

File No. 190012

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date January 24, 2019

Board of Supervisors Meeting

Date _____

Cmte Board

- Motion
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- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong

Date January 18, 2019

Completed by: Linda Wong

Date _____

1 [Emergency Declaration - Monterey Mechanical, Inc. - Repair Oceanside Treatment Plant
2 Ventilation Ducts - Oceanside Treatment Plant - Total Estimated Cost Not to Exceed
3 \$3,000,000]

4 **Resolution approving an emergency declaration of the San Francisco Public Utilities**
5 **Commission pursuant to Administrative Code, Section 6.60, to repair the Oceanside**
6 **Treatment Plant Ventilation Ducts for a total estimated cost not to exceed \$3,000,000.**

7
8 WHEREAS, On November 3, 2018, the San Francisco Public Utilities Commission
9 (SFPUC) Wastewater Enterprise discovered a collapsed section of ventilation ducting that
10 supplies fresh air to the primary sedimentation building at the Oceanside Treatment Plant; and

11 WHEREAS, This failure creates two life safety risks for staff carrying out essential
12 operations and maintenance activity in these spaces; and

13 WHEREAS, The first life safety risk is that there is no reliable fresh air supply to this
14 process space where hazardous sewage gasses are generated; and

15 WHEREAS, The second life safety risk is that there are similar sections of overhead
16 ducting and hangar supports in adjacent facility spaces that are the same age (1993-1994
17 installation) and may be at similar risk of collapse; and

18 WHEREAS, Immediate action is required to mitigate potential risk of damage to life,
19 health and/or property due to the breakdown or imminent breakdown of equipment and/or
20 structures necessitating immediate emergency repair; and

21 WHEREAS, This work is beyond the capabilities of City forces and the request for
22 emergency declaration is to enable the Wastewater Enterprise to hire a consultant and
23 contractor to demolish and remove the collapsed duct sections, replace the ducting and
24 ancillary components related to the Primary Sedimentation ventilation system, inspect similar
25 ventilation system equipment suspended from the ceiling in adjacent spaces at the Oceanside

1 Plant, provide recommendations for repairs or retrofits to ensure the integrity of the supports,
2 and complete the retrofit of new supports; and

3 WHEREAS, Administrative Code, Chapter 6, Article IV, Section 6.60, authorizes
4 department heads responsible for public work to award an emergency contract, exempt from
5 the competitive bidding process, in the event of an actual emergency, which is defined to
6 include, " ... [t]he breakdown or imminent breakdown of any plant, equipment, structure, street
7 or public work necessitating immediate emergency repair or reconditioning to safeguard the
8 lives or property of the citizens, or the property of the City and County, or to maintain the
9 public health and welfare ..."; and

10 WHEREAS, On November 8, 2018, SFPUC General Manager declared an emergency,
11 approved by the President of the San Francisco Public Utilities Commission, to repair the
12 Oceanside Treatment Plant ventilation ducts and thereby protect public health and safety; and

13 WHEREAS, Administrative Code, Section 6.60(d), requires that the General Manager
14 immediately notify the Controller, and seek Board of Supervisors' approval of emergency
15 public works with an estimated cost in excess of \$250,000; and

16 WHEREAS, The SFPUC General Manager estimates that the emergency work to
17 repair the Oceanside Treatment Plant ventilation ducts is not expected to exceed \$3,000,000;
18 and

19 WHEREAS, Because Monterey Mechanical, Inc. is already performing work at the
20 Oceanside Treatment Plant, and is qualified to perform the work needed to repair the
21 ventilation ducts, SFPUC anticipates executing an emergency contract with Monterey
22 Mechanical, Inc. to complete the work at an amount not to exceed \$3,000,000; and

23 WHEREAS, The Controller has certified that funds are available for this emergency
24 work and contract; now, therefore, be it

1 RESOLVED, That the Board of Supervisors approves the emergency declaration
2 issued by the SFPUC General Manager on November 8, 2018 to address and complete
3 repairs to the Oceanside Treatment Plant ventilation ducts; and, be it

4 FURTHER RESOLVED, That actions taken to date by the San Francisco Public
5 Utilities Commission to address such emergency work and resolve the emergency condition
6 are hereby ratified.

