

CITY OF YUBA CITY
STAFF REPORT

Date: October 6, 2009
To: Honorable Mayor & Members of the City Council
From: Public Works Department
Presentation by: George Musallam, Public Works Director

Summary

Subject: Groundwater Interconnect Project (Award of Contract)

Recommendation:

- a. Award Contract No. 09-19, Groundwater Interconnect Project, to Newland Entities, Inc., of Yuba City, CA in the amount of their bid of \$105,952.88, contingent upon the approval of the California Department of Public Health.
- b. Authorize the City Manager to execute the contract on behalf of the City, following approval by the City Attorney.
- c. Authorize the Finance Director to make necessary supplemental appropriations in the amount of \$148,352.88 for reimbursable work performed under the Groundwater Interconnect Project from the State of California to Account No. 941099 (Groundwater Conversion).

Fiscal Impact: \$148,352.88 – Account No. 941099 (Groundwater Conversion) funded through the SRF Loan and Hillcrest Water System surcharge; broken down as follows:

- \$105,952.88 – Account No. 941099-65501 (Construction)
- \$ 10,600 – Account No. 941099-65502 (Design/Engineering)
- \$ 10,600 – Account No. 941099-65503 (Const/Admin Cost)
- \$ 21,200 – Account No. 941099-65504 (Contingency)

Background:

The Groundwater Interconnect Project consists of connecting Yuba City Groundwater System, former Hillcrest Water System (HWS) to the City's surface water system at five different project areas. Refer to Exhibit A. These new interconnects will help facilitate the conversion of groundwater customers to surface water supply. The interties connect the piping of the surface water and groundwater distribution systems. The interties provide several looped piping connections, improve water circulation and pressure.

The City has received a commitment from California Department of Public Health (CDPH) to provide funding through the State Revolving Fund (SRF) loan program for costs associated with the HWS groundwater conversion.

On August 18, 2009, Council approved the plans and specifications for the Groundwater Interconnect Project and authorized the Public Works Department to advertise for bids.

Analysis:

The project was advertised for bid in August and September 2009. Plans and specifications were provided to local builder/contractor exchanges and purchased by 14 contractors/suppliers. On September 23, 2009, 7 bids were received and opened in the City Clerk's office. A list of the bids received and the engineer's estimate are shown below.

<u>Company</u>	<u>Bid Amount</u>
Newland Entities, Inc., Yuba City	\$105,952.88
Preston Pipelines, Inc., Milpitas	\$121,718.00
North Star Construction & Engineering, Yuba City	\$131,265.00
Bobby Martin Construction, Redding	\$161,440.00
Lamon Construction, Yuba City	\$175,900.00
Pacific Underground Services, Martinez	\$183,062.50
<u>Wunschel & Sons, Inc., Placerville</u>	<u>\$192,009.00</u>
Engineer's Estimate	\$135,500.00

Newland Entities, Inc. of Yuba City, CA is the low bidder. The SRF funding requirements for this project require that the contractor put forth a good faith effort to utilize Disadvantaged Business Enterprise subcontractors. Newland Entities is a Disadvantaged Business Enterprise and meets the DBE goal for this project. The State is reviewing the bid package from Newland Entities, Inc., so the award of the project is contingent upon the State determining that the good faith effort meets the intent of the funding requirements.

Contract administration and inspection of the project will be performed by Public Works Department staff, with assistance from Utilities Department staff with SRF reporting requirements. Project construction is expected to begin in November and continue through January 2010, weather permitting.

Fiscal Impact:

The Groundwater Interconnect Project will receive funding from a SRF loan. The Funding Agreement for the SRF loan will be set up such that the City will have to request reimbursement from the State for eligible project costs. Start up costs for the project will initially be funded through Account 941099 (Groundwater Conversion) until such time as reimbursement monies are collected from the State and deposited into the project account. One hundred percent (100%) of the project is anticipated to be funded through the SRF loan program with repayment coming solely from the Hillcrest Water System surcharge.

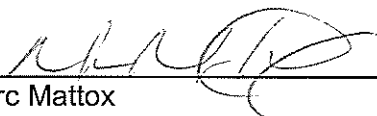
Alternatives:

Do not award the contract and reject all bids.

Recommendation:


- a. Award Contract No. 09-19, Groundwater Interconnect Project, to Newland Entities, Inc., of Yuba City, CA in the amount of their bid of \$105,952.88, contingent upon the approval of the California Department of Public Health..
- b. Authorize the City Manager to execute the contract on behalf of the City, following approval by the City Attorney.
- c. Authorize supplemental appropriations in the amount received for reimbursable work performed under the Groundwater Interconnect Project from the State of California to Account No. 941099 (Groundwater Conversion).

Prepared by:



Marc Mattox
Assistant Engineer

Submitted by:




Steven R. Jepsen
City Manager

Reviewed by:

Department Head

Finance

City Attorney




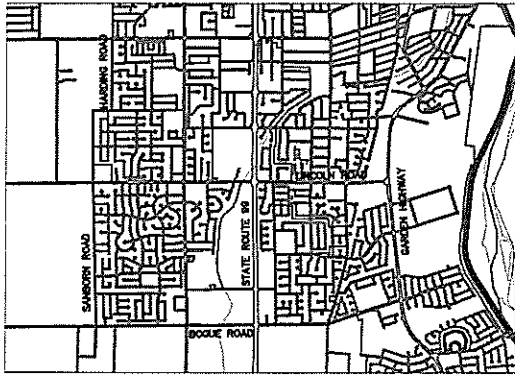


EXHIBIT A - PROJECT LOCATION MAP

GROUNDWATER INTERCONNECT PROJECT



SCALE: 1" = 1400'

