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Title: Actions pertaining to the City of Fresno Phase 2 Regional Transmission Mains Segment B & C Project: (Council Districts 4, 5, and 7)

1. ***RESOLUTION - 48th Amendment to the Annual Appropriation Resolution No. 2017-165 to appropriate \$655,000 to fund a construction contract and staff costs to construct Segments B & C of the Phase 2 Regional Transmission Mains Project (Requires 5 affirmative votes) (Subject to Mayor's veto)
2. Award a construction contract in the amount of \$11,490,484 to Vido Artukovich & Son, Inc./Vidmar, Inc., a joint venture for the City of Fresno Phase 2 Regional Transmission Mains Segment B & C Project - Bid File No. 3452 (Council Districts 4, 5, and 7)
3. Authorize the Director of Public Utilities, or designee, to sign the agreement on behalf of the City

Sponsors: Department of Public Utilities

Indexes:

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Attachments: 1. 18 48th Segments BC Reg TM SAM 12.22.17 (Attachment 1).pdf, 2. 3452BidEval (Attachment 2).pdf, 3. Sample contract (Attachment 3).pdf, 4. RTM Map (Attachment 4).pdf

Date	Ver.	Action By	Action	Result
1/11/2018	1	City Council	adopted	Pass

REPORT TO THE CITY COUNCIL

January 11, 2018

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 the City of Fresno Phase 2 Regional Transmission Mains Segment B & C Project: (Council Districts 4, 5, and 7)

1. ***RESOLUTION - 48th Amendment to the Annual Appropriation Resolution No. 2017-165 to

appropriate \$655,000 to fund a construction contract and staff costs to construct Segments B & C of the Phase 2 Regional Transmission Mains Project (Requires 5 affirmative votes) (Subject to Mayor's veto)

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3. Authorize the Director of Public Utilities, or designee, to sign the agreement on behalf of the City

RECOMMENDATIONS

Staff recommends that City Council approve the 48th Amendment to the Annual Appropriation Resolution (AAR) No. 2017-165 to appropriate \$655,000 to fund a construction contract and staff costs to construct Segments B & C of the Phase 2 Regional Transmission Mains Project; award a construction contract in the amount of \$11,490,484 to Vido Artukovich & Son, Inc./Vidmar, Inc., a joint venture (JV), for the City of Fresno Phase 2 Regional Transmission Mains Segment B & C Project; and 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 third and fourth segments of the RTMs Segment B & C (Project) is complete, the bidding process has been finalized and Vido Artukovich & Son, Inc./Vidmar, Inc., a JV, 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-inch to 20-inch diameter pipeline that will be constructed by three separate construction contracts that will proceed concurrently. The Project is the third and fourth of four RTM segments that will be constructed and it includes the construction of approximately three and a half miles of 12-inch to 42-inch diameter pipeline.

On January 7, 2016, the City Council authorized the Director of Public Utilities to accept and execute a \$75,900,000 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. With the addition of two other pre-qualified general contractors, a total of 14 general contractors were invited to bid on this Project.

Construction Bidding Process

On October 11, 2017, 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. Eight pre-qualified firms attended the mandatory pre-bid meeting. On September 29, 2017, the completed project plans and specifications were advertised in the Business Journal.

Four sealed bid proposals were received and publicly opened on November 17, 2017. Vido Artukovich & Son, Inc./Vidmar, Inc., a JV, submitted a bid price in the amount of \$11,490,484 and is considered to be the lowest responsive and responsible bidder. The price is 14% below the Engineer's Estimate of \$13,300,000. The remaining three bids ranged in price from \$13,730,706.75 to \$13,958,091.

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

The local preference cannot be implemented based on the conditions of the State Water Resources Control Board SRF Low-Interest Loan Funding Agreement.

FISCAL IMPACT

Awarding this contract will not have any impact to the General Fund. Funds are available in the State Revolving Fund Loan fund for the Regional Transmission Mains (40162). The approval of an amendment to the AAR is necessary to appropriate additional funds for award of the construction contract and staff costs. 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:

48th Amendment to the Annual Appropriation Resolution No. 2017-165 (Attachment 1)

Bid Evaluation Information (Attachment 2)

Sample Contract (Attachment 3)

Project Map (Attachment 4)