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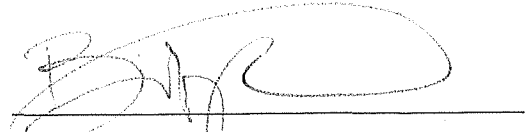
RECOMMENDED:



HARLAN L. KELLY, JR.

General Manager of the SFPUC

FUNDS AVAILABLE:



BEN ROSENFELD

Controller

<p>Item 2 File 19-0012</p>	<p>Department: Public Utilities Commission (PUC)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • The proposed resolution would approve an emergency declaration of the San Francisco Public Utilities Commission (SFPUC) to repair the Oceanside Treatment Plant ventilation ducts, with a total estimated cost not to exceed \$3,000,000. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • On November 3, 2018, a collapsed section of ventilation ducting was found at the Oceanside Treatment Plant, causing safety risks to the plant’s staff. The SFPUC General Manager declared an emergency on November 8, 2018. • SFPUC selected Monterey Mechanical, Inc. to conduct the repairs to the collapsed section of ventilation, and other work. SFPUC solicited quotes from two qualified HVAC contractors that have been actively working at the Oceanside Treatment Plant site. Monterey Mechanical was determined to be technically qualified and presented the lowest price for the work. SFPUC originally selected Monterey Mechanical to work on digester gas utilization upgrades at the Oceanside Treatment Plant in 2018 through a competitive bid process. • The \$3 million budget includes work on the ventilation ducting/supply duct system in addition to the collapsed section. According to SFPUC staff, SFPUC added this work to the emergency work because visual condition assessments determined that other parts of the supply duct system remained vulnerable to potential collapse, and separating the duct replacement from the rest of the work would not address the potential safety hazards or be more cost effective. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • The cost to complete the work authorized by the proposed authorization is not expected to exceed \$3,000,000. The Controller has certified that sufficient funding is available in the SFPUC Wastewater Enterprise FY 2018-19 capital budget. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> • According to SFPUC staff, SFPUC Wastewater Enterprise has procedures in place to address and prevent potential future emergency declarations. The Wastewater Enterprise operating budget provides for staff to perform routine system inspections and repairs using in-house resources, and the Wastewater Enterprise renewal and replacement budget includes funds for facility repairs using low-bid contractor services. The Wastewater Enterprise capital improvement program also has a project – Oceanside Condition Assessment Repairs – to prioritize and implement repair and replacement of deficient systems at the Oceanside Treatment Plant. 	
<p style="text-align: center;">Recommendation</p>	
<ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

Administrative Code Section 6.60(d) states that contracts entered into for emergency work that are more than \$250,000 are subject to Board of Supervisors approval. If the emergency does not permit approval of the emergency determination by the Board of Supervisor before work begins, the Department head must submit a resolution approving the emergency determination to the Board of Supervisors within 60 days.

BACKGROUND

The San Francisco Public Utilities Commission's (SFPUC) Oceanside Treatment Plant, located on Great Highway near the San Francisco Zoo, provides wastewater collection and treatment of approximately 20 percent of the city's flows. The Oceanside Treatment Plant treats approximately 17 million gallons per day, but capacity may reach 65 million gallons per day during rain events.

On November 3, 2018, a collapsed section of ventilation ducting was found at the Oceanside Treatment Plant. The failure of the ventilation causes safety risks to staff at the plant. There is no reliable fresh air supply to this space where hazardous sewage gasses are generated. There are also other sections of the ventilation ducting created in the same time period (approximately 1993-1994) in danger of collapse. Replacement of the ventilation ducts is beyond the capabilities of SFPUC. On November 8, 2018, the SFPUC General Manager declared an emergency, which was approved by the SFPUC Commission President.

Work to repair the collapsed section of ventilation began on December 10, 2018 (see below). As noted above, Administrative Code Section 6.60(d) requires the SFPUC to submit a resolution approving the emergency declaration to the Board of Supervisors within 60 days, if the emergency does not permit approval by the Board of Supervisors before the repair work begins. SFPUC submitted the resolution approving the emergency determination to the Board of Supervisors on December 17, 2018, or 44 days after the collapsed section of ventilation ducting was found.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve an emergency declaration of the SFPUC to repair the Oceanside Treatment Plant ventilation ducts, with an estimated cost not to exceed \$3,000,000.

