

CITY OF YUBA CITY
STAFF REPORT

Date: January 19, 2010
To: Honorable Mayor & Members of the City Council
From: Utilities Department
Presented by: Ian Pietz, Senior Engineer

Summary

Subject: Garden Highway Pump Station Improvements Project (Award of Contract)

Recommendation:

- a. Award Contract No. 09-29, Garden Highway Pump Station Improvements Project, to Sierra National Construction, Inc of Carmichael, CA in the amount of their bid of \$228,000.
- b. Authorize the City Manager to execute the contract on behalf of the City, following approval by the City Attorney.
- c. Authorize the Utilities Director to amend the existing Professional Services Agreement with Peterson Brustad Inc. to provide engineering services during construction in the amount of \$12,000 plus \$3,000 contingency with the finding that it is in the best interest of the City to do so.
- d. Authorize the Finance Director to make necessary supplemental appropriations in the amount of \$334,362 for work performed under the Garden Highway Pump Station Improvements Project to Account No. 951099 (Garden Highway Pump Station Improvements) as outlined in the fiscal impact.

Fiscal Impact: \$334,362 – Account No. 951099 (Garden Highway Pump Station Improvements) broken down as follows:

- \$228,000 – Account No. 951099-65501 (Construction)
- \$ 31,362 – Account No. 951099-65502 (Design/Engineering)
- \$ 25,000 – Account No. 951099-65503 (Const/Admin Cost)
- \$ 50,000 – Account No. 951099-65504 (Contingency)

Background:

Council authorized the conversion of groundwater Hillcrest Water System Regions 1 and 2/3 customers to surface water through a number of projects in various stages of construction. The City has received commitment for two low interest loans and three grants to facilitate these conversions.

One of the required projects is the addition of a new pump at the existing Garden Highway Pump Station located on Burns Drive. The facility currently includes a 3 million gallon water storage tank and two pumps. This project will add a third pump; replace pump station pipelines to larger diameter and other ancillary items.

The City has received a commitment from the California Department of Public Health to provide approximately \$26 million through the State Revolving Fund (SRF) loan program for costs associated with the HWS groundwater conversion, including all costs associated with this project. The City has been able to lower the loan amount needed for the project through the receipt of American Recovery and Reinvestment Act (ARRA) grants and construction bids coming in lower than the engineers' estimates.

December 1, 2009, Council approved the plans and specifications for the Garden Highway Pump Station Improvements Project and authorized the Utilities Department to advertise for bids.

Analysis:

Construction Project:

The project was advertised for bid December 2009. Plans and specifications were provided to local builder/contractor exchanges, advertised in the local newspaper and made available to contractors through Signature Reprographics. January 6, 2010, four 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>
Sierra National Construction, Inc., Carmichael, CA	\$228,000
Commercial Pump & Mechanical, Chico CA	\$234,585
Spiess Construction, Santa Maria	\$265,475
Pacific Mechanical Corp, Concord CA	\$277,500
Engineer's Estimate	\$220,000

Sierra National Construction, Inc. of Carmichael, CA is the lowest responsive, responsible bidder.

The SRF funding requirements for this project require that the contractor put forth a good faith effort to utilize Disadvantaged Business Enterprise subcontractors. The State is reviewing the good faith effort of Sierra National Construction, Inc. Award of the project is contingent upon the State determining that the good faith effort meets the intent of the funding requirements.

Engineering Services:

Peterson Brustad Inc (PBI) provided engineering services related to design and preparation of the plans and specifications for this project. Staff has conferred with PBI and negotiated a scope of work for engineering services to be performed during construction including submittal reviews, responding to contractor requests for information, periodic site visits and attending construction meetings. Costs of engineering services are not to exceed \$12,000, plus a recommended contingency of \$3,000. The negotiated fee for these services is consistent and

reasonable when compared to other similar services. At this time, it is not efficient to bring in another engineering firm to perform these services. Staff recommends amending PBI's existing professional service agreement to include these services.

Contract administration and inspection of the project will be performed by Utilities Department staff. Project construction is expected to begin in February and continue through April 2010.

Fiscal Impact:

The Garden Highway Pump Station Improvements Project will receive funding from the State Revolving Fund loan program. The funding commitment breakdown for this project is as follows:

<u>Cost Classification</u>	<u>Total</u>
A. Construction Costs	\$228,000
B. Engineering Costs	\$ 31,362
C. Construction Management & Inspection	\$ 25,000
D. Contingencies	\$ 50,000
Total Cost:	\$334,362

The Funding Agreements for the SRF loan will be set up such that the City will request reimbursement from the State for all project costs. Start up costs for the project will initially be funded through the 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. Repayment of funds obtained through the State's SRF loan program will be repaid as follows; 75% from Hillcrest Water Service (HWS) surcharge and 25% from existing customers (water rates).

