

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: Walton 16-inch Water Distribution Line Project (Award of Contract)

Recommendation: a. Award Contract No. 09-06, Walton 16-inch Water Distribution Line Project, to Lamon Construction of Yuba City, CA in the amount of their bid of \$459,800.00.

b. Waive the minor irregularities in the bid submitted by Lamon Construction of Yuba City, CA for submitting Disadvantaged Business Enterprise subcontracting forms after the bid opening.

c. Authorize the City Manager to execute the contract on behalf of the City, following approval by the City Attorney.

d. Authorize the Finance Director to make necessary supplemental appropriations in the amount of \$591,012 for work performed under the Walton 16-inch Water Distribution Line Project that is reimbursable through the American Recovery and Reinvestment Act, to Account No. 941092 (Water Line Extension Projects & Distribution Piping Enhancement).

Fiscal Impact: \$591,012 – Account No. 941092 (Water Line Extension Projects & Distribution Piping Enhancement), fully funded by an ARRA grant and broken down as follows:

- \$459,800 – Account No. 941092-65501 (Construction)
- \$ 50,000 – Account No. 941092-65502 (Design/Engineering)
- \$ 25,289 – Account No. 941092-65503 (Const/Admin Cost)
- \$ 55,923 – Account No. 941092-65504 (Contingency)

Background:

The City has received a commitment from the California Department of Public Health to provide \$1,874,000 in federal funds available through the American Recovery and Reinvestment Act (ARRA) to install two water distribution lines associated with the Hillcrest Water System (HWS) groundwater conversion, including the Walton 16-inch Water Distribution Line.

The Walton 16-inch Water Distribution Line project consists of extending an existing water distribution main in Lincoln Road from approximately 700 feet east of Sanborn Road to Ohleyer Road and in Sanborn Road from Nicolas Drive to approximately 700 feet north of Lincoln Road.

Refer to Exhibit A. This new water distribution main will help facilitate a conversion of the Yuba City Hillcrest Water System (HWS) from groundwater to surface water supply.

On March 17, 2009, Council approved the plans and specifications for the Walton 16-inch Water Distribution Line Project and authorized the Public Works Department to advertise for bids.

Analysis:

The project was advertised for bid in July and August 2009. Plans and specifications were provided to local builder/contractor exchanges and purchased by 38 contractors/suppliers. On August 20, 2009, 19 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>
Lamon Construction, Yuba City	\$459,800.00
United Building Contractors, Chico	\$469,502.00
Preston Pipelines, Sacramento	\$491,316.00
Marques Pipeline, Sacramento	\$499,315.00
TerraCon Pipelines, Healdsburg	\$521,502.00
Newland Entities, Yuba City	\$538,820.26
Argonaut Construction, Santa Rosa	\$546,747.00
Tidelands Construction Company, Brentwood	\$574,598.00
McGuire and Hester, Oakland	\$580,808.00
North Bay Construction, Petaluma	\$585,268.40
BRCO Constructors, Loomis	\$588,079.00
Doug Veerkamp Engineering, El Dorado Hills	\$589,829.44
North Star Construction, Yuba City	\$616,127.00
Bobby Martin Construction, Redding	\$657,652.00
A. Teichert & Son, Inc., Davis	\$661,114.00
Lorang Brothers Construction, Colfax	\$664,190.20
JB Excavating, Redding	\$684,340.00
Guiton & Sons Construction, Redding	\$758,204.00
<u>West Valley Construction Company, San Jose</u>	<u>\$795,847.80</u>
Engineer's Estimate	\$702,380.00

Lamon Construction of Yuba City, CA is the low bidder. The bid submitted by Lamon Construction did not include 2 Disadvantaged Business Enterprise (DBE) subcontracting forms that, at the time of the bid, the California Department of Public Health (CDPH) required to be submitted with the bid. The information to be provided on these forms was provided elsewhere in the bid, is not required by the Public Contract Code, and the required forms were provided by Lamon Construction on the day

of the bid. The failure to submit the 2 DBE subcontracting forms with the bid did not result in a material advantage to the bidder and can therefore be considered a minor irregularity. Further, CDPH staff has since advised City staff that the 2 DBE subcontracting forms can be accepted after the bid date. CDPH has also issued an approval to award the contract to the low bidder, Lamon Construction. In consideration of the above, City staff recommends that Council waive the minor irregularities in the bid submitted by Lamon Construction.

The ARRA funding requirements for this project require that the contractor put forth a good faith effort to utilize DBE subcontractors. The State has reviewed the good faith effort of Lamon Construction and has determined that the good faith effort meets the intent of the ARRA funding requirements.

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

Fiscal Impact:

The Walton 16-inch Water Distribution Line will be fully funded through the American Recovery and Reinvestment Act (ARRA) grant program. HWS surcharges, development impact fees, or other City fees are not expected to be applied to this project. The funding commitment breakdown for the Walton 16-inch Water Distribution Line is as follows:

<u>Cost Classification</u>		<u>Total</u>
A.	Construction Costs	\$459,800.00
B.	Engineering Costs	\$50,000.00
C.	Construction Management & Inspection	\$25,289.00
D.	Contingencies	<u>\$55,923.00</u>
Total Cost:		\$591,012.00

The Funding Agreement for the ARRA grant 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 pooled cash reserves in the water capital projects fund and capital connection fee funds until such time as reimbursement monies are collected from the State and deposited into the project account.

Alternatives:

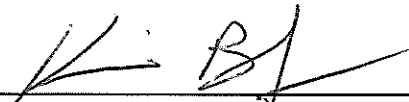
Do not award the contract and reject all bids.

Recommendation:

- a. Award Contract No. 09-06, Walton 16-inch Water Distribution Line Project, to Lamon Construction of Yuba City, CA in the amount of their bid of \$459,800.00.
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- c. Authorize the City Manager to execute the contract on behalf of the City, following approval by the City Attorney.
- d. Authorize the Finance Director to make necessary supplemental appropriations in the amount of \$591,012 for work performed under the Walton 16-inch Water Distribution Line Project that is reimbursable through the American Recovery and Reinvestment Act, to Account No. 941092 (Water Line Extension Projects & Distribution Piping Enhancement).

Prepared by:



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City Manager


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Finance

City Attorney

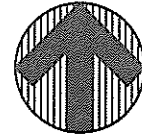




CITY OF YUBA CITY
WALTON 16-INCH WATER DISTRIBUTION LINE
PROJECT LIMITS

PROJECT LOCATION MAP

EXHIBIT A



SCALE: 1" = 750'

