

# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE:** NOVEMBER 20, 2015

**ITEM NO:** 10

File ID – 15-3693 – D

**SUBJECT:**     **AWARD OF BID NO RPU-7349 - GRANULAR ACTIVATED CARBON REMOVAL AND REPLACEMENT CONTRACT TO CALGON CARBON CORPORATION – IN THE AMOUNT OF \$1,032,000**

**ISSUE:**

The issue for Board of Public Utilities consideration is to approve a contract award for the Palmyrita Water Treatment Plant Granular Activated Carbon Removal and Replacement, Bid No. RPU-7349.

**RECOMMENDATIONS:**

That the Board of Public Utilities:

1. Award a three year contract for the Palmyrita Water Treatment Plant Granular Activated Carbon Removal and Replacement, Bid No. RPU-7349 to the lowest responsive and responsible bidder Calgon Carbon Corporation of Pittsburgh, Pennsylvania, in the amount of \$1,032,000; and
2. Determine that the bid submitted by Carbon Activated Corporation of Compton, California, in the amount of \$944,666, is non-responsive.

**BACKGROUND:**

The Palmyrita Water Treatment Facility (Palmyrita) removes 1,2-dibromo-3-chloropropane (DBCP) from groundwater produced in the North Orange well field. Treatment of DBCP is achieved by using granular activated carbon (GAC) to absorb DBCP, which is the US EPA approved method for the removal of DBCP in drinking water. Approximately 2.5 billion gallons of groundwater are treated annually at Palmyrita for domestic use.

The proposed contract includes all work needed to replace 20,000 lbs. of GAC at each vessel, including: removing and legally disposing of spent carbon, inspecting and disinfecting the vessels, and installing virgin carbon into the vessels. The contract is for three years, and it is anticipated that there will be approximately 50 GAC removal and replacement events during this time. Approximately 16 removal and replacement events occur annually. A project site map is attached for reference.

Staff issued its GAC removal and replacement specification and posted a Request for Proposals (RFP) on July 30, 2015, with a submittal deadline of August 13, 2015. Three bids were received by the deadline and one was deemed non-responsive. The bid summary is listed below.

	COMPANY	CITY & STATE	BID TOTAL
1	Carbon Activated Corp	Compton, CA	\$944,666
2	Calgon Carbon Corporation	Pittsburgh, PA	\$1,032,420
3	Prominent Systems, Inc.	Industry, CA	\$1,174,725

The lowest bid submitted by Carbon Activated Corporation was deemed non-responsive by the City's Purchasing Services Manager because Carbon Activated Corporation did not list in their bid proposal the cost for vessel inspection as specified in section 702-2 of the City's specification. As a result, staff deemed the bid proposal submitted by Carbon Activated Corporation to be non-responsive. Calgon Carbon was the next lowest responsive bidder. Staff has reviewed Calgon Carbon Corporation's qualifications and service history and deemed them responsive and qualified to perform the services requested. All bids were below the Engineer's estimate of \$1.59 million or \$530,000 annually.

The project breakdown is proposed as follows:

<b>Project Breakdown</b>	
Specifications Performed By:	RPU Engineering Staff
Services Performed by:	Calgon Carbon Corporation
Anticipated Start Date:	December 2015
Anticipated Duration:	3 years
Coordination Required With:	<ul style="list-style-type: none"><li>• RPU Water Operations Staff</li><li>• Calgon Carbon Corporation</li></ul>
Reimbursements:	Shell Oil Company, et al.

The Purchasing Services Manager concurs with the recommendations above.

#### **FISCAL IMPACT:**

Sufficient funds are available in Public Utilities' Chemical Supplies Account No. 6200000-426600. The current fiscal year cost is \$344,000. Subsequent years will be budgeted as part of the budget process. The costs for GAC removal and replacement are reimbursed in accordance with a settlement agreement reached between the City of Riverside and DBCP manufacturers (Shell Oil Company, et al.) that covers most of City's costs associated with the carbon removal and replacement.

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Approved by: Girish Balachandran, Public Utilities General Manager  
Approved by: John A. Russo, City Manager  
Approved as to form: Gary G. Geuss, City Attorney

Certifies availability  
of funds Laura Chavez-Nomura, Public Utilities Assistant General Manager/Finance

Attachment: Site Map