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Title: Actions pertaining to the Recycled Water Transmission Main, Southwest Quadrant, Project SW4 (Bid File 3505) (Council Districts 3 and 7):

1. Award a construction contract to Teichert Construction, in the amount of \$12,740,399
2. Authorize the Director of Public Utilities, or designee, to sign the contract on behalf of the City of Fresno

Sponsors: Department of Public Utilities

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Attachments: 1. 2019-06-20 Attachment 1 - Bid Evaluation and Fiscal Impact.pdf, 2. 2019-06-20 Attachment 2 - Sample Contract.pdf, 3. 2019-06-20 Attachment 3 - Vicinity Map.pdf

Date	Ver.	Action By	Action	Result
6/20/2019	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

June 20, 2019

FROM: MICHAEL CARBAJAL, Director
Department of Public Utilities

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

BY: PATRICIA DIEP, Supervising Engineering Technician
Department of Public Utilities - Utilities Planning & Engineering

SUBJECT

Actions pertaining to the Recycled Water Transmission Main, Southwest Quadrant, Project SW4 (Bid File 3505) (Council Districts 3 and 7):

1. Award a construction contract to Teichert Construction, in the amount of \$12,740,399
2. Authorize the Director of Public Utilities, or designee, to sign the contract on behalf of the City of Fresno

RECOMMENDATIONS

Staff recommends that City Council award a construction contract to Teichert Construction, in the amount of \$12,740,399 for the Recycled Water Transmission Main (RWTM), Southwest Quadrant, Project SW4 (Project) and authorize the Director of Public Utilities, or designee, to execute the contract of behalf of the City of Fresno (City).

EXECUTIVE SUMMARY

The Department of Public Utilities (DPU), Wastewater Management Division, is seeking to award a construction contract to Teichert Construction in the amount of \$12,740,399. Starting at the intersection of South Trinity Street and East Lemon Avenue/East San Joaquin Street alley of RWTM Segment SW1C2, the Project is the continuation of the RWTM. The scope of work for the Project includes construction of approximately 3.3-mile pipeline to extend the RWTMs and bring tertiary treated water from the Regional Wastewater Reclamation Facility (RWRF) to downtown Fresno area.

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

On June 27, 2013, the City Council approved a design contract for the RWTM, Southwest Quadrant, starting at the RWRF. When completed, the RWTM, Southwest Quadrant, will connect the Tertiary Treatment facility located at RWRF at West Jensen Avenue and South Cornelia Avenue with Fresno Memorial Gardens Cemetery and other cemeteries, Roeding Park and the Fresno downtown area as shown on the attached Vicinity Map. This system will ultimately serve several cemeteries, City parks (including Roeding Park), water recharge basins, schools, industrial, urban, and agricultural users.

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

The award of this Project is the fifth of six phases of the RWTM, Southwest Quadrant, and is approximately 3.3 miles in length. Phase five will continue from phase four and convey recycled water through a 24-inch diameter recycled water main (RWM) in South Trinity Street heading south from East Lemon Avenue/East San Joaquin Street Alley to East Kearney Boulevard, east along East Kearney Boulevard to A Street, southeast along A Street to Inyo Street, northeast along Inyo Street to H Street, west along H Street to Mariposa Street, north along Mariposa Street to Broadway Street, west along Broadway Street to Fresno Street, northeast along Fresno Street to East Illinois Avenue, and in Divisadero Street from Fresno Street to the State Route 41 right-of-way. Additionally, a 6-inch diameter RWM will be constructed in Fresno Street from A Street to the State Route 99 right-of-way. The sixth phase is on the same City Council agenda to award the construction contract.

Plans and specifications were prepared for this Project. A Notice of Inviting Bids was published on April 26, 2019, and posted on the City's Planet Bids website. The specifications were distributed to ten prospective bidders and posted at thirteen Builder Exchanges. On May 9, 2019, a pre-bid meeting was held. Three sealed bid proposals were received and publicly opened on May 30, 2019. Bid proposal prices range from \$12,740,399 to \$18,732,971. The bid will expire within 90 days of bid opening, on August 28, 2019.

Staff has determined that Teichert Construction is the lowest responsible and responsive bidder with a submitted bid of \$12,740,399. Their bid price is 28.7% above the Engineer's Estimate of \$9,900,000. The lowest bid was 28.7% over the Engineer's Estimate for this Project mainly for two reasons: 1) costs of domestic raw materials for the pipes and valves have gone up significantly, and 2) the expenses associated with coordination of traffic control related to the construction activities associated with High Speed Rail projects that are ongoing, or will be starting up in the near future, within the vicinity of this Project. The staff determination was posted on the City's Planet Bids website on June 7, 2019. Staff recommends that City Council award a construction contract to Teichert Construction in the amount of \$12,740,399.

ENVIRONMENTAL FINDINGS

On August 18, 2014, the City Council adopted the Tiered Mitigated Negative Declaration (MND) (SCH# 2014081078) for the Project. Following certification of the Tiered MND and project approval, refinements were made to the Project segment of the pipeline routes. These refinement were included in an Addendum to the Tiered MND which was adopted and approved by the City Council on August 31, 2017. This action is to award a construction contract related to the RWTM, Southwest Quadrant. An analysis has been performed pursuant to CEQA Guidelines Sections 15162 and 15164 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 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 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 MND that the Project will have significant effects not discussed in the MND.

Furthermore, since the MND and Addendum to the Tiered MND were previously adopted for this Project, the considerations set forth in CEQA Guidelines Sections 15162 and 15164, 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 as defined in the Fresno Municipal Code Section 4-108.

FISCAL IMPACT

There is no impact to the General Fund. This Project is located in Council Districts 3 and 7. Funding for this Project is included in the Wastewater Management Division's Fiscal Year 2019 Capital Improvement Budget within the SWRCB SRF Loan Fund 40528. No additional funding is needed for the award of the construction contract.

Attachments:

Attachment 1 - Bid Evaluation and Fiscal Impact Statement

Attachment 2 - Sample Contract

Attachment 3 - Vicinity Map