

Agenda Report

June 14, 2021

TO: Honorable Mayor and City Council

FROM: Water and Power Department

**SUBJECT: CONTRACT AWARD TO CREATIVE HOME/DBA: CHI
CONSTRUCTION FOR INSTALLATION OF DUCTILE IRON WATER
MAINS IN ARROYO PARKWAY**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Sections 15301 (Existing Facilities) and 15302 (Replacement or Reconstruction) and that there are no features that distinguish this project from others in the exempt classes and, therefore, there are no unusual circumstances; and
2. i) Accept the bid dated May 17, 2021, submitted by Creative Home/DBA: CHI Construction in response to Specifications WD-21-03 for installation of ductile iron water mains in Arroyo Parkway; ii) reject all other bids received, and iii) authorize the City Manager to enter into a contract not to exceed \$2,798,516 which includes the base contract amount of \$2,433,492 and a contingency of \$365,024 to provide for any necessary change orders. The duration of the contract is for 200 days plus any time earned due to 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, water distribution system modifications for new developments, and regular maintenance and repairs to ruptured pipelines. In addition to the replacement of older mains, distribution system, maintenance is critical for prolonging the life of the existing mains. The use of contractors for planned mainline replacement allows PWP to more effectively manage the mainline replacement program.

The proposed Arroyo Parkway Water Main Project will replace approximately 674 feet of 12-inch and 4,694 feet of 8-inch of century-old cast iron pipes located under Arroyo Parkway between Cordova and Glenarm Streets with new 12-inch and 8-inch ductile

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Contract with Creative Home/DBA: CHI Construction for Installation of Ductile Iron
mains in Arroyo Parkway

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iron pipes. 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 August 2021 and be completed by November 2022.

On April 22, 2021, a Notice Inviting Bids for Specifications WD-21-03 ("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 50 vendors downloaded the Specifications of which none were local. A total of 6 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	\$2,433,492
Williams Pipeline Contractors, Inc., Mission Hills, CA	\$2,495,370
GRFCO, Perris, CA	\$2,675,205
Colich & Sons L.P., Gardena, CA	\$2,848,480
Toro Enterprises, Inc., Oxnard, CA	\$3,004,032
Dominguez General Engineering, Inc., Pomona, CA	\$3,045,715
Engineer's Estimate	\$2,700,000

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 \$2,798,516, which includes the base bid of \$2,433,492 and a 15% contingency of \$365,024 for any necessary change orders. While added contingency is usually limited to 10 percent or less, it is recommended that 15 percent be authorized due to the project's high-traffic location and complexity of existing utilities in the work area. Both conditions increase the potential for unforeseen additional costs. The duration of the contract is for 200 days plus any time earned due to change orders. PWP has awarded Creative Home/DBA: CHI Construction one contract, valued at approximately \$2,358,422, which is currently active. The Capital Projects Manager in the Water Division along with a consultant for

inspection/contract management 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.

FISCAL IMPACT:

The cost of this action will be \$2,998,516 which includes the base bid, 15% contingency, plus \$200,000 in anticipated internal indirect and support costs such as contract administration from Engineering and retaining inspection by a consultant. Funding for this action will be addressed by the utilization of existing appropriations in CIP # 01080 – Distribution Mains. It is anticipated that \$2,125,000 of the cost will be spent in fiscal year 2022.

The following table presents the contract summary:

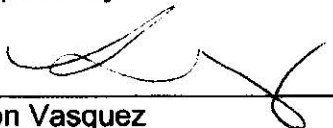
Bid Amount	\$2,433,492
Contingency	\$ 365,024
Subtotal	\$2,798,516
Contract Admin/Inspection (PWP)	\$ 200,000
Total Fiscal Impact FY 2022 / 2023	\$2,998,516

Respectfully submitted,



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Water and Power Department

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STEVE MERMELL
City Manager