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Title: Actions pertaining to well site improvements at Pump Station 241-2, located at 2529 North Barton Avenue (Bid File 3649) (Fresno County and Council District 7)

1. Adopt a finding of Categorical Exemption pursuant to Section 15301/Class 1 and Section 15303/Class 3 of the California Environmental Quality Act Guidelines
2. Award a construction contract to Smith Construction Company, Inc., in the amount of \$366,890.38

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Attachment 1 - EA P18-02226.pdf, 2. Attachment 2 - Bid Evaluation & Fiscal Impact Statement.pdf, 3. Attachment 3 - Sample Contract.pdf

Date	Ver.	Action By	Action	Result
6/13/2019	1	City Council	approved	

REPORT TO THE CITY COUNCIL

June 13, 2019

FROM: MICHAEL CARBAJAL, Director
Department of Public Utilities

THROUGH: DEJAN PAVIC, PE, Public Utilities Manager
Department of Public Utilities - Utilities Planning & Engineering

BY: LITO BUCU, Supervising Engineering Technician
Department of Public Utilities - Utilities Planning & Engineering

SUBJECT

Actions pertaining to well site improvements at Pump Station 241-2, located at 2529 North Barton Avenue (Bid File 3649) (Fresno County and Council District 7)

1. Adopt a finding of Categorical Exemption pursuant to Section 15301/Class 1 and Section 15303/Class 3 of the California Environmental Quality Act Guidelines
2. Award a construction contract to Smith Construction Company, Inc., in the amount of \$366,890.38

RECOMMENDATIONS

Staff recommends that City Council adopt a finding of Categorical Exemption pursuant to Section 15301/Class 1 and Section 15303/Class 3 of the California Environmental Quality Act (CEQA) Guidelines; award a construction contract to Smith Construction Company, Inc., in the amount of \$366,890.38 to construct well site improvements at Pump Station 241-2 (PS 241-2) (Project); and authorize the Director of Public Utilities, or designee, to sign all documents on behalf of the City of Fresno (City).

EXECUTIVE SUMMARY

The Department of Public Utilities, Water Division, solicited contractor services for this Project. Smith Construction Company, Inc., was found to be the lowest responsive and responsible bidder with a bid amount of \$366,890.38. The proposed well site improvements for PS 241-2 are necessary to bring the existing water well site to completion. This will bring the existing municipal water supply well that was recently constructed onsite to an operational state. Once operational, PS 241-2 will ensure adequate levels of service are maintained in the surrounding area.

BACKGROUND

The Department of Public Utilities, Water Division, maintains a network of approximately 260 municipal water supply wells. The construction of new wells for this network is required to replace wells that have reached the end of their useful life, or to assist in remediating water quality issues. The new PS 241-2 is necessary to offset water production losses resulting from both recent and future destruction of multiple outdated wells in the surrounding area.

A new water supply well was recently constructed onsite to replace the existing well that needed to be destroyed due to its age and production inefficiency. Well site improvements are necessary in order to complete the PS 241-2 and bring the existing municipal water supply well to an operational state. Site improvements will comply with the requirements of the associated Development Permit.

The Department of Public Utilities, Water Division, solicited contractor services for construction of the required well site improvements through the bidding process. A notice inviting bids was published in the Business Journal and posted on the City's Planet Bids website on March 28, 2019. Project plans and specifications were distributed to ten prospective bidders and thirteen Building Exchanges. Two sealed bid proposals were received and publicly opened on April 30, 2019. The bids were \$366,890.38 and \$548,544.50.

Smith Construction Company, Inc., submitted a bid price in the amount of \$366,890.38 and is found to be the lowest responsive and responsible bidder. The Staff Determination of Award was posted on the City's website on May 14, 2019. The price submitted is 12.6% below the engineer's estimate of \$420,000.

ENVIRONMENTAL FINDINGS

Staff has performed an environmental assessment of this Project and has determined that this Project is exempt under CEQA Guidelines Section 15301/Class 1 because the scope of work for the Project to bring the existing municipal water well to an operational state qualifies as "minor alterations of existing public facilities involving negligible or no expansion of existing use" and Section 15303/Class 3 because the scope of work for the Project includes only "construction of a limited

number of new, small facilities or structures, installation of small new equipment and facilities in small structures.” Furthermore, none of the exceptions to the Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this Project.

LOCAL PREFERENCE

Local Preference was not implemented because the low bidder qualifies as a local business pursuant to the Fresno Municipal Code Section 4-108(d).

FISCAL IMPACT

There is no impact to the General Fund. The Project is located in Fresno County and Council District 7. Funds for the Project are included in Water Division’s Fiscal Year 2019 Capital Improvement Program budget within the Water Enterprise Fund 40101. The construction of replacement municipal water supply wells was included in the water rate model used to create the five-year utility rate plan and subsequently adopted by City Council on February 26, 2015. No additional funding is required for this Project.

Attachments:

Attachment 1 - Environmental Assessment P18-02226

Attachment 2 - Bid Evaluation and Fiscal Impact Statement

Attachment 3 - Sample Contract