33

² <https://www.cityofpaloalto.org/files/assets/public/public-works/engineering-services/cip-contracts/c23186274-monterey-mechanical-staff-report.pdf>

Pre-Bid Meeting	Yes
Number of Company Attendees at Pre-Bid Meeting	4
Number of Bids Received:	1
Public Link to Solicitation	https://pbsystem.planetbids.com/portal/25569/bo/bo-detail/99723
Bid Price Range	\$1,500,000

Staff reviewed Monterey Mechanical's bid and determined it responsive. The bid amount of \$282,950 is based on estimated contractor hours and equipment for some typical work orders for purposes of comparison with other bids, had they been received; the bid is not an estimate of what might happen in any given contract year. The hourly rates listed on the bid form are reasonable.

Staff verified Monterey Mechanical's license status with the Contractor's State License Board. Staff also checked references supplied by the contractor for previous work performed, including work orders completed by Monterey Mechanical at the Plant over the years and found no complaints.

The contract term is five years. Work under the contract will be performed through the issuance of task or work orders which will specify the timeline for completion of each task and compensation on a time and materials basis.

This recommendation does not represent any change to existing City policies.

FISCAL/RESOURCE IMPACT

Funding for this contract is included in the Fiscal Year 2023 Wastewater Treatment Fund Capital Improvement Program project Plant Repair, Retrofit, and Equipment Replacement (WQ-19002). Palo Alto's cost share of this contract is approximately 35% and the other five agencies' share is approximately 65%; these percentages are based on the volume and strength of wastewater flows from each agency, which varies slightly from year-to-year.

STAKEHOLDER ENGAGEMENT

This project is part of the Plant's Capital Improvement Program funded by Palo Alto and its five additional partner agencies. The five partner agencies are regularly updated about both the need for and the progress on wastewater treatment capital work. Updates are provided each year at an annual meeting and at other periodic meetings established to inform partner agency staff about the major capital improvement program. With respect to Palo Alto itself, the open

meetings on the budget process serve as the main vehicle for engaging the community on both projects such as this and associated rate impacts.

ENVIRONMENTAL REVIEW

Council action on this item is exempt from review under the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301(b) because emergency repairs and construction are maintenance of existing publicly owned wastewater facilities involving no or negligible expansion.

APPROVED BY:

Brad Eggleston, Director Public Works/City Engineer