

Agenda Report

December 14, 2020

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: CONTRACT AWARD TO CREATIVE HOME DBA CHI CONSTRUCTION FOR WATER MAIN INSTALLATIONS

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Section 21080.21 and State CEQA Guidelines Sections 15301 (Existing Facilities) and 15302 (Replacement or Reconstruction); and
2. Accept the bid dated November 3, 2020, submitted by Creative Home dba CHI Construction in response to Specifications WD-20-19 for water main installations; reject all other bids received, and authorize the City Manager to enter into a contract not to exceed \$2,358,422 which includes the base contract amount of \$2,144,020 and a contingency of \$214,402 to provide for any necessary change orders.

BACKGROUND:

The Water and Power Department ("PWP") regularly installs water mains to replace aging pipelines and to improve system reliability and water quality. PWP uses both in-house staff and contractors to perform the installation of mainlines, modifications to the water distribution system for new developments, regular maintenance and repairs to ruptured pipelines. In addition to replacing older mains, maintenance on the distribution system is critical for prolonging the life of the existing mains. As staff resources are increasingly deployed for maintenance of the water system to prolong the life of older pipes and quickly respond to failures, the use of contractors for mainline replacement allows PWP to more effectively manage the mainline replacement program.

This project will replace two pipelines that were installed 90 years ago. The Colorado Boulevard Water Main Project will replace approximately 4,780 feet of 6-inch cast iron pipes with new 8-inch ductile iron pipes under Colorado Boulevard between Meredith Avenue and Altadena Drive. The San Gabriel Boulevard Water Main Project will replace approximately 2,450 feet of 6-inch and 8-inch cast iron pipes with new 8-inch ductile iron pipes under San Gabriel Boulevard between Walnut Street and Millicent Way. Attachment A shows a map with the boundaries of the project. The new water

mains will meet the required water pressure, velocity and fire flow criteria and also improve water quality. Work is expected to commence in March 2021 and be completed by March 2022.

On September 24, 2020, a Notice Inviting Bids for Specifications WD-20-19 ("Specifications") was published in the Pasadena Journal and the Pasadena Independent as well as posted on Planet Bids. The posting generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of 69 vendors downloaded the Specifications of which 4 were local. A total of 13 bids were received by the bid opening date, with no bids received from local contractors.

The results of the bids were as follows:

<u>Bidders</u>	<u>Total Bid</u>
Creative Home dba CHI Construction, Anaheim, CA	\$2,144,020
Cedro Construction Inc., Santa Paula, CA	\$2,502,287
Williams Pipeline Contractors, Inc., Somis, CA	\$2,512,015
Toro Enterprises, Inc., Oxnard, CA	\$2,703,677
Aid Builders, Inc., Glendora, CA	\$2,729,800
GRFCO, Inc., Brea, CA	\$2,806,230
Colich & Sons L.P., Gardena, CA	\$3,119,790
MNR Construction, Inc., La Verne, CA	\$3,195,970
Valverde Construction, Inc., Santa Fe Springs, CA	\$3,230,950
E&R Construction, Baldwin, CA	\$3,365,000
J. A. Salazar Construction and Supply Corp., La Habra, CA	\$3,465,345
Griffith Company, Brea, CA	\$3,577,477
Downing Construction, Inc., Redlands, CA	\$4,833,980
Engineer's Estimate	\$2,500,000

Creative Home dba CHI Construction was the lowest responsive and responsible bidder that complied with the Specification requirements, and possesses a valid California State Contractors License Classification "A".

The proposed contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated thereunder. The project was bid as a prevailing wage project and workers employed by the contractor will be paid the general prevailing rate of per diem wages as determined by the California Director of Industrial Relations. The project will meet the requirements of prevailing wage law under California Labor Code Sections 1720 through 1861 and Title 8 of the California Code of Regulations.

It is recommended that the City Council authorize the City Manager to enter into a contract with Creative Home dba CHI Construction in the amount of \$2,358,422, which includes the base bid of \$2,144,020 and a 10% contingency of \$214,402 for any

necessary change orders. The vendor has no current or past contracts with the City. The Project Engineer in the Water Division will track the contract spending and performance of work.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the City Council's Strategic Planning Goals to: (i) Improve, maintain, and enhance public facilities and infrastructure; and, (ii) Ensure public safety. It supports PWP's Master Plan adopted by the City Council in 2002 to allow for the replacement of aging water distribution mains and establishment of reliable infrastructure to protect the public and minimize disruption of the City's water system.

ENVIRONMENTAL ANALYSIS:

The proposed contract is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (Class 1: Existing Facilities) and 15302 (Class 2: Replacement or Reconstruction). Class 1 exempts from environmental review "the operation, repair, maintenance, permitting, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use." Class 2 exempts the replacement and/or reconstruction of existing structures and facilities where the new structure will be located on the same site and will have substantially the same purpose and capacity. The proposed contract would provide for the repair and/or replacement of existing water mains. The project would not result in an expansion of use or capacity and following the project, the water mains would have the same purpose and capacity as the current mains. There are no features that distinguish this project from others in the exempt classes and, therefore, there are no unusual circumstances.

In addition, the proposed contract is statutorily exempt from CEQA pursuant to Public Resources Code Section 21080.21, which states that CEQA "does not apply to any project of less than one mile in length within a public street or highway or any other public right-of-way for the installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline."

FISCAL IMPACT:

The cost of this action will be \$2,508,422 which includes the base bid, 10% contingency, plus \$150,000 in anticipated internal indirect and support costs such as contract administration and inspection from Engineering. Funding for this action will be addressed by the utilization of existing appropriations in CIP #01001 and 01080 – Distribution Mains. It is anticipated that \$867,520 of the cost will be spent in fiscal year 2021.

The following table presents the contract summary:

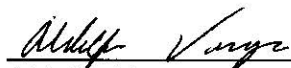
Bid Amount	\$2,144,020
Contingency	\$ 214,402
Subtotal	\$2,358,422
Contract Admin/Inspection (PWP)	\$ 150,000
Total Fiscal Impact FY 2021 / 2022	\$2,508,422

Respectfully submitted,



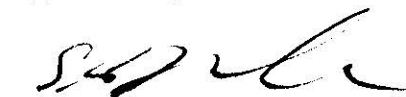
GURCHARAN S. BAWA
General Manager
Water and Power Department

Prepared by:



Aldolfo Vargas
Capital Projects Manager

Approved by:



STEVE MERMELL
City Manager