SFPUC selected Monterey Mechanical, Inc. to conduct the repairs to the collapsed section of ventilation, and other work. According to Mr. John Scarpulla, SFPUC Policy and Government Affairs, SFPUC solicited quotes from two qualified HVAC contractors that have been actively working at the Oceanside Treatment Plant site. Monterey Mechanical was determined to be technically qualified and presented the lowest price for the work. According to Mr. Scarpulla, SFPUC originally selected Monterey Mechanical to work on digester gas utilization upgrades at Oceanside Treatment Plant in 2018 through a competitive bid process.

Monterey Mechanical began working on the repair on December 10, 2018 and the targeted completion date is April 19, 2019. The scope of work includes demolition and removal of collapsed duct sections, replacement of the ducts and ancillary components, inspection of similar ventilation system equipment, recommendations for repairs or retrofits of the supports, and completion of the retrofit of new supports. According to Mr. Scarpulla, SFPUC contracted with Monterey Mechanical to perform work of the supply duct system in addition to the collapsed section because visual condition assessments determined that other parts of the supply duct system remained vulnerable to potential collapse, and separating the duct replacement from the rest of the work would not address the potential safety hazards of the supply duct system and would not be more cost effective.

FISCAL IMPACT

The total cost to complete the work authorized by the proposed resolution is not expected to exceed \$3,000,000. According to Mr. Scarpulla, SFPUC technical engineering staff reviewed both quotes and found Monterey Mechanical’s proposal to be reasonable. The Controller has certified that sufficient funding is available in the SFPUC Wastewater Enterprise FY 2018-19 capital budget. The breakdown of the project budget is shown in Table 1 below.

Table 1: Project Budget

Item Description	Cost
Mobilization	\$30,000
Demobilization	10,000
Building 011: Odor Control Unit tank 8 survey and repairs	43,000
Building 042: Temporary air supply, scaffolding, and related work	195,000
Building 042: HVAC, Electrical and Instrumentation & Control – Selective demolition	121,000
Building 042: HVAC Work	1,814,000
Building 042: Start-up, air-balancing, and commissioning	30,000
Building 042: Electrical work	150,000
Building 042: Instrumentation and control work	20,000
Building 530: Anchorage, support, and HVAC work	200,000
Building 530: Electrical work	20,000
Building 530: Instrumentation and control work	10,000
Contingency allowance for sampling, testing, demolition, removal, handling, transportation, and disposal of unforeseen hazardous materials	10,000
Cash allowance for additional supplies and equipment for city representative’s field office	5,000
Cash allowance for Distributed Control System integration	7,000
Contingency allowance dispute resolution advisor and/or partnering	15,000
Contingency allowance for mechanical, HVAC, and electrical interface replacement and rehabilitation work	20,000
Total Cost	\$2,700,000

According to Mr. Brian Carlomagno, SFPUC Project Manager, an additional \$300,000 is requested as a construction contingency, which is consistent with SFPUC budgeting practices.

POLICY CONSIDERATION

According to Mr. Scarpulla, SFPUC Wastewater Enterprise has procedures in place to address and prevent potential future emergency declarations. The Wastewater Enterprise operating budget provides for staff to perform routine system inspections and repairs using in-house resources, and the Wastewater Enterprise renewal and replacement budget includes funds for facility repairs using low-bid contractor services. The Wastewater Enterprise capital improvement program also has a project – Oceanside Condition Assessment Repairs – to prioritize and implement repair and replacement of deficient systems at the Oceanside Treatment Plant.

RECOMMENDATION

Approve the proposed resolution.



INTER-OFFICE MEMORANDUM

November 8, 2018

TO: The Honorable Vince Courtney,
 President, San Francisco Public Utilities Commission

FROM: Harlan L. Kelly, Jr., SFPUC General Manager

MPC

SUBJECT: Declaration of Emergency: Repair Oceanside Treatment Plant Ventilation Ducts

In accordance with Chapter 6, Section 6.60 of the Administrative Code of the City and County of San Francisco, I am declaring an emergency on behalf of the San Francisco Public Utilities Commission.

