



## Legislation Details (With Text)

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**Title:** Reject all bids for replacement control valve purchase contract for the Friant-Kern Canal Pipeline at the City of Fresno's Northeast Surface Water Treatment Facility (Bid File 3735) (Council District 6)  
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Date	Ver.	Action By	Action	Result
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## REPORT TO THE CITY COUNCIL

**September 17, 2020**

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## SUBJECT

Reject all bids for replacement control valve purchase contract for the Friant-Kern Canal Pipeline at the City of Fresno's Northeast Surface Water Treatment Facility (Bid File 3735) (Council District 6)

## RECOMMENDATIONS

Staff recommends that City Council reject the bid proposals received for the purchase of a replacement control valve on the Friant-Kern Canal Pipeline at the point of connection to the Northeast Surface Water Treatment Facility (NESWTF) (Project) and direct staff to rebid the valve purchase.

## EXECUTIVE SUMMARY

The Department of Public Utilities, seeks to reject the bid proposals received for the Project. There

were two bid proposals received in the amounts of \$149,983.19 and \$191,372.37 submitted by VAG GmbH and Cascade Consultants, LLC respectively. The apparent low bidder VAG GmbH with a contract price that was 11.8% below the engineers estimate was deemed “nonresponsive” for failure to submit a bid deposit meeting the requirements set forth in the bid specifications. The proposal submitted by Cascade Consultants, LLC was 12.5% above the engineer’s estimate. The replacement valve is needed in order for the NESWTF to operate at its rated capacity.

## **BACKGROUND**

The new 5.5-mile long, 60-inch diameter, Friant-Kern Canal Pipeline conveys surface water from the Friant-Kern Canal to the existing NESWTF. This pipeline eliminates nearly 54-miles of otherwise open channel canal conveyance and improves the protection and quality of the raw water delivered to the NESWTF. Construction on the pipeline was completed in May 2018.

Completion of this pipeline reduces dependence on groundwater, maximizes access to water from the Sierra Nevada Mountains, and serves as the primary and protected source of water to the treatment facility, enabling improved source water quality, increased reliability and greater flexibility in operating the facility. The pipeline does not require any energy for pumping water to the facility, which reduces operating costs.

Pipeline flows are currently controlled by the existing 18-inch V-port knife gate valve. Upon completion of the project, potable water demands slowly increased, where by late summer, it was determined that the V-port knife gate valve was unable to provide the 30 MGD design capacity of NESWTF. Through subsequent analyses it was determined the valve needed to be replaced with a 36-inch plunger valve.

Due to the long duration needed to manufacture the plunger valve, the Department of Public Utilities is pursuing the advanced purchase of the replacement valve so it may be on hand for installation when the NESWTF can be taken offline during the low water demand winter period.

On Thursday, April 2, 2020, the City advertised the plunger valve specifications on PlanetBids. Ten Building Exchanges received Notice Inviting Bids and 23 sets of specifications were distributed to prospective bidders. Two sealed bid proposals were received and publicly opened on May 5, 2020. The specifications stipulated that submitted bid proposals would expire 64-days after bid opening. The bidders were notified that the City would be unable to award the purchase contract within the time frame allowed by the specifications. Both bidders agreed to extend their bid proposals to August 31, 2020.

There were two bid proposals received in the amounts of \$149,983.19 and \$191,372.37, submitted by VAG GmbH and Cascade Consultants, LLC respectively. The apparent low bidder VAG GmbH with a contract price that was 11.8% below the engineers estimate was deemed “nonresponsive” for failure to submit a bid deposit meeting the requirements set forth in the bid specifications. The bid specifications require bidders to submit a bid deposit, which the City will keep until the contract is awarded and fully executed. VAG GmbH submitted an irrevocable letter of credit with an expiration date of June 30, 2020 which is prior to the initial 64-day expiration of the bid proposals. The proposal submitted by Cascade Consultants, LLC was 12.5% above the engineer’s estimate which is significantly higher in price compared to the price submitted by VAG GmbH. For these reasons, staff recommends City Council reject all bids. Staff will subsequently rebid the valve purchase solicitation.

## **ENVIRONMENTAL FINDINGS**

By definition provided in the California Environmental Quality Act Guidelines Section 15378 the rejection of all bids does not qualify as a project; therefore, it is exempt from the California Environmental Quality Act requirements.

## **LOCAL PREFERENCE**

Local preference was not implemented because the Department of Public Utilities seeks to reject all received bid proposals.

## **FISCAL IMPACT**

The rejection of all bids has no financial impact to the Water Enterprise Fund or the General Fund.

Attachments:

Attachment 1 - Bid Evaluation and Fiscal Impact Statement

Attachment 2 - Vicinity Map