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Memorandum

To: HONORABLE BOARD OF DIRECTORS

From: Navid H. Mehram, P.E., Wastewater Chief Operating Officer

CC: GLWA Executive Leadership

Date: March 26, 2025

RE: REQ: 2303418, CIP 260624 – Baby Creek Chemical Tanks Emergency

Cost: \$3,159,000.00 – award to FH Paschen for construction

In January of 2025, we provided a memo to the Board of Directors advising of a situation at the Baby Creek Screening & Disinfection Facility (SDF) in which our chemical storage tanks liner had failed. That memo discussed the path forward for engineering support to resolve this emergency in which the best and most economical solution was to replace the storage tanks. At that time, the design for demolition and replacement of the storage tanks had either been completed and had been or were being advertised for construction bids through the GLWA Job Order Contract for construction services under two separate packages.

Package One (demolition of three storage tanks and prep for the new tanks) was bid out in November 2024 and awarded in December 2024 to Commercial Contracting Corporation (CCC) for \$549,113.00, inclusive of a \$50,000.00 provisional allowance. As of the date of this letter, we expect the demolition of the three storage tanks to be nearly completed. This means that only one chemical storage tank currently remains in service. This level of service is below the required chemical storage level required for the facility to ensure compliance with our National Pollutant Discharge Elimination System (NPDES) permits.

Package Two (replacement of all four tanks, demolition of 1 remaining tank, and piping restoration) was bid out in January 2025 and bids were received in early March 2025. The replacement chemical storage tanks bid out under Package Two, which will replace the demolished tanks, have an approximate 22 week lead time for manufacturer delivery. The shop drawings for these tanks must be produced immediately and approved, so the manufacturing of these tanks can begin. GLWA is awarding the project to the lowest responsible bidder but, given the need to restore NPDES compliance, emergency procurement procedures were used to maximize the available time to be used for manufacturing of these tanks and expedite replacement as soon as practical.

In March, we received 4 responsible bids from this advertisement. The bids received were as follows:

	EOPCC	FHP	LGC	Weiss	CCC
Lump Sum Items Subtotal (including allowances)	\$3,663,000	\$3,159,000	\$3,474,000	\$3,624,000	\$3,919,000

*EOPCC – Engineers’ Estimate of Probable Construction Costs

Given this project was competitively bid through the GLWA Job Order Contract, we believe the costs to be reasonable. The lowest responsible bidder’s cost is approximately 14% below the engineers’ estimate of probable construction costs (EOPCC), and we believe the bidder is responsible and capable of performing this work.