

West Point Treatment Plant Progress Report

Prepared in accordance with
Motion 14813, Section C

August 2017



Department of Natural Resources and Parks
Wastewater Treatment Division

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Attachments:

Attachment A - Cost Table for West Point Treatment Plant Progress Report

Introduction

On February 27, 2017, the Council approved Motion 14813 which extended the County Executive's February 9, 2017 Determination of Emergency and waiver of competitive procurement requirements through May 31, 2018. This action allowed the Wastewater Treatment Division (WTD) of the Department of Natural Resources and Parks to continue its emergency response to the flood event which occurred at the West Point Treatment Plant on February 9, 2017, inundating critical treatment plant equipment and systems. Section C of Motion 14813 requires the King County Executive to transmit a quarterly report to the Council on the expenditures and contracting necessary to complete restoration work at the West Point Treatment Plant.

Specifically, the Motion requires the report to include:

- a) Expenditures during the previous quarter and anticipated for the next quarter;
- b) Project expenditures to date;
- c) A current estimate of the total costs of the repairs;
- d) A list of the contracts or agreements undertaken under the authority in this waiver, including for each contract or agreement: the name of the vendor, the type of work, the value of the contract or agreement and the level of compliance with the contracting requirements of King County Code (K.C.C.) 3.15.100, K.C.C. chapters 72.16*, 12.17, 12.18 and 12.19 and related administrative rules;
- e) A summary of procurement actions anticipated, but not yet undertaken under the authority of this procurement waiver; and
- f) A discussion of specific actions taken during the previous quarter to continue to obtain competitive prices on behalf of the ratepayers despite this waiver, including but not limited to procurements let or to be let in accordance with the requirements of K.C.C. chapters 2.93 and achieving compliance with K.C.C. 3.15.100, K.C.C. chapters 12.16, 12.17, 12.18 and 12.19 and related administrative rules.

This report addresses each requirement under a separate heading that corresponds to the particular requirement.

* It appears this is intended to refer to chapter 12.16.

Executive Summary

During the second quarter of 2017, WTD staff and contractors together achieved the significant milestone of restoring critical plant treatment functions at the West Point Treatment Plant. On May 11, 2017, West Point resumed full compliance with the plant's permit and water quality requirements. Through the end of the second quarter, almost \$11 Million was spent on this effort, reflecting the extraordinary efforts of both WTD staff and the contractors and consultants to restore operations.

It is anticipated that WTD will expend between approximately \$4.2 Million and \$5.3 Million during the next quarter on restoration efforts. There is a delay between performance of work and contractor submittal of invoices to WTD for payment; thus, this second quarter report relies on both actual payments and estimates of expenditures based on work progress. A list of contracts associated with restoration project work is provided in Attachment A to this report.

With respect to compliance with contracting requirements during the emergency, a portion of the restoration work has been performed under existing WTD contracts which were competitively procured and which are in compliance with competitive contracting requirements. Where possible, and to the greatest extent practical, new contracts authorized under the emergency declaration utilized labor rates and contract requirements from existing competitively procured contracts to ensure that competitive pricing was applied to the work to be performed.

WTD is also utilizing small contractor and supplier firms where possible. As WTD undertakes additional work to fully restore the plant, WTD will continue to competitively procure work that is not of an emergent nature, where practical to do so.

Current Status and Future Work

Significant progress has been made on the restoration efforts to date. All cleaning and disinfection work is complete, and the remaining work to remove damaged equipment and repair and replace the numerous pieces of equipment destroyed by the emergency flooding event is nearing completion. Restoration of the secondary treatment system at West Point was completed by the April 30, 2017 deadline communicated to Council and community stakeholders. The plant again returned to full compliance with permit conditions on May 11, 2017.

In some instances, temporary equipment is in place to ensure that the plant can function properly while long-term permanent restoration continues. For example, any equipment that is currently running on temporary power sources will be converted to permanent power sources as soon as practical now that full treatment capacity has been restored.