On November 3, 2018, the SFPUC Wastewater Enterprise discovered a collapsed section of ventilation ducting that supplies fresh air to the primary sedimentation building at the Oceanside Treatment Plant. This failure creates two life safety risks for staff carrying out essential operations and maintenance activity in these spaces. First, there is no reliable fresh air supply to this process space where hazardous sewage gasses are generated. Second, there are similar sections of overhead ducting and hangar supports in adjacent facility spaces that are the same age (1993-94 installation) and may be at similar risk of collapse. Immediate action is required to mitigate potential risk of damage to life, health and/or property due to the breakdown or imminent breakdown of equipment and/or structures necessitating immediate emergency repair.

This request for emergency declaration is to enable the Wastewater Enterprise to hire a consultant and contractor to demolish and remove the collapsed duct sections, replace the ducting and ancillary components related to the Primary Sedimentation ventilation system, inspect similar ventilation system equipment suspended from the ceiling in adjacent spaces at the Oceanside Plant, provide recommendations for repairs or retrofits to ensure the integrity of the supports, and complete the retrofit of new supports. This work is beyond the capabilities of City forces. The estimated cost for the work is not anticipated to exceed \$3,000,000.

I am therefore declaring the existence of an emergency. I trust that this meets with your concurrence and approval.

CONCUR AND APPROVE:

Vince Courtney, President
 San Francisco Public Utilities Commission

- cc: A. Caen K. How
 F. Vietor E. Sandler
 A. Moran M. Carlin
 I. Kwon G. Norby

London N. Breed
 Mayor

Vince Courtney
 President

Ann Moller Caen
 Vice President

Francesca Vietor
 Commissioner

Anson Moran
 Commissioner

Ike Kwon
 Commissioner

Harlan L. Kelly, Jr.
 General Manager





San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102
T 415.554.3155
F 415.554.3161
TTY 415.554.3488

TO: Angela Calvillo, Clerk of the Board

FROM: Christopher Whitmore, Policy and Government Affairs

DATE: December 17, 2018

**SUBJECT: Emergency Declaration – Repair Oceanside Treatment Plant
Ventilation Ducts – Total Estimated Cost Not to Exceed
\$3,000,000**

Attached please find an original and one copy of a proposed resolution approving an emergency declaration of the San Francisco Public Utilities Commission (SFPUC) pursuant to San Francisco Administrative Code, Section 6.60, to repair the Oceanside Treatment Plant Ventilation Ducts; with a total estimated cost not to exceed \$3,000,000.

The following is a list of accompanying documents (2 sets):

1. Board of Supervisors Resolution
2. Letter from the PUC Commission President Ratifying Declaration
3. Form SFEC - 126

Please contact Christopher Whitmore at 415-934-3906 if you need additional information on these items.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2018 DEC 17 PM 1:45
BY [Signature]

- London Breed**
Mayor
- Ike Kwon**
President
- Vince Courtney**
Vice President
- Ann Moller Caen**
Commissioner
- Francesca Vietor**
Commissioner
- Anson Moran**
Commissioner
- Harlan L. Kelly, Jr.**
General Manager

OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.



**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL**
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Monterey Mechanical Co	
<p><i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i></p> <p>1) <i>Richard Hamilton, Milton Burluson, James Troup, Paul Moreira</i> 2) <i>Milton Burluson - CEO, Paul Moreira - CFO, James Troup - President</i> 3) <i>Richard Hamilton</i> 4) <i>US Electric Technologies</i> 5) <i>None</i></p>	
Contractor address: 8275 San Leandro Street, Oakland, CA 94621	
Date that contract was approved: Original Contract: Pending	Amount of contract: \$2,643,000
Describe the nature of the contract that was approved: WW-689(E) Oceanside Water Pollution Control Plant Facility Ventilation System Repairs	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Relocation Appeals Board, and Local Workforce Investment Board) on which an appointee of the City elective officer(s) identified on this form sits

<small>Print Name of Board</small>	
Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed