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Title: Award a construction contract in the amount of \$18,204,180 to Floyd Johnston Construction Company, Inc. for the City of Fresno Phase 2 Regional Transmission Mains Segment A2 Project (Bid File 3450) (Council District 1, 3, and 7).

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Project Map.pdf, 2. Bid Eval.pdf, 3. SampleContract.pdf

Date	Ver.	Action By	Action	Result
10/20/2016	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

October 20, 2016

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

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

SUBJECT

Award a construction contract in the amount of \$18,204,180 to Floyd Johnston Construction Company, Inc. for the City of Fresno Phase 2 Regional Transmission Mains Segment A2 Project (Bid File 3450) (Council District 1, 3, and 7).

RECOMMENDATIONS

Staff recommends that City Council:

1. Award a construction contract in the amount of \$18,204,180 to Floyd Johnston Construction Company, Inc. for the City of Fresno Phase 2 Regional Transmission Mains Segment A2 Project - Bid File 3450.
2. Authorize the Director of Public Utilities, or designee, to sign the contract on behalf of the City of Fresno.

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 (RTMs) 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. Design of the second segment of the Phase 2 Regional Transmission Mains Segment A2 (Project) is complete, the bidding process has been finalized and Floyd Johnston Construction Company, Inc. has been determined to be the lowest responsive and responsible bidder.

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 RTMs that will convey water from the Facility to the existing water distribution system through a network of approximately 13 miles of 66- to 20-inch diameter pipeline that will be constructed by four separate construction contracts that will proceed concurrently. The Project is the second of four RTM segments that will be constructed and it includes the construction of approximately four miles of 24- to 48-inch diameter pipeline.

On January 7, 2016, the City Council authorized the Director of Public Utilities to accept and execute a \$63,100,000 State Revolving Fund (SRF) Low-Interest Loan through the State Water Resources Control Board (Board) for construction of the RTMs. The SRF Low-Interest Loan will fully finance the construction of the RTMs.

Contractor Pre-Qualification Process

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 12 general contractors met the pre-qualification requirements.

Construction Bidding Process

On July 12, 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 June 27, 2016, the completed project plans and specifications were advertised in the Business Journal.

Seven sealed bid proposals were received and publicly opened on August 18, 2016. Floyd Johnston Construction Company, Inc. submitted a bid price in the amount of \$18,204,180 and is considered to be the lowest responsive and responsible bidder. The Staff Determination of Award was posted on the City's website on September 12, 2016. The price is 9% below the Engineer's Estimate of \$20,000,000. The remaining six bids ranged in price from \$18,917,439 to \$22,847,720.

The third lowest bidder, Vido Artukovich & Son Inc. (Artukovich) has filed an appeal of staff's determination that Floyd Johnston Construction Company, Inc. is the lowest responsive and responsible bidder. A hearing was held for Artukovich to present its appeal to the hearing officer. Staff will read the hearing officer's determination during the presentation to Council. The Council is not bound by the hearing officer's determination.

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. An addendum to the Pipeline MND, was considered and adopted by Council on July 14, 2016. Another addendum to the Pipeline MND was considered and adopted by Council on August 18, 2016. An analysis has been performed pursuant to CEQA Guidelines §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 Pipeline 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 Pipeline 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 Pipeline MND that the Project will have significant effects not discussed in the MND.

Furthermore, since a Pipeline MND was previously adopted for this Project, the considerations set forth in CEQA Guidelines §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 according to the Fresno Municipal Code Section 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 RTMs. 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
Bid Evaluation Information
Sample Contract