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Title: Reject all bids for the Furnish and Install Contract for the purchase and installation of a replacement control valve on the Friant-Kern Canal Pipeline at the City of Fresno's Northeast Surface Water Treatment Facility (Bid File 3786) (Council District 6).

Sponsors: Department of Public Utilities

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Attachments: 1. Attachment 1 - Bid Evaluation and Fiscal Impact Statement, 2. Attachment 2 - Vicinity Map

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REPORT TO THE CITY COUNCIL

December 2, 2021

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SUBJECT

Reject all bids for the Furnish and Install Contract for the purchase and installation of a replacement control valve on the Friant-Kern Canal Pipeline at the City of Fresno's Northeast Surface Water Treatment Facility (Bid File 3786) (Council District 6).

RECOMMENDATIONS

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

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 \$350,000.00 and \$396,212.00, submitted by Faysal Construction and TCB Industrial, Inc., respectively. The apparent low bidder Faysal Construction submitted a proposal with a contract price that was 63.6% above the engineers 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 has scheduled the purchase and installation of the replacement valve during the low water demand winter period when the NESWTF can be taken offline.

On Monday, August 13, 2021, the City advertised the plunger valve specifications on PlanetBids. Nine Building Exchanges received Notice Inviting Bids and 21 sets of specifications were distributed to prospective bidders. Two sealed bid proposals were received and publicly opened on September 14, 2021. The specifications stipulated that submitted bid proposals would expire 64-days after bid opening.

There were two bid proposals received in the amounts of \$350,000.00 and \$396,212.00, submitted by Faysal Construction and TCB Industrial, Inc., respectively. The apparent low bidder Faysal Construction submitted a proposal with a contract price that was 63.6% above the engineers estimate. The proposal submitted by TCB Industrial, Inc., was 85.1% above the engineer's estimate. For these reasons, staff recommends City Council reject all bids. Staff will subsequently rebid the valve purchase.

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 as defined by the California Environmental Quality Act.

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