Major work completed for the repair and restoration of the plant's full function included the following:

- Replaced or repaired all 151 damaged electric motors
- Replaced 120 of 200 flooded electrical motor control centers
- Disinfected all 125 flooded electrical panels and replaced or rebuilt half of them
- Replaced and rebuilt all of the 125 flooded local electrical control stations
- Dried and tested 95 percent of the miles of flooded electrical conduit and conductors
- Disinfected more than 2,000 flooded light fixtures and replaced 30 percent of them
- Replaced 90 percent of the more than 1,200 flooded outlets and switches
- Replaced or rebuilt 95 percent of more than 200 flooded solenoids
- Inspected, tested and repaired, or replaced 95 percent of 125 flooded instruments
- Replaced all of the miles of flooded insulation
- Replaced all 6 of the flooded Ovations control panels (the automated system controls) for odor control
- The primary and secondary treatment systems, including the digesters, dewatering and solids handling, are all operating and treating normal (dry-weather) flows

Major work to be done for the remainder of the year includes the following:

- Finalize testing on the remaining 10 of 97 flooded pumps
- Replacing the remaining 80 of 200 flooded electrical motor control centers with permanent equipment
- Replacing and rebuilding the remaining 63 of 125 flooded electrical panels
- Replacing the remaining 22 of 25 flooded electrical transformers
- Finalize testing on the remaining 10 of 125 flooded local electrical control stations
- Replacing the remaining 70 percent of more than 2,000 flooded light fixtures
- Replacing the remaining 10 percent of more than 1,200 flooded outlets and switches
- Replacing the 4 flooded Ovations control panels for solids handling
- Restoring the remaining parts of the system that are using temporary equipment to permanent equipment (e.g., decommissioning the temporary boilers and restoring the permanent heating systems for secondary treatment tanks)

Contracts Utilized and Contracted Expenditures during the Previous Quarter

Attachment A to this report shows the contracts entered into by firm, along with the major category of service provided (e.g., electrical contractor, safety supplies). Attachment A's Table 2 lists those contracts specifically procured under the waiver extended by Motion 14813, while Table 3 shows those contracts utilized which were procured under normal contracting requirements. Many of the contracts in Table 3 are so-called "blanket", or goods and services contracts, that can be used by multiple King County agencies, and thus, have no specific limit for WTD use. Attachment A also shows the amount committed and the amount paid in the second quarter of 2017 and life to date (LTD). (The amount paid typically lags behind the work done; this was particularly true for contracts entered into under the waiver where getting mobilized and emergency work underway took priority.)

Project Expenditures to Date and Anticipated Expenditures

As shown in Attachment A's Table 1, WTD expended \$8,719,290 in the second quarter 2017 and the LTD total is \$10,964,078. This amount includes the invoices paid to date for each major category of contract and materials or equipment, whether purchased directly by WTD or through a contractor, along with King County labor costs through June 30, 2017 which is the latest pay period available.

Project expenditures anticipated for the third quarter 2017 are shown in Table 1. Because of the uncertainty associated with estimating future costs of an emergency restoration of this magnitude, an expected low and high cost estimate is provided to account for this variability. Based on the costs incurred for restoration efforts to date, the total cost estimate for repair of West Point is currently trending toward the lower end of the range.

Status of Insurance Claims

Immediately following the February 9, 2017 flooding, WTD began working with the County's Office of Risk Management Services and Marsh LLC, our insurance broker, to initiate the insurance claims process. WTD has insurance coverage up to \$25 Million from FM Global and \$75 Million from excess insurance carriers. We have additional insurance policies that will cover claims for West Point up to a total of \$500 Million with a \$250,000 deductible.

WTD is receiving insurance reimbursements as we submit the required documentation to demonstrate the costs that have been incurred for restoration. Through July 6, 2017, FM Global has reimbursed WTD a total of \$12.5 Million.

King County's property insurance recently renewed on July 1, 2017. The Office of Risk Management successfully renewed the County's property program with a minimal premium increase of approximately 9 percent, inclusive of an additional \$250 Million in limits for a total of \$750 Million.

Summary of Procurement Actions Anticipated Under Waiver Authority

The list of contracts obtained under the waiver is displayed in Attachment A's Table 2, as previously described. These emergency contracts allowed WTD to begin cleaning and restoration work immediately after the flooding event in order to fully restore treatment capabilities at the plant in the shortest time possible. No new contracts using the waiver exemption from competitive bidding requirements are anticipated for future work to complete repairs at West Point.

Summary of Actions Taken to Obtain Competitive Procurements and Comply with Standard Contracting Requirements

As noted in Attachment A, WTD utilized several existing contracts which were obtained under normal procurement policy (i.e., did not use the waiver as authorized under Motion 14813) to perform work. These contracts were in place prior to the emergency waiver and, therefore, in compliance with competitive contracting requirements. The waiver allowed WTD to hire contractors without going through the competitive bid process to expeditiously begin restoration work.

As directed by the County Council, the new contracts under the waiver do include most standard contracting requirements under King County Code (referenced in Motion 14813). Specifically, the existing and new contracts for West Point restoration comply with King County Code sections 3.15.100 relating to minimum wage, 12.16 relating to nondiscrimination, 12.17 relating to unfair contracting practices, 12.17 relating to unfair employment practices, and 12.19 relating to nondiscrimination in benefits.

To further King County's equity and social justice goals, WTD is encouraging contractors to utilize Small Contractor and Supplier (SCS) firms when opportunities arise while still working to meet schedule requirements. An example of this is the inclusion of six qualified SCS firms as subconsultants to the Engineering Services (CH2M as prime) and Construction Management (Jacobs as prime) contracts obtained under the Motion's waiver exemption. These six firms have a total of \$600,000 allocated to them in the contract budgets.

WTD is also requesting that all contractors and consultants selected under the waiver exemption provide information on their use of SCS firms. (\$210,000 has already been paid to the SCS firms subcontracted under just the CH2M and Jacobs contracts cited above.) WTD will engage in ongoing and comprehensive efforts to provide information to contractors about future work opportunities.

As Attachment A shows, the majority of work is being performed by firms who qualified under normal competitive processes. (Small purchase amounts from competitively bid contracts are summarized in the last line of Table 3; there are dozens of firms utilized in such purchases, all of them competitively bid.) Moving forward, WTD will continue to use the normal competitive bid process to the greatest extent possible for any newly identified work not already covered by an existing contract.

Cost Tables for West Point Treatment Plant Progress Report

Table 1:

West Point cleanup costs:	2017 Q2	Life to Date (LTD)	forecast low expend. 2017 Q3	forecast high expend. 2017 Q3	forecast low LTD through 2017 Q3	forecast high LTD through 2017 Q3
Total contracted	\$ 7,542,689	\$ 7,827,077	\$ 3,241,110	\$ 4,079,677	\$ 11,068,186	\$ 11,906,753
Total King County labor	\$ 1,047,522	\$ 2,800,689	\$ 786,037	\$ 1,063,462	\$ 3,586,726	\$ 3,864,151
Total materials/equip. (direct purch. other)	\$ 129,079	\$ 336,312	\$ 134,525	\$ 201,787	\$ 470,837	\$ 538,099
Total	\$ 8,719,290	\$ 10,964,078	\$ 4,161,672	\$ 5,344,926	\$ 15,125,750	\$ 16,309,004

Table 2:

Contract costs: Contracts procured under emergency waiver

Vendor Name	Contract #	Type of work	Current Total \$ Authorized	Current Total \$ Committed	Paid 2017 Q2	Paid LTD	Notes (see below)
Burke Electric	C001148C17	Electrical Contractor	\$5M	\$ 2,271,440	\$ 508,210	\$ 508,210	1
Dutton Electric	C001149C17	Electrical Contractor	\$5M	\$ 2,796,578	\$ 687,502	\$ 687,502	1
Valley Electric	C001150C17	Electrical Contractor	\$5M	\$ 2,856,264	\$ 449,788	\$ 449,788	1
Hawk Mechanical	C001151C17	Mechanical Contractor	\$5M	\$ 4,250,500	\$ 1,263,977	\$ 1,263,977	1
CH2M Hill	E00484E17	Planning & Engineering Services	\$5M	\$ 3,330,618	\$ 1,546,681	\$ 1,546,681	1, 4
Jacobs	P00216P17	Construction Management	\$5M	\$ 630,394	\$ 325,214	\$ 325,214	1, 4
Marsh Risk Consulting	5925418	Forensic accounting and claims services	\$	\$ 74,000	\$ -	\$ -	
Subtotal:			\$30M	\$ 16,209,794	\$ 4,781,372	\$ 4,781,372	

Table 3:

Contract costs: Contracts procured under Normal procurement requirements (not via emergency waiver)

