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Title: Actions pertaining to construction of the Sewer Rehabilitation and Reconstruction in Merced Street (Bid File 3540) (Council District 3):

1. ***RESOLUTION - 18th amendment to the Annual Appropriation Resolution (AAR) No. 2017-165 appropriating \$7,728,500 for the Sewer Rehabilitation and Reconstruction in Merced Street (Requires 5 affirmative votes) (Subject to Mayor's veto).
2. Adopt a finding of Categorical Exemption pursuant to Sections 15301 and 15302 of the California Environmental Quality Act Guidelines.
3. Award a Construction Contract to Mountain Cascade Inc., of Livermore, California, in the amount of \$7,398,497.

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. 2017-08-31 Sewer Rehab Reconstruction Merced Street Construction Contract.pdf, 2. 2017-08-31 Sewer Rehab Reconstruction Merced Street Construction Vicinity Map.pdf, 3. 2017-08-31 Sewer Rehab Reconstruction Merced Street Construction 18 18th AAR.pdf, 4. 2017-08-31 Sewer Rehab Reconstruction Merced Street Construction Bid Evaluation.pdf

Date	Ver.	Action By	Action	Result
8/31/2017	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

August 31, 2017

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

THROUGH: MICHAEL CARBAJAL, Planning Manager
Department of Public Utilities - Utilities Planning & Engineering

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Department of Public Utilities - Utilities Planning & Engineering

SUBJECT

Actions pertaining to construction of the Sewer Rehabilitation and Reconstruction in Merced Street (Bid File 3540) (Council District 3):

1. ***RESOLUTION - 18th amendment to the Annual Appropriation Resolution (AAR) No. 2017-165 appropriating \$7,728,500 for the Sewer Rehabilitation and Reconstruction in Merced

Street (Requires 5 affirmative votes) (Subject to Mayor's veto).

2. Adopt a finding of Categorical Exemption pursuant to Sections 15301 and 15302 of the California Environmental Quality Act Guidelines.
3. Award a Construction Contract to Mountain Cascade Inc., of Livermore, California, in the amount of \$7,398,497.

RECOMMENDATIONS

Staff recommends that City Council appropriate the project funding for the Sewer Rehabilitation and Reconstruction in Merced Street; adopt a finding of Categorical Exemption pursuant to Sections 15301 and 15302 of the California Environmental Quality Act Guidelines; award a construction contract the amount of \$7,398,497 to Mountain Cascade Inc., of Livermore, California; and authorize the Director Public Utilities or designee to execute the agreement of behalf of the City of Fresno.

EXECUTIVE SUMMARY

The Department of Public Utilities, Wastewater Management Division, is seeking to award a construction contract to Mountain Cascade Inc., for the rehabilitation and replacement of sewer in Merced Street from Freeway 180/Glenn Avenue and weave through the downtown area through N Street, Tuolumne Street, Van Ness Avenue, Merced Street, ending on Thorne Avenue. The existing sewer is cast in place pipe and was installed in 1917 and 1918 (approximately 100 year old pipe). The portions of sewer needing rehabilitation are to remedy current structural deficiencies and restore the design life of the pipe. The replacement portion of this project will replace sewer that is under capacity and structurally deficient. Staff is seeking to award a contract in the amount of \$7,398,497 to Mountain Cascade Inc.

BACKGROUND

In 2009, the City Council adopted the Sewer System Management Plan (SSMP) prepared by the Department of Public Utilities, as required by the statewide General Wastewater Discharge Requirements for sanitary sewer collection systems. This plan calls for the need to perform evaluations, check design criteria, analyze capacity enhancement measures, and create schedules for improvements. The SSMP utilizes the 2006 Wastewater Collection System Master Plan (Master Plan) to determine areas with inadequate sections within the sewer collection system. This Master Plan identified approximately 13,050 linear feet of sewer pipe as being in moderate to poor condition, in need of capacity improvements, and in need of cast-in-place pipe liner rehabilitation. These lines start at Freeway 180/Glenn Avenue and weave through the downtown area through N Street, Tuolumne Street, Van Ness Avenue, Merced Street, ending on Thorne Avenue. In an effort to confirm the sewer was in need of rehabilitation the sewers were inspected with closed circuit television (CCTV) in 2007, and found to be in poor condition with exposed rebar and aggregate in numerous sections.

The section of pipe in Merced Street from H Street to Glenn Avenue and Thorne Avenue (approximately 4,500 feet) was found to have the majority of manholes indirectly tied into the sewer and cast in place with the storm sewer. The sewer pipe was also found to have a non-circular cross section. These items make it impossible to clean and inspect the total length of the pipeline. However, the area of the pipeline that was inspected was found to be in extremely poor condition and in need of removal and replacement. Replacement of this structurally deficient irregular pipeline will greatly reduce maintenance and the potential for failure.

The sewer lines being replaced or rehabilitated in this project were installed between 1917 and 1918. This sewer project crosses water supply pipes, flood control pipes, Highway 99, the Union Pacific Railroad, and the future high speed rail alignments. This project is intended to realign the sewer with new manholes, repair the structural integrity, and prevent further corrosion caused by hydrogen sulfide. The location of this project is shown on the attached drawing. Department of Public Utilities recommends the award of a \$7,398,497 construction contract to Mountain Cascade Inc., of Livermore, California, for the Sewer Rehab and Reconstruction Merced Street.

Plans and specifications were prepared for the project. A Notice Inviting Bids was published on May 10, 2017, and posted on the City of Fresno's website. The specifications were distributed to eighteen prospective bidders, and faxed to ten Builder Exchanges. The Bid will expire within 64 days of bid opening which is September 13, 2017. Four sealed bid proposals were received and publicly opened on July 11, 2017. The bid proposal prices ranged from \$7,398,497 to \$8,375,506.

Staff has determined Mountain Cascade Inc., of Livermore, California, is the lowest responsive and responsible bidder with a submitted bid of \$7,398,497. Its bid price is 2.8% above the engineer's estimate of \$7,196,000. Staff determination was posted on the City Website on September 13, 2017.

ENVIRONMENTAL FINDINGS

Staff has performed a preliminary Environmental Assessment for Sewer Rehab and Reconstruction in Merced Street and has determined that it falls within Class 1 and 2 Categorical Exemptions set forth in CEQA Guidelines, Section 15301 and 15302. Due to the nature of this construction contract involving minor repair and rehabilitation of existing public sewer utilities, this project will involve negligible or no expansion of capacity or use. Furthermore, none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this project.

LOCAL PREFERENCE

Local preference was not implemented because the closest local bidder exceeds the \$75,000 maximum preference permitted to be extended to local businesses pursuant to Fresno Municipal Code section 4-108(c)(1).

FISCAL IMPACT

The project, which is located in Council District 3, will have no impact on the General Fund. This project is identified in the five-year capital improvement plan. Funds in the amount of \$7,100,000 were budgeted in FY17 for the project and \$500,000 were budgeted in FY18 for construction management services. However, due to conflicts with the Fulton Mall Reconstruction portion of this project, the bid was postponed to FY18. Adoption of the 18th Amendment to the Annual Appropriation Resolution No. 2017-165 will appropriate funds in the amount of \$7,728,500 from the 2018 Sewer Enterprise Funds for construction and inspection. The fiscal impact of this construction contract will total \$7,728,500.

Attachments:

- Construction Contract
- Vicinity Map
- Annual Appropriation 2017-165

- Bid Evaluation and Fiscal Impact Statement