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Title: Reject the bid proposal for Lift Station 14 Rehabilitation (Bid File 3625) (Council District 2)

Sponsors: Department of Public Utilities

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Attachments: 1. Attachment 1 - Bid Evaluation and Fiscal Impact.pdf

Date	Ver.	Action By	Action	Result
6/13/2019	1	City Council	approved	

REPORT TO THE CITY COUNCIL

June 13, 2019

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Department of Public Utilities

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SUBJECT

Reject the bid proposal for Lift Station 14 Rehabilitation (Bid File 3625) (Council District 2)

RECOMMENDATION

Staff recommends that City Council reject the bid proposal received for the City of Fresno's (City's) Lift Station 14 Rehabilitation (Project).

EXECUTIVE SUMMARY

The Department of Public Utilities, Wastewater Management Division, seeks to reject the bid proposal received for the Project. There was one bid proposal received for this Project. The

proposal was 69% above the engineer's estimate. Several bid line items are significantly higher in price compared to prices of similar items on the past three lift stations rehabilitations.

BACKGROUND

The Department of Public Utilities, Wastewater Management Division, through the Collection System Maintenance workgroup is responsible for maintaining the City's sewer infrastructure, including fifteen lift stations. The five-year Capital Improvement Plan prepared by the Wastewater Management Division identifies the lift stations in most need of rehabilitation. The purpose of these lift stations is to pump wastewater from areas of low elevation to sanitary sewers at higher elevations. Rehabilitation of Lift Station 14 will protect the lift station equipment and improve access and safety for the collection system workers who maintain the functionality of the lift station. This rehabilitation Project has four major components comprised of: upgrading the electrical wiring and panels, increasing the size of the lift station by modifying the entrance, replacing the existing corroded hatches with new hatches which include safety grates, and installing the bypass suction and discharge points. Minor components associated with this Project include adding a drain box, correcting the slope of the concrete, and adding an additional light fixture to increase site lighting.

Plans and specifications were prepared for this Project. A Notice Inviting Bids was published on April 1, 2019, and posted on the City's Planet Bids website. The specifications were distributed to ten prospective bidders and posted at thirteen Builder Exchanges. One sealed bid proposal was received and publicly opened on April 30, 2019. The bid proposal was \$491,015. The bid will expire within 64 days of bid opening, on July 3, 2019.

RTC Construction Management, Inc., was the only bidder, with the bid amount of \$491,015. Their bid price is 69% above the engineer's estimate of \$290,500. Several bid line items are significantly higher in price compared to prices of similar items on the past three lift stations rehabilitations. After this action by the City Council to reject all proposals, the Department of Public Utilities, Wastewater Management Division, plans to re-advertise and competitively rebid the Project.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378 the rejection of this proposal does not qualify as a "project" for the purpose of CEQA.

LOCAL PREFERENCE

Local preference was not implemented because the Department of Public Utilities, Wastewater Management Division, seeks to reject the bid proposal received for this Project.

FISCAL IMPACT

The rejection of the proposal will not impact the General Fund. This Project is identified in the Wastewater Management Division's five-year Capital Improvement Plan. Funds for this Project are budgeted in the Fiscal Year 2019 Sewer Enterprise Fund 40501. Funding is also included in the proposed FY 2020 Sewer Enterprise Fund.

Attachment: Bid Evaluation and Fiscal Impact Statement