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**Title:** Actions pertaining to the Recycled Water Transmission Main, Southwest Quadrant, Project SW1D (Bid File 3504-2) (Council District 3 and County):

1. Award a construction contract to Emmett’s Excavation, Inc., in the amount of \$13,153,194
2. Authorize the Director of Public Utilities, or designee, to sign the contract on behalf of the City of Fresno

**Sponsors:** Department of Public Utilities

**Indexes:**

**Code sections:**

**Attachments:** 1. 2019-06-20 Attachment 1 - Bid Evaluation and Fiscal Impact.pdf, 2. 2019-06-20 Attachment 2 - SW1D Sample Contract.pdf, 3. 2019-06-20 Attachment 3 - SW1D Vicinity map.pdf

Date	Ver.	Action By	Action	Result
6/20/2019	1	City Council	approved	Pass

**REPORT TO THE CITY COUNCIL**

**June 20, 2019**

**FROM:** MICHAEL CARBAJAL, Director  
Department of Public Utilities

**THROUGH:** DEJAN PAVIC, PE, Public Utilities Manager  
Department of Public Utilities - Utilities Planning & Engineering

**BY:** PATRICIA DIEP, Supervising Engineering Technician  
Department of Public Utilities - Utilities Planning & Engineering

**SUBJECT**

Actions pertaining to the Recycled Water Transmission Main, Southwest Quadrant, Project SW1D (Bid File 3504-2) (Council District 3 and County):

1. Award a construction contract to Emmett’s Excavation, Inc., in the amount of \$13,153,194
2. Authorize the Director of Public Utilities, or designee, to sign the contract on behalf of the City of Fresno

**RECOMMENDATIONS**

Staff recommends that City Council award a construction contract to Emmett's Excavation, Inc., in the amount of \$13,153,194 for the Recycled Water Transmission Main (RWTM), Southwest Quadrant, Project SW1D (Project) and authorize the Director of Public Utilities, or designee, to sign the contract of behalf of the City of Fresno (City).

## **EXECUTIVE SUMMARY**

The Department of Public Utilities (DPU), Wastewater Management Division, is seeking to award a construction contract to Emmett's Excavation, Inc., in the amount of \$13,153,194. Starting at the intersection of North Cornelia Avenue and West Belmont Avenue of RWTM Segment SW1B, the Project is the continuation of the RWTM. The scope of work for the Project includes construction of approximately 3.4-mile pipeline to extend the RWTMs and bring tertiary treated water from the Regional Wastewater Reclamation Facility (RWRF) to west Fresno and beyond.

## **BACKGROUND**

In 2009, the State of California adopted a recycled water policy establishing a mandate to increase the use of recycled water in California by 200,000 acre-feet per year by 2020 and an additional 300,000 acre-feet per year by 2030. The Recycled Water Master Plan prepared by the Department of Public Utilities identifies opportunities to assist with compliance of this law by reducing groundwater pumping and replacing groundwater with recycled water for non-potable purposes (i.e. outdoor irrigation, dust control, fountains, etc.). On April 11, 2013, the City Council adopted the Recycled Water Master Plan and associated environmental documents.

On June 27, 2013, the City Council approved a design contract for the RWTM, Southwest Quadrant, starting at the RWRF. When completed, the RWTM, Southwest Quadrant, will connect the Tertiary Treatment facility located at RWRF at West Jensen Avenue and South Cornelia Avenue with Fresno Memorial Garden Cemetery and other cemeteries, Roeding Park, Fresno downtown area, and the part of Fresno in the vicinity of North Cornelia Avenue and West Shields Avenue. This system will ultimately serve several cemeteries, City parks (including Roeding Park), water recharge basins, schools, industrial, urban, and agricultural users.

On December 11, 2014, the City Council authorized the submission of an application to the State Water Resources Control Board (SWRCB), State Revolving Fund (SRF) for the financing of the construction of the RWTM, Southwest Quadrant. The loan was approved by the SWRCB on August 3, 2015, and provides up to \$52,475,049 of financing at a 1% interest rate for the RWTM, Southwest Quadrant. The loan covers the design, construction, and construction management for the installation of approximately 21 miles of the RWTMs.

The award of this Project is the final of six phases of the RWTM, Southwest Quadrant, and is approximately 3.4 miles in length. Phase six will continue from phase two and convey recycled water in North Cornelia Avenue heading north from West Belmont Avenue to West Shields Avenue, east along West McKinley Avenue to approximately 300 feet east of North Cecelia Avenue, west along West Clinton Avenue to North Polk Avenue, and south along North Polk Avenue to West Yale Avenue. The fifth phase is on the same City Council agenda to award the construction contract.

## **Contractor Pre-Qualification Process**

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 Project were published on September 28, 2018, in the Fresno Business Journal and posted to the City's Planet Bids website. The City received ten pre-qualification submittals. Pre-qualification submittals were opened on November 13, 2018. The submittals were evaluated by the DPU selection committee utilizing the criteria outlined in the pre-qualification package. A total of eight general contractors met the pre-qualification requirements and were invited to bid on this Project.

### **Construction Bidding Process**

Plans and specifications were prepared for this Project. A Notice of Inviting Bids was published on April 26, 2019, and posted on the City's Planet Bids website. The specifications were distributed to eight prospective bidders and posted at eleven Builder Exchanges. On May 9, 2019, a pre-bid meeting was held. Five sealed bid proposals were received and publicly opened on May 29, 2019. Bid proposal prices range from \$13,153,194 to \$14,584,685. The bid will expire within 90 days of bid opening, on August 27, 2019.

Staff has determined that Emmett's Excavation, Inc., is the lowest responsible and responsive bidder with a submitted bid of \$13,153,194. Their bid price is 5.4% below the Engineer's Estimate of \$13,910,000. The staff determination was posted on the City's Planet Bids website on June 6, 2019. Staff recommends that City Council award a construction contract to Emmett's Excavation, Inc., in the amount of \$13,153,194.

### **ENVIRONMENTAL FINDINGS**

A Mitigated Negative Declaration (MND) for this Project was adopted by the City Council on December 18, 2014. An analysis has been performed pursuant to CEQA Guidelines Section 15162 to determine whether subsequent environmental review is required for the Project. Based on 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 MND due to the involvement of new significant environmental effects, or a substantial increase in the severity of previously identified significant effects.
2. No substantial changes occur with respect to the circumstances under which the Project is undertaken which will require major revisions of the previous MND due to the involvement of new significant environmental effects, or a substantial increase in the severity of previously identified significant effects.
3. There is no new information which was not known or could not have been known at the time of the previous MND that the Project will have significant effects not discussed in the MND.

Furthermore, since the MND was previously adopted for this Project, the considerations set forth in CEQA Guidelines Section 15162(a)(3)(C) and (D), related to the adequacy and feasibility of previously adopted mitigation measures, are not applicable. 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 responsive and responsible bidder is a local business as defined in the Fresno Municipal Code Section 4-108.

## **FISCAL IMPACT**

There is no impact to the General Fund. This Project is located in Council District 3 and County of Fresno. Funding for this Project is included in the Wastewater Management Division's Fiscal Year 2019 Capital Improvement Budget within the SWRCB SRF Loan Fund 40528. No additional funding is needed for the award of the construction contract.

### **Attachments:**

Attachment 1 - Bid Evaluation and Fiscal Impact Statement

Attachment 2 - Sample Contract

Attachment 3 - Vicinity Map