



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Public Works  
**Department No.:** 054  
**For Agenda of:** 9/10/2019  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** 4/5

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**TO:** Board of Directors, Laguna County Sanitation District

**FROM:** Department Director(s) Scott D. McGolpin, P.E. Director, (805) 568-3010

Contact Info: Leslie Wells, Deputy Director, (805) 882-3605

**SUBJECT: Sludge Drying Beds Upgrade Project - Third and Fourth Supervisorial Districts**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Directors:

- a) Approve plans and specifications for the Sludge Drying Beds Upgrade; Project No. SOLID1, on file in the Public Works Department;
- b) Approve the attached Budget Revision Request (BJE No. 0006548) to appropriate \$2,034,500 towards the project from District capital reserves (Attachment A);
- c) Award the construction contract in the amount of \$3,862,500 to the lowest responsible bidder, Spiess Construction Company, Incorporated, (a local vendor), subject to the provision of documents and certifications as set forth in the plans specifications applicable to the project, as required under California law;
- d) Approve and authorize the Chair to execute the construction contract, which has been reviewed and approved by County Counsel, Auditor-Controller and Risk Manager, or their authorized representatives;
- e) Authorize the Public Works Director or designee to approve change orders for supplemental work items in an amount up to \$50,000 and a contingency amount up to \$205,625 for the construction of

Sludge Drying Beds Upgrade; Project No. SOLID1, for a total, not to exceed authorization of \$4,118,125; and

- f) Find that pursuant to California Environmental Quality Act Guidelines Section 15162, no substantial changes are proposed, and no new information of substantial importance has come to light regarding environmental effects of the Laguna County Sanitation District Sludge Beds Upgrade project, or of the sufficiency or feasibility of mitigation measures. Therefore, the work is within the scope of the project covered by the Mitigated Negative Declaration (13NGD-00000-0001) adopted by the Board of Directors on September 19, 2013 and the Wastewater Reclamation Plant Facilities Master Plan and Habitat Conservation Plan Final Mitigated Negative Declaration (17NGD-00000-000-15) adopted by the Board of Directors on July 3, 2018.

**Summary Text:**

This item is on the agenda in order to consider the award of a construction agreement for the Sludge Drying Beds Upgrade project to Spiess Construction Company, Incorporated. The bid submitted by Spiess Construction Company, Incorporated in the amount of \$3,862,500 was the lowest of five submitted and opened at 2:00 p.m. on Tuesday, July 9, 2019. Staff has analyzed the bids and determined that it is in accordance with criteria set forth in the California Public Contract Code and finds Spiess Construction Company, Incorporated to be the lowest responsible bidder and recommends award to this contractor as well as supplemental allowances of \$50,000 and a construction contingency of \$205,625 for a total budget authorization of \$4,118,125. Because the original 2013 project scope was smaller in scale, this action also requests the appropriation of supplemental reserves in the amount of \$2,034,500 to fund the project as configured to conform to the proposed plant upgrade.

**Background:**

The Laguna County Sanitation District provides wastewater services to the Orcutt and southern Santa Maria area. Wastewater treatment includes the separation of solids that are digested and piped to beds for drying prior to composting by a third party. This project modernizes the sludge drying facilities by replacing the existing earthen beds with concrete beds. This prevents contact with the soil and allows more efficient fluid removal resulting in a cleaner, more homogenous and higher quality material. Inappropriate mixing with soil prevents the material from being compostable, which incurs significant additional disposal costs.

The project was designed in 2013 and your Board took action on September 10, 2013 to adopt a mitigated negative declaration (MND) specifically addressing the sludge bed improvements and authorized the Public Works Director to advertise the project for construction bids. Because the work is located within dispersal habitat of the federally endangered/state threatened California tiger salamander and the federally threatened California red-legged frog, mitigation for this and all anticipated District capital improvements in the form of a conservation easement on District property was required. Impacts to endangered species was addressed in the MND for the Wastewater Reclamation Plant Facilities Master Plan and Habitat Conservation Plan adopted by the Board on July 3, 2018. Incidental Take Permit TE16913C was issued on August 22, 2017 and a conservation easement was established on May 23, 2019 allowing all planned projects to move forward. The environmental documents can be found at <http://countyofsb.org/pwd/environment.sbc>.

Five bids were received on July 9, 2019 and the bid submitted by Spiess Construction Company, Incorporated in the amount of \$3,862,500 was the lowest. This is 0.65% lower than the engineer's estimate which was \$3,887,895. The high bid was \$6,384,700, while the average was \$5,117,380. Staff

determined this bidder to be responsive based on a review of the bidding materials and recommends contract award to this vendor. District staff also recommends supplemental work allowances in the amount of \$25,000 for environmental measures and \$25,000 for storm water control measures in addition to a reasonable construction contingency. Although the District is not subject to the limitations set forth in Public Contract Code Section 20142 to establish construction contract change order authority under the Public Works Director, it is being used to recommend a reasonable construction contingency of \$205,625. The total budget authorization requested is therefore, \$4,118,500.

The project as designed in 2013 was intended to address immediate sludge drying needs to replace earthen beds to meet current standards. However, delays in implementation due to environmental mitigation requirements modified the project scope to accommodate differing sludge drying criteria associated with the proposed plant upgrade including the addition to the construction of 6 more drying beds for a total of 20. Therefore, this action also requests a budget revision in the amount of \$2,034,500 to fund the project budget based on its current scope.

**Performance Measure:**

Replacing the existing earthen sludge drying beds will ensure that dried biosolids are suitable for composting, will prevent water migration, and will minimize space needed for the drying process.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State			
Federal			
Fees			
LCSD Capital Reserves	\$ 4,118,500.00		\$ 4,118,500.00
Total	\$ 4,118,500.00	\$ -	\$ 4,118,500.00

This project is included in the Public Works Department section of the current Five-Year CIP. Laguna County Sanitation District reserves will be used to fund the project as a total one-time expense budgeted in Department 054, Fund 2870, Line Item Account 8200.

**Key Contract Risks:** This contract has a risk assessment of standard. The project is fully funded in the current fiscal year budget.

**Special Instructions:**

Please forward the following to Laguna County Sanitation District in the Santa Maria office of Public Works Department located at 620 West Foster Road to the attention of Martin Wilder:

1. A certified and stamped minute order approving this action.
2. Two duplicate original fully executed contracts (retain the third original for Clerk of the Board files)

**Attachments:**

- Attachment A: BJE 0006548
- Attachment B: Three original construction contracts

**Authored by:**

Martin Wilder, P.E., Manager (805) 803-8750

**Copy:**

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