



Legislation Details (With Text)

File #: ID16-409 **Version:** 1 **Name:**

Type: Action Item **Status:** Passed

File created: 4/7/2016 **In control:** City Council

On agenda: 4/21/2016 **Final action:** 4/21/2016

Title: Award a construction contract in the amount of \$15,157,862 to Mountain Cascade Inc. for the City of Fresno Friant-Kern Canal Pipeline Project - Bid File 3372-2 (District 6, County).

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. 3372-2BidEval.pdf, 2. FKC Sample Contract.pdf

Date	Ver.	Action By	Action	Result
4/21/2016	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

April 21, 2016

FROM: THOMAS C. ESQUEDA, Director
Department of Public Utilities

BY: MICHAEL CARBAJAL, Division Manager
Department of Public Utilities - Water Division

SUBJECT

Award a construction contract in the amount of \$15,157,862 to Mountain Cascade Inc. for the City of Fresno Friant-Kern Canal Pipeline Project - Bid File 3372-2 (District 6, County).

RECOMMENDATIONS

Staff recommends that City Council award a construction contract in the amount of \$15,157,862 to Mountain Cascade Inc. for the City of Fresno Friant-Kern Canal Pipeline Project; and authorize the Director of Public Utilities, or designee, to sign the contract on behalf of the City.

EXECUTIVE SUMMARY

On February 26, 2015, the City Council adopted a five-year water utility rate plan to finance the construction of a five-year water capital plan totaling approximately \$429 million. The five-year capital plan included the construction of the Friant-Kern Canal Pipeline to allow the City of Fresno (City) to

more effectively use its existing Central Valley Project surface water allocations and entitlements from Millerton Lake. Design of the project is complete, project construction has been advertised for bid, and Mountain Cascade Inc. has been determined to be the lowest responsive and responsible pre-qualified bidder for construction of the project in the amount of \$15,157,862. This contract will be funded through a State Revolving Fund (SRF) Low-Interest Loan from the State Water Resources Control Board (SWRCB), accepted by the City Council on January 7, 2016 for the Friant-Kern Canal Pipeline construction project.

BACKGROUND

On February 26, 2015, the City Council adopted a five-year water utility rate plan to finance the construction of a five-year water capital plan totaling approximately \$429 million. The five-year capital plan included the construction of the Friant-Kern Canal Pipeline to allow the City to more effectively use its existing Central Valley Project surface water allocations and entitlements from Millerton Lake. Presently, the City's contracted United States Bureau of Reclamation (USBR) Central Valley Project (CVP) surface water travels nearly 55 miles in open canals from Friant Dam (Millerton Lake) to the Northeast Surface Water Treatment Facility (NESWTF). The proposed Project consists of the construction and operation of a 5.6-mile underground raw water pipeline. The new pipeline reroutes the CVP water directly to the NESWTF and will eliminate nearly 47 miles from the conveyance distance. The Project will enclose the water conveyance system and greatly reduce the threat to water quality in otherwise exposed canals, by contamination from environmental debris, and accidental or malicious acts. The completed pipeline will also notably reduce operational power consumption, improve facility utilization, aid towards reducing groundwater use, and avoid canal seepage losses. The pipeline will be constructed across numerous properties in unincorporated Fresno County and connected to the existing one-mile long segment of pipeline constructed by a 2007 project.

On January 7, 2016 the City Council approved acceptance of a \$26,520,000 SRF Low Interest Loan through the SWRCB for construction of the Friant-Kern Canal Pipeline. The construction contract will be fully funded through this loan.

Contractor Pre-Qualification Process

In accordance with the Construction Management Act, the Department of Public Utilities (DPU) solicited statements of qualifications for pre-qualification for general contractor services. Announcements requesting Pre-Qualification for General Contractor Services for the construction of the FKCP project were published on July 6, 2015 in the Fresno Business Journal and posted to the City's PlanetBids Online site. The City received nineteen (19) pre-qualification submittals. Pre-qualification submittals were opened on August 4, 2015. The submittals were evaluated by the Water Division's selection committee utilizing the criteria outlined in the pre-qualification package. A total of thirteen (13) general contractors met the pre-qualification requirements.

Construction Bidding Process

On October 15, 2015, completed project plans and specifications were advertised in the Business Journal. On October 20, 2015, a mandatory project pre-bid meeting was held at the Department of Public Utilities- Water Division, Program Management and Engineering Office, located at the City's Municipal Services Center. Ten (10) of the thirteen (13) pre-qualified firms attended the mandatory pre-bid meeting.

Seven (7) sealed bid proposals were received and publicly opened on November 17, 2015. Mountain Cascade, Inc. submitted a bid price in the amount of \$15,157,862 and is considered to be the lowest responsive and responsible bidder. The Staff Determination of Award was posted on the City's website on November 24, 2015. The price is 17% below the Engineer's Estimate of \$18,182,754. The remaining six (6) bids ranged in price from \$15,499,270 to \$17,780,508.

ENVIRONMENTAL FINDINGS

An initial study and Mitigated Negative Declaration was prepared and adopted on June 14, 2012 for this project. A Notice of Determination was subsequently filed with the Fresno County Clerk's Office on June 19, 2012. The Proposed Project consists of the construction and operation of a 5.6-mile raw water supply pipeline northeast of the City of Fresno, in unincorporated Fresno County at the City's existing NESWTF. The Proposed Project would be located between the NESWTF near Chestnut and Behymer Avenues and the Friant-Kern Canal to the northeast. The purpose of the Proposed Project is to develop a reliable raw water conveyance system with reduced potential for water quality contamination that will bring the City's existing CVP contract supply water directly from the Friant-Kern Canal to the NESWTF.

An analysis has been performed pursuant CEQA Guidelines §15162 to determine whether subsequent environmental review is required for the project. Based upon this analysis the following findings are made to support the determination that no subsequent environmental review is required:

1. No substantial changes are proposed in the project which will require major revisions of the previous Mitigated Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. In this case there are no changes to the project.
2. No substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous Mitigated Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. In this case, the proposed pipeline alignment has not changed.
3. There is no new information, which was not known and could not have been known at the time of the previous Mitigated Negative Declaration that the project will have significant effect not discussed in the Mitigated Negative Declaration.

Additionally, the City has been working with the USBR, and other Federal agencies, to meet the requirements of the National Environmental Policy Act ("NEPA"). The US Fish and Wildlife Service (USFWS) and the US Army Corp of Engineers approved the Biological Opinion (BO), identifying mitigations for Project effects on endangered plants and wildlife. Following the USFWS' approval of the BO and endangered species mitigations, the BO was submitted to the USBR for their review and eventual acceptance. The USACE has issued their Section 404 Permit, and the USBR has issued the Project's Environmental Assessment (EA) with a Finding of No Significant Impact ("FONSI"), giving the City authorization to begin construction of the FKCP Project.

Based upon these findings, it has been determined that no further environmental documentation is required for this project.

LOCAL PREFERENCE

Local preference was not implemented because the lowest local bidder exceeded the maximum allowable bid preference pursuant to FMC Sec 4-108.

FISCAL IMPACT

There is no impact to the General Fund. The award of this construction contract will be funded by the State Revolving Fund Low Interest Loan through the State Water Resources Control Board as part of the construction of the Friant-Kern Canal Pipeline project. Appropriations are included in Water Division's FY2016 Capital Improvement Program adopted budget within the State Low Interest Loan FKCP Fund (40184). The loan repayments for the low interest loan were included in the water rate model used to create the five-year utility rate plan that was adopted by the City Council on February 26, 2015.

Attachments:

Bid Evaluation Information

Sample Agreement