

# Agenda Report

April 18, 2016

**TO:** Honorable Mayor and City Council

**FROM:** Department of Public Works

**SUBJECT: CONTRACT AWARD TO RAMONA INC. FOR 2015-2016 SEWER CAPACITY UPGRADES PROJECT FOR AN AMOUNT NOT TO EXCEED \$1,060,000**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find the project herein to be categorically exempt under the California Environmental Quality Act (CEQA) Guidelines in accordance with Title 14, Chapter 3, Class 1, Section 15301, minor alterations of existing public facilities involving negligible or no expansion of use beyond that previously existing at the time of the lead agency's determination; and
2. Accept the bid dated February 17, 2016, submitted by Ramona Inc. in response to specifications for the 2015-2016 Sewer Capacity Upgrades Project, reject all other bids received, and authorize the Interim City Manager to enter into a contract not to exceed \$1,060,000.

## **BACKGROUND:**

This project consists of the reconstruction of approximately 2,900 lineal feet of sanitary sewer at various locations within the City. The work includes the following: removing 8-inch to 10-inch diameter pipes and replacing them with 10-inch to 18-inch diameter pipes; reconstructing existing sewer manholes; reconnecting house sewer laterals; and miscellaneous appurtenant work.

A finding of compliance with the General Plan was previously made and is shown on page 7.8 of the adopted FY 2016 Capital Improvement Program.

The Department of Public Works prepared the plans and specifications for this project. In accordance with Section 4.08.070 of the Pasadena Municipal Code, bids were requested and received. This project was advertised in the *Pasadena Journal* on January 14, 2016. In addition, the Notice Inviting Bids was published in five trade publications and listed on

the City's website, which generated notices to 21 local vendors. Twenty contractors obtained bid packets, eight of whom submitted bids for the project.

Following advertising, bids were received on February 17, 2016, and are as follows:

Bidder	Amount (\$)
1. Ramona Inc., Arcadia	\$ 962,035
2. Vasilj, Inc., Irwindale	\$1,086,328
3. GRFCO, Moreno Valley	\$1,148,040
4. TBU, Inc., Beaumont	\$1,173,230
5. Torro Enterprises, Oxnard	\$1,440,197
6. Paulus Engineering Inc., Anaheim	\$1,471,400
7. Colich & Sons, Gardena	\$1,719,980
8. MNR Construction, Baldwin Park	Withdrew
Engineer's Estimate	\$ 782,850

The apparent lowest bid received was from MNR Construction. However, MNR Construction withdrew their bid due to a clerical error. The second lowest bid received was from Ramona Inc., and was 22.9 percent higher than the Engineer's Estimate of \$782,850. The difference is primarily due to higher than expected bid item prices for removing and replacing sewer pipes resulting from an improving economy.

It is recommended that Ramona Inc. be awarded the contract for this project as they are the lowest responsive and responsible bidder. The proposed contract with Ramona Inc. fully complies with the Competitive Bidding and Living Wage Ordinances. In addition, the proposed contract with Ramona Inc. fully complies with the Prevailing Wage Law (Senate Bill 7) per Resolution 9406 adopted by the City Council on December 15, 2014. The contractor has indicated that the award of this contract will result in no new hires to its present workforce. Ramona Inc. does not have current or previous contracts with the City of Pasadena.

The contract for this project will be set up as follows:

Base Bid	\$ 962,035
Contingency Allowance	\$ 97,965
Contract "Not to Exceed" Amount	\$ 1,060,000

It is anticipated that construction will begin in May 2016 and be completed in August 2016.

**COUNCIL POLICY CONSIDERATION:**

This project is consistent with the City Council's goal to improve, maintain and enhance public facilities and infrastructure. It also supports the Public Facilities Element of the General Plan by maintaining public facilities to enhance the quality of life of the community.

**ENVIRONMENTAL ANALYSIS:**

The City's Environmental Administrator recommends that the City Council determine the proposed project to be exempt under CEQA in accordance with Title 14, Chapter 3, Class 1, Sections 15301 and 15302. This exemption includes the minor alteration of existing public facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

**FISCAL IMPACT:**

The cost of this contract is \$1,060,000 and the total cost of this action will be \$1,210,000. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the Sewer Capacity Upgrades FY 2011-2015 (Budget Account 76906) CIP project, and the Sewer Capacity Upgrades FY 2016-2020 (Budget Account 76909) CIP project. It is anticipated that the cost will be spent in FY 2016 and FY 2017.

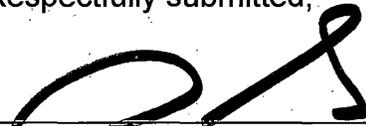
The following table presents a summary of the sources of funds that will be used.

Sewer Capacity Upgrades, FY 2011-2015 (76906)	\$ 900,000
Sewer Capacity Upgrades, FY 2016-2020 (76909)	\$ 310,000
<b>Total Sources</b>	<b>\$1,210,000</b>

The following table represents a contract summary.

Base Bid	\$ 962,035
Contingency Allowance	\$ 97,965
Contract Administration/Inspection	\$ 150,000
<b>Total Fiscal Impact</b>	<b>\$ 1,210,000</b>

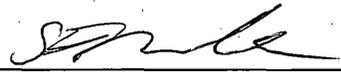
Respectfully submitted,

  
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