



**Council Meeting: August 31, 2010**

**SUBJECT: Rejection of Bids Received in Response to Sunnyvale Works!  
Bid No. F0904-90 for Air Flotation Tanks Rehabilitation at the  
Water Pollution Control Plant**

**BACKGROUND**

It is requested that Council reject the six bids received in response to Invitation for Bids No. F0904-90 for Air Flotation Tanks (AFT) rehabilitation at the Water Pollution Control Plant. Staff will repackage the project and bid each tank separately, as more fully explained below.

Capital Project 825141, Air Flotation Tanks Rehabilitation, provides design and construction funding for the rehabilitation of the four existing AFTs at the Water Pollution Control Plant (WPCP). The AFTs are steel and concrete tanks that remove algae from the wastewater stream after the secondary treatment process. Three of the tanks were built in 1975, the fourth in 1982. The work scope includes the rehabilitation of the center mechanical/electrical columns with reconditioned gear boxes and motors, new electrical wiring, and new protective coatings on most surfaces.

Invitation for Bids No. F0904-90 for the construction bidding was advertised on May 10, 2010 and sealed bids were publicly opened on June 30, 2010. Twenty four (24) contractors requested bid documents, and six responsive bids were received. The lowest responsive and responsible bid was received from Pacific Infrastructure Corporation of Pleasanton in the amount of \$2,501,760 (0.47% above the engineer's estimate of \$2,490,000 for the project).

**DISCUSSION**

The total multi-year budget for Project 825141 is \$3,189,150, but only \$2,600,600 is available (approximately \$589,000 has been expended on prior year repairs and inspections, and design costs), leaving a current budget shortfall of about \$276,000 to complete construction of the project as bid, including the 15% contingency. Additional funding will likely be necessary for support services during construction. Staff therefore recommends rejecting all bids in order to repackage the bid specifications to independently bid each tank, rather than try to award all four tanks at once.

One benefit to having individual projects for each tank is that information gained on the completion of the first tank can be applied to subsequent

projects with savings on potential contract change orders. Rehabilitation projects of this type often uncover unknown or unforeseen conditions during the demolition phase that lead to contract changes. These would be known to a certain extent and could be accounted for in subsequent bid documents.

The AFT rehabilitation project is considered to be a necessary “manage-the-gap” effort to keep the WPCP operational until permanent facilities can be in place as a result of the ongoing Strategic Infrastructure Plan changes anticipated to occur over the next ten years. The AFTs are a critical component of the current WPCP processes and are essential to meet the National Pollutant Discharge Elimination System (NPDES) permit requirements.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

**RECOMMENDATION**

It is recommended that Council reject all six bids received in response to Sunnyvale Works! Bid No. F0904-90.

Reviewed by:

Grace K. Leung, Acting Director, Finance  
Prepared by: Pete Gonda, Purchasing Officer

Reviewed by:

Marvin Rose, Director of Public Works

Approved by:

Gary M. Luebbers  
City Manager