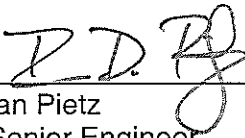
Alternatives:

Do not award the contract and reject all bids.

Recommendation:


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Prepared By:





Ian Pietz
Senior Engineer

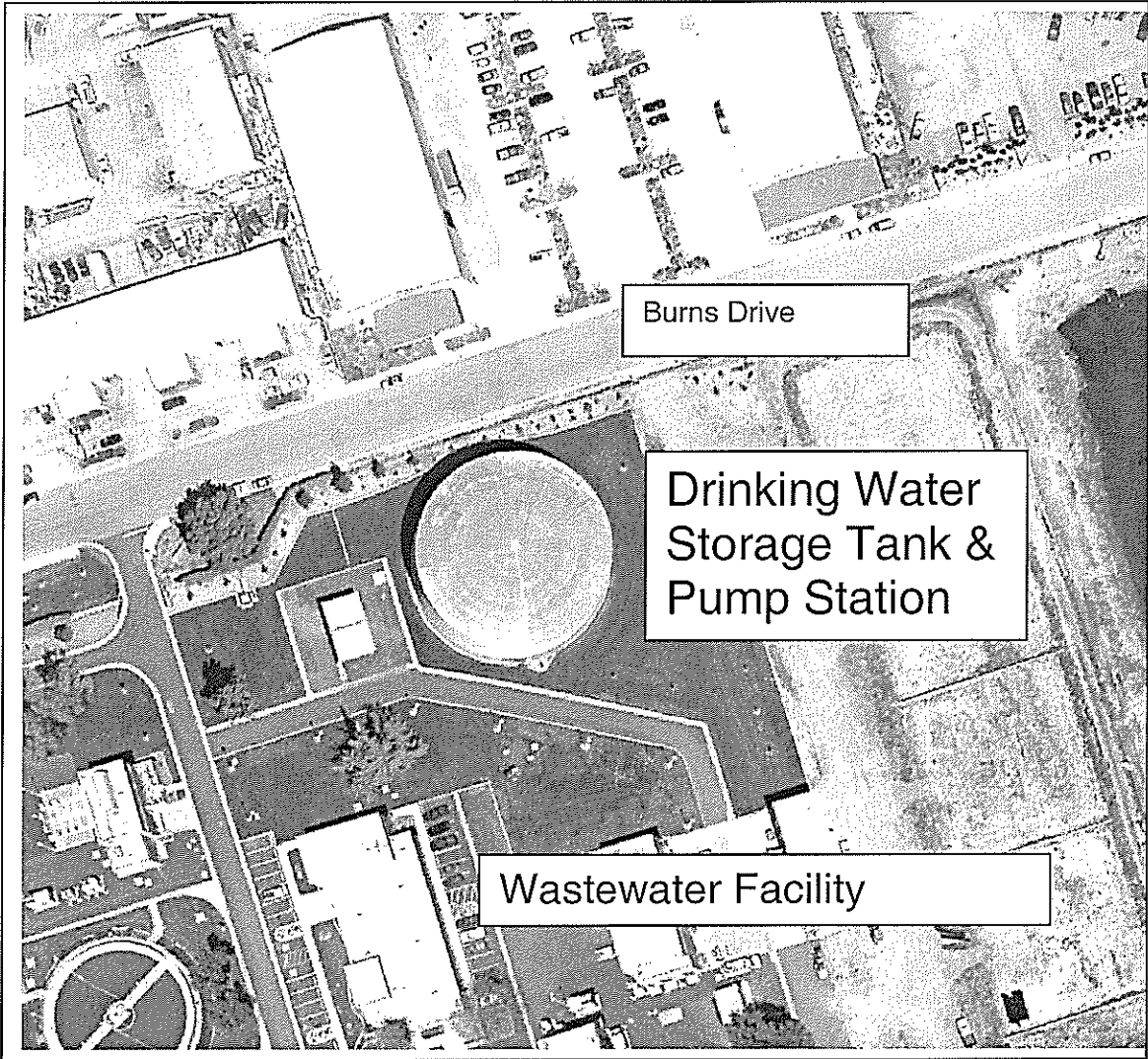
Submitted By:



Steven R. Jepsen
City Manager

Reviewed By:

Department Head	 _____
Finance	 _____
City Attorney	<u>OK E-MAIL</u> _____
Public Works	_____



Burns Drive

Drinking Water
Storage Tank &
Pump Station

Wastewater Facility