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Title: Actions Pertaining to the Phase 2 Regional Transmission Mains Segment A1 Project (Bid File 3449), (District 3, District 7, Fresno County)

1. Adopt an Addendum to the Fresno Priority 2 Regional Transmission Water Mains Pipeline Project, Mitigated Negative Declaration (State Clearing House No. 2015101105)
2. Award a construction contract in the amount of \$28,471,884 to Mountain Cascade, Inc. for the City of Fresno Phase 2 Regional Transmission Mains Segment A1 Project - Bid File 3449
3. Authorize the Director of Public Utilities, or designee, to sign the contract on behalf of the City

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Project Map.pdf, 2. Fresno Priority 2 Regional Transmission Water Mains Pipeline Project Mitigated Negative Declaration Addendum.pdf, 3. Figure 1 from Mitigated Negative Declaration Addendum.pdf, 4. 3449-2BidEval.pdf, 5. SampleContract.pdf

Date	Ver.	Action By	Action	Result
7/14/2016	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

July 14, 2016

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

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

SUBJECT

Actions Pertaining to the Phase 2 Regional Transmission Mains Segment A1 Project (Bid File 3449), (District 3, District 7, Fresno County)

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RECOMMENDATIONS

Staff recommends that City Council:

1. Adopt an Addendum to the Fresno Priority 2 Regional Transmission Water Mains Pipeline Project, Mitigated Negative Declaration (State Clearing House No. 2015101105)
2. Award a construction contract in the amount of \$28,471,884 to Mountain Cascade, Inc. for the City of Fresno Phase 2 Regional Transmission Mains Segment A1 Project
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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 Phase 2 Regional Transmission Mains that will allow the City of Fresno (City) to distribute treated surface water from the Southeast Surface Water Treatment Facility (Facility) to the existing water distribution system. The Phase 2 Regional Transmission Mains include approximately 13 miles of 66- to 20-inch diameter pipeline that will be constructed by four separate construction contracts that will proceed concurrently. Design of the first segment of the Phase 2 Regional Transmission Mains Segment A1 (the Project) is complete, the bidding process has been finalized and Mountain Cascade, Inc. has been determined to be the lowest responsive and responsible bidder in the amount of \$28,471,884. This contract award will be funded through a State Revolving Fund (SRF) Low-Interest Loan from the State Water Resources Control Board (Board), accepted by the City Council for the Regional Transmission Main (RTM) 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 Phase 2 Regional Transmission Mains that will convey water from the Southeast Surface Water Treatment Facility (Facility) to the existing water distribution system through a network of approximately 13 miles of large diameter pipelines. The Project is the first of four Phase 2 Regional Transmission Main segments that will be constructed (see attached map) and it includes the construction of approximately five miles of 48- to 66-inch diameter pipeline.

On January 7, 2016, the City Council authorized the Director of Public Utilities to accept and execute a \$63,100,000 SRF Low-Interest Loan through the Board for construction of the Phase 2 Regional Transmission Mains. The SRF low-interest loan will fully finance the construction of the Phase 2 Regional Transmission Mains.

Contractor Pre-Qualification Process

In accordance with the Construction Management Act, the Department of Public Utilities 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 February 18, 2016, in the Fresno Business Journal and posted to the City's PlanetBids Online site. The City received 14 pre-qualification submittals. Pre-qualification submittals were opened on March 18, 2016. The submittals were evaluated by the Water Division's selection committee utilizing the criteria outlined in the pre-qualification package. A total of nine general

contractors met the pre-qualification requirements.

Construction Bidding Process

On May 3, 2016, 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. Seven pre-qualified firms attended the mandatory pre-bid meeting. On April 18, 2016, completed project plans and specifications were advertised in the Business Journal.

Five sealed bid proposals were received and publicly opened on June 7, 2016. Mountain Cascade, Inc. submitted a bid price in the amount of \$28,471,884 and is considered to be the lowest responsive and responsible bidder. The Staff Determination of Award was posted on the City's website on June 28, 2016. The price is 14% above the Engineer's Estimate of \$25,000,000. The remaining four bids ranged in price from \$28,913,546 to \$37,185,510.

ENVIRONMENTAL FINDINGS

The Metropolitan Water Resources Management Plan Update (Metro Plan Update) EIR (SCH No. 2013091021) was prepared and adopted by the Council on June 12, 2014. The Metro Plan Update EIR is a project level EIR pursuant to CEQA Guidelines § 15168 and is tiered from the MEIR (SCH NO. 2012111015). Subsequent minor changes to the routing of the Pipeline within the plan area resulted in a supplemental environmental assessment Initial Study/Mitigated Negative Declaration (Pipeline MND) (SCH No. 2015101105), which was considered and adopted by Council on February 4, 2016.

This action is to approve a contract and adopt minor changes to the Project. An analysis has been performed pursuant to CEQA Guidelines § 15164 and an addendum to Mitigated Negative Declaration (SCH No. 2015101105) has been prepared because only minor technical revisions are necessary in order to adjust work hours for pipeline construction and make a minor modification to the pipeline alignment, as shown in Figure 1 of the Mitigated Negative Declaration (attached). It has been determined that all applicable mitigation measures of the MEIR, Metro Plan Update EIR, and the Pipeline MND have been applied to the Project and the Project will not cause significant adverse cumulative impacts, growth inducing impacts and irreversible significant effects beyond those identified. In addition, pursuant to CEQA Guidelines §15162 staff has determined that no substantial changes have occurred with respect to the circumstances under which the previous environmental documents were certified and/or adopted, and that no new information, which was not known and could not have been known, has become available. As such, none of the conditions set forth in CEQA Guidelines §15162 are present for this project. Therefore, it has been determined based upon the evidence in the record that the Project will not have a significant impact on the environment and that an addendum to the Pipeline MND is appropriate, pursuant to CEQA Guidelines § 15164.

LOCAL PREFERENCE

Local preference was not implemented because none of the bidders are local businesses as defined by Fresno Municipal Code Sec. 4-108.

FISCAL IMPACT

There is no impact to the General Fund. The award of this construction contract will be funded by the

SRF Low Interest Loan through the Board as part of the construction of the Phase 2 Regional Transmission Mains. Appropriations are included in Water Division's FY 2017 Capital Improvement Program adopted budget within the State Low Interest Loan Regional Transmission Mains Fund (40162). 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:

Project Map

Fresno Priority 2 Regional Transmission Water Mains Pipeline Project, Mitigated Negative Declaration Addendum

Figure 1 from Mitigated Negative Declaration Addendum

Bid Evaluation Information

Sample Contract