



Agenda Report

March 17, 2024

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH STEPHEN DORECK EQUIPMENT RENTALS, INC. FOR INSTALLATION OF DUCTILE IRON WATER MAIN IN OAK KNOLL AVENUE FOR AN AMOUNT NOT-TO-EXCEED \$2,935,870

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed herein is statutorily and categorically exempt from environmental review under the California Environmental Quality Act pursuant to Section 21080.21 of CEQA and State CEQA Guidelines Sections 15301 (Existing Facilities), 15302 (Replacement or Reconstruction), and there are no features that distinguish the project from others in the exempt classes, and therefore, there are no unusual circumstances; and,
2. Award contract to lowest and best bid, dated January 29, 2025, submitted by Stephen Doreck Equipment Rentals, Inc. in response to the specifications for Installation of Ductile Iron Water Main in Oak Knoll Ave, and authorize the City Manager to enter into a contract for an amount not-to-exceed \$2,935,870, which includes the base contract amount of \$2,552,930 and a contingency of \$382,940 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, modify the water distribution system for new developments, and provide 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 for continued effective management of the mainline replacement program.

This project will replace pipelines that were installed more than 100 years ago. The Oak Knoll Avenue Water Main Project will replace approximately 3,200 feet of 6-inch cast iron pipes and 490 feet of 8-inch cast iron pipes with new 8-inch ductile iron pipes under Oak Knoll Avenue between California Boulevard and Colorado Boulevard. Attachment A shows the map with the boundaries of the projects. The new water main will continue to meet the required water pressure, velocity, and fire flow criteria, and improve the reliability of the distribution system. Work is expected to commence in April 2025 and be completed by February 2026.

On December 12, 2024, a Notice Inviting Bids for the Specifications was posted on OpenGov. 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, none of which were local. Three bids were received by the bid opening date, with no bids received from local contractors.

The results of the bids were as follows:

Bidders	Total Bid
Stephen Doreck Equipment Rentals, Inc., Pico Rivera, CA	\$2,552,930
Williams Pipeline Contractors Inc., Mission Hills, CA	\$2,910,100
Ferreira Construction, Rancho Cucamonga, CA	\$3,181,679
Engineer's Estimate	\$2,529,745

Stephen Doreck Equipment Rentals, Inc. was the lowest responsive and responsible bidder that complied with the Specifications requirements and possesses a valid California State Contractors License Classification "A". The vendor has no current contract with the City.

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.

It is recommended that the City Council authorize the City Manager to enter into a contract with Stephen Doreck Equipment Rentals, Inc. for an amount not to exceed \$2,935,870 for two years, whichever comes first. The recommended maximum contract amount includes the base bid of \$2,552,930 and a 15% contingency of \$382,940 for any necessary change orders. 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 Water System and Resources Plan that was adopted by the City Council in 2021 to allow for the replacement of aging water distribution mains and the 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 will provide for the repair and/or replacement of existing water mains. The project will not result in an expansion of use or capacity and following the project, the water mains will 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 total cost of this action will be an amount not-to-exceed \$2,935,870, which includes the base contract amount of \$2,552,930 and a 15% contingency of \$382,940 to provide for any necessary change orders. Funding for this action will be addressed by the utilization of existing appropriations in the Water Capital Fund 412, Capital Improvement Project 01080 – Distribution Mains. It is anticipated that \$1,000,000.00 of the cost will be expended in Fiscal Year 2025. There is no impact to the General Fund. The fiscal impact summary is shown in Table I below.

FY 2025	\$1,000,000
FY 2026	\$1,552,930
Contingency	\$ 382,940
Subtotal	\$2,935,870

Respectfully submitted,



DAVID M. REYES
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Approved by:



MIGUEL MARQUEZ
City Manager

Attachment A – Project Boundary Map