Vendor Name	Contract #	Type of work	Current Total \$ Authorized	Current Total \$ Committed	Paid 2017 Q2	Paid LTD	Notes (see below)
CH2M Hill	E00159E09	Assessment Engineering & Cost Estimating	\$100K	\$ 100,000	\$ -	\$ -	2
AERZEN USA Corporation	Multiple POs Issued	Centrifugal blower package	\$	\$ 122,320	\$ 122,320	\$ 122,320	
Applied Industrial Technologies, Inc.	Multiple POs Issued	Bearings, belts and related items	\$	\$ 18,358	\$ 12,510	\$ 16,281	
Cole Industrial, Inc.	Multiple POs Issued	Boiler	\$	\$ 82,209	\$ 78,921	\$ 78,921	
Day Wireless Systems, Inc.	Multiple POs Issued	Portable radios	\$	\$ 58,943	\$ 58,943	\$ 58,943	
Delta Electric Motors, Inc.	5851106	Motor	\$	\$ 255,163	\$ 221,900	\$ 246,553	
Electrical Reliability Services, Inc.	Multiple POs Issued	Electrical equipment diagnostics	\$	\$ 13,161	\$ 10,624	\$ 10,624	
Ferguson Enterprises, Inc.	480020	Plumbing parts/supplies	\$	\$ 28,949	\$ 15,131	\$ 25,487	
FloHawks/Skagit Transportation	525799	Sludge hauling	\$	\$ 290,858	\$ 290,858	\$ 290,858	
Fluid Components International	Multiple POs Issued	Flow meters and related services	\$	\$ 16,838	\$ 15,293	\$ 15,293	
Grainger	5739895	Supplies	\$	\$ 94,078	\$ 36,148	\$ 68,681	
Granich Engineered Products, Inc.	Multiple POs Issued	Pumps and related equipment	\$	\$ 13,862	\$ 9,139	\$ 13,862	
Graybar Electric Company	5443005	Electrical and electronic supplies	\$	\$ 13,431	\$ 11,916	\$ 13,414	
HACH Company	Multiple POs Issued	Turbidity meters & chlorine analyzers	\$	\$ 13,116	\$ 7,808	\$ 7,808	
Industrial Boiler Service, Inc.	5921638	Boiler service and repair	\$	\$ 41,648	\$ -	\$ 41,648	
JWC Environmenal	5809030	JWC proprietary equipment, parts and services (Grinder repair)	\$	\$ 11,713	\$ 11,713	\$ 11,713	
Micro Motion, Inc.	Multiple POs Issued	Electronic control equipment	\$	\$ 34,587	\$ 34,587	\$ 34,587	
Motion and Flow Control Products, Inc.	5617876	Hoses and fittings	\$	\$ 11,517	\$ -	\$ 6,289	
National Safety, Inc.	Multiple POs Issued	Safety supplies	\$	\$ 43,999	\$ 618	\$ 38,602	
Nelson Petroleum	5422698	Lubricants	\$	\$ 10,087	\$ -	\$ 10,087	
North Coast Electric Company	5401608	Electric supplies	\$	\$ 60,147	\$ 57,637	\$ 59,783	
NRC Environmental Services	5921053	Site cleanup & disinfection	\$	\$ 851,536	\$ 851,536	\$ 851,536	3
Pacific Mobile	5943625	Temporary facilities	\$	\$ 23,793	\$ 881	\$ 881	
Paramount Supply CO, Inc.	Multiple POs Issued	ASCO valves & related parts	\$	\$ 25,841	\$ 22,940	\$ 26,330	
PCE Pacific, Inc.	Multiple POs Issued	Process control supplies	\$	\$ 13,503	\$ 8,677	\$ 8,677	
PumpTech, Inc.	5890559	Pumps	\$	\$ 42,396	\$ 32,116	\$ 32,116	
Recology Cleanscapes, Inc.	5540200	Waste disposal/garbage pick-up	\$	\$ 10,639	\$ 5,198	\$ 10,639	
Rosemount, Inc.	Multiple POs Issued	Measurement equipment	\$	\$ 48,771	\$ 44,607	\$ 44,607	
Seattle Public Utilities	5412501	Water	\$	\$ 451,197	\$ 435,510	\$ 451,197	
Stellar Industrial Supply	Multiple POs Issued	Industrial items (small tools/supplies)	\$	\$ 12,792	\$ 2,085	\$ 12,618	
Walashek Industrial & Marine	Multiple POs Issued	Boiler	\$	\$ 511,453	\$ 306,621	\$ 362,938	
<i>Multiple Vendors (each < \$10,000)</i>		Various miscellaneous purchases	\$	\$ 94,077	\$ 55,079	\$ 72,410	
Subtotal:			\$	\$ 3,420,982	\$ 2,761,317	\$ 3,045,705	

Notes for Tables 2 & 3

1. Construction or consultant contracts procured under waiver
 2. Existing contract bid normally (not under waiver) - Authorized limit is for tasks related to emergency
 3. Existing King County Solid Waste Emergency Cleanup Work Order Contract
 4. Utilizing some Small Contractor and Supplier (SCS) firms as subconsultants (\$600,000 currently allocated)
- Also note that all contracts in Table 3 are for goods and services with the exceptions of CH2M Hill and Seattle Public Utilities