



## Legislation Details (With Text)

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**Title:** Actions Pertaining to the Recycled Water Transmission Main, Southwest Quadrant, Project SW1C2 (Bid File 3526) (Council District 3 and Fresno County)

1. Adopt an addendum to the Fresno Recycled Water Distribution System, Initial Study/Tiered Mitigated Negative Declaration (State Clearing House No. 2014081078)
2. Award a construction contract in the amount of \$7,682,290 to Bill Nelson General Engineering Construction, Inc., of Fresno, California

**Sponsors:** Department of Public Utilities

**Indexes:**

**Code sections:**

**Attachments:** 1. Addendum to the ISMND.pdf, 2. 3526BidEval Signed.pdf, 3. SW1C2 Vicinity map.pdf, 4. Sample Contract.pdf, 5. SWRCB Letter.pdf, 6. ESA Memo.pdf

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

## REPORT TO THE CITY COUNCIL

**August 31, 2017**

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Department of Public Utilities

**THROUGH:** MICHAEL CARBAJAL, Planning Manager  
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## SUBJECT

Actions Pertaining to the Recycled Water Transmission Main, Southwest Quadrant, Project SW1C2 (Bid File 3526) (Council District 3 and Fresno County)

1. Adopt an addendum to the Fresno Recycled Water Distribution System, Initial Study/Tiered Mitigated Negative Declaration (State Clearing House No. 2014081078)
2. Award a construction contract in the amount of \$7,682,290 to Bill Nelson General Engineering Construction, Inc., of Fresno, California

## RECOMMENDATIONS

Staff recommends that City Council adopt an addendum to the Fresno Recycled Water Distribution System, Initial Study/Tiered Mitigated Negative Declaration (ISMND); award a construction contract in the amount of \$7,682,290 to Bill Nelson General Engineering Construction, Inc., of Fresno, California, for the Recycled Water Distribution System (RWDS), Southwest Quadrant, Segment SW1C2; and authorize the Director Public Utilities or designee to execute the contract of behalf of the City of Fresno.

## EXECUTIVE SUMMARY

The Department of Public Utilities, Wastewater Management Division, is seeking to adopt an addendum to the Fresno Recycled Water Distribution System ISMND and award a \$7,682,290 construction contract to Bill Nelson General Engineering Construction, Inc., as the lowest responsive and responsible bidder. Starting at the intersection of Belmont Avenue and Hughes Avenue of RWDS Segment SW1C, the Project is the continuation of the RWDS. The Project will construct a 3.1 mile pipeline to extend the RWDS and bring tertiary treated water from the Regional Wastewater Reclamation Facility (RWRF) to downtown Fresno.

## 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 Council adopted the Recycled Water Master Plan and associated environmental documents.

On June 27, 2013, the Council approved a design contract for the RWDS, Southwest Quadrant, starting at the RWRF. When completed, the RWDS, Southwest Quadrant, will connect the Tertiary Treatment plant located at Jensen Avenue and Cornelia Avenue through Roeding Park and the Downtown area (ending at Diamond Street and Divisadero Street). This system will ultimately serve several cemeteries, City parks (including Roeding Park), water recharge basins, schools, industrial uses, urban and agriculture users.

The award of RWDS Segment SW1C2 is the fourth of five phases of the RWDS, Southwest Quadrant, and is approximately 3.1 miles in length. Phase four will continue from phase three and convey recycled water in Hughes Avenue heading south from Belmont Avenue to Whitesbridge Avenue, east on Whitesbridge Avenue to Trinity Street and south on Trinity Street to Stanislaus Street. The fifth phase is currently in the design stage.

Plans and specifications were prepared for the RWDS Segment SW1C2. A Notice of Inviting Bids was published on May 1, 2017, on the City of Fresno's website and faxed to ten building exchanges. The specifications were distributed to eleven prospective bidders. Six sealed bid proposals were received and publicly opened on June 20, 2017. Bid proposal prices range from \$7,682,290 to \$11,767,050.

Staff has determined that Bill Nelson General Engineering Construction, Inc., is the lowest

responsible and responsive bidder with a submitted bid of \$7,682,290. Their bid price is 13.5% below the Engineer's Estimate of \$8,880,000. The staff determination was posted on the City website on August 9, 2017.

On December 11, 2014, the Council authorized the submission of an application for the State Water Resources Control Board (SWRCB), State Revolving Fund (SRF) for the financing of the construction of the RWDS, 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 RWDS, Southwest Quadrant. The loan covers the design, construction and construction management for the installation of the 21 miles of recycled water transmission main.

## **ENVIRONMENTAL FINDINGS**

On December 18, 2014, the City Council adopted the Tiered Mitigated Negative Declaration (MND) (SCH# 2014081078). This action is to award a construction contract related to the RWDS, Southwest Quadrant (Project). An analysis has been performed pursuant to CEQA Guidelines §15164 and an addendum to Mitigated Negative Declaration has been prepared because of refinements to the pump station site and pipeline routes. It has been determined that all applicable mitigation measures of the MND have been applied to the Project and the Project will not cause significant adverse cumulative impacts, growth inducing impacts or 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 significant impact on the environment and that an addendum to the MND is appropriate, pursuant to CEQA Guidelines §15164.

## **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**

Award of the RWDS Segment SW1C2 (located in Council District 3 and Fresno County) will not impact the General Fund. Funding for this project is included in the Wastewater Management Division's Fiscal Year 2018 Capital Improvement Budget within the SWRCB, SRF Loan Fund (40528). No additional funding is needed for the award of the construction contract.

### **Attachments:**

- Addendum to the ISMND
- Bid Evaluation and Fiscal Impact Statement
- Vicinity Map
- Sample Contract
- State Water Resources Control Board Letter
- Environmental Science Associates Memorandum