



Legislation Details (With Text)

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Title: Actions pertaining to the Rebid of Requirements Contract to Furnish and Install Polyethylene Water Service Replacements (Bid File 12300617)(Citywide and County):

1. Adopt a finding of Categorical Exemption, pursuant to Section 15301(b)/Class 1, and Section 15302(c)/Class 2 of the California Environmental Quality Act Guidelines
2. Award a one-year Requirements Contract, inclusive of the City's adopted project labor agreement requirements, to West Valley Construction Company, Inc., of Fresno, California, in the amount of \$1,529,500, with provisions for two one-year extensions

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Attachment 1 - Categorical Exemption.pdf, 2. Attachment 2 - Bid Evaluation.pdf, 3. Attachment 3 - Sample Contract.pdf

Date	Ver.	Action By	Action	Result
3/9/2023	1	City Council	ADOPTED	Pass

REPORT TO THE CITY COUNCIL

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SUBJECT

Actions pertaining to the Rebid of Requirements Contract to Furnish and Install Polyethylene Water Service Replacements (Bid File 12300617)(Citywide and County):

1. Adopt a finding of Categorical Exemption, pursuant to Section 15301(b)/Class 1, and Section 15302(c)/Class 2 of the California Environmental Quality Act Guidelines
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RECOMMENDATIONS

Staff recommends that City Council adopt a finding of Categorical Exemption pursuant to Section 15301(b)/Class 1, Section 15302(c)/Class 2 of the California Environmental Quality Act (CEQA) Guidelines; award a one-year Requirements Contract in the amount of \$1,529,500 to West Valley Construction Company, Inc. (West Valley), with provisions for two one-year extensions to Furnish and Install Polyethylene Water Service Replacements (Project); and authorize the Director of Public Utilities, or designee, to sign and execute all documents on behalf of the City of Fresno (City).

EXECUTIVE SUMMARY

The Department of Public Utilities (DPU), Water Division, seeks to award a one-year requirements contract for the Project with provisions for two one-year extensions. The contract is necessary to address the replacement of polyethylene water services lines that are failing because of substandard materials performance. Following a competitive bidding process, West Valley is deemed to be lowest responsive and responsible bidder in the amount of \$1,529,500. Approval of the contract is requested at this time as the bids are set to expire on March 22, 2023.

BACKGROUND

The DPU, Water Division, installs and maintains residential and commercial services ranging in size from ¾-inch to 2-inch in diameter. The services have been constructed of various material types, including polyethylene. The polyethylene services, which were considered an industry standard at the time of installation, have been failing due to substandard materials resulting in Water Division personnel having to replace them on an emergency basis. These water service replacements have been done using copper tubing, which has a superior life expectancy. The subject requirements contract requires the use of copper tubing for the replacements as well, consistent with City Standard Drawings for water services.

As a matter of addressing the necessary water service replacements and anticipating a construction total in excess of \$1,000,000, DPU prepared Project specifications inclusive of the City's adopted project labor agreement. Two subsequent bidding processes ultimately resulted in the rejection of bids as the lone bid received was deemed highly in excess of the engineer's estimate.

For purposes of re-advertising the Project, staff re-evaluated the construction scope, industry conditions, and contract requirements. Upon incorporating necessary revisions, DPU solicited contractor services through the City's competitive bidding process. A Notice Inviting Bids was published in the Business Journal and posted on the City's website on November 30, 2022. Project specifications were additionally distributed to 16 prospective bidders and posted at 6 Building Exchanges. Three sealed bid proposals were received and unsealed in a public opening on January 17, 2023. The amounts of the bids received range from \$1,529,500 to \$2,393,500 and are set to expire 64 days after bid opening.

West Valley submitted a bid price in the amount of \$1,529,500 and is the lowest responsive and responsible bidder. The Staff Determination of Award was posted on the City's website on February 17, 2023. The price submitted is 38.82% below the Engineer's Estimate of \$2,500,000. The source of funding for the project is the Water Division's Water Enterprise Fund (40101). Upon Council approval, the Director of Public Utilities, or designee, will sign all documents on behalf of the City.

ENVIRONMENTAL FINDINGS

Staff has reviewed the scope and nature of this Project and determined that it is exempt pursuant to Sections 15301(b)/Class 1 (Existing Facilities) and 15302(c)/Class 2 (Replacement or Reconstruction) of the California Environmental Quality Act (CEQA) Guidelines. Staff has further determined that none of the exceptions to the Categorical Exemptions under section 15300.2 of the CEQA Guidelines apply to this project.

LOCAL PREFERENCE

Local Preference was not implemented because the lowest responsive and responsible bidder is a local business pursuant to the Fresno Municipal Code Section 4-108(d).

FISCAL IMPACT

There is no impact to the General Fund. This Project is located in all Council Districts and County islands. Funding for this Project is included in the Fiscal Year 2023 capital improvement budget within the Water Enterprise Fund 40101.

Attachments:

Attachment 1 - Categorical Exemption

Attachment 2 - Bid Evaluation and Fiscal Impact Statement

Attachment 3 - Sample Contract