

DATE: October 27, 2009

TO: Utilities Commission

FROM: Lonnie Thibodeaux, Water Utilities Director

SUBJECT: **RECOMMEND AUTHORIZATION TO AWARD A CONTRACT IN THE AMOUNT OF \$1,529,471 TO AMERICAN INDUSTRIAL SERVICES OF ESCONDIDO FOR THE CONSTRUCTION OF THE WELL HEAD FACILITIES FOR WELLS 10 AND 11 PROJECT AND APPROVAL OF THE PROFESSIONAL SERVICES AGREEMENT WITH INFRASTRUCTURE ENGINEERING CORPORATION IN THE AMOUNT OF \$373,465 FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES DURING CONSTRUCTION**

SYNOPSIS

Staff and the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council authorize the award of a contract in the amount of \$1,529,471 to American Industrial Services of Escondido for the construction of the Well Head Facilities for Wells 10 and 11 project located adjacent to Fire Station 7; approve a professional services agreement with Infrastructure Engineering Corporation of Oceanside in the amount of \$373,465 for construction management and inspection services during construction; and authorize the City Manager to execute the agreements upon receipt of all supporting documents.

BACKGROUND

The Mission Basin Groundwater Purification Facility, located at 215 Fireside Drive, was originally constructed and put into operation in 1994. The original facility produced 2.2 million gallons per day (mgd) of potable water from brackish groundwater by use of a reverse osmosis treatment process. A subsequent expansion project was to bring the capacity of the plant up to 6.37 mgd. This expansion, accepted by Council in February 2003 consisted of three additional production wells, nine monitoring wells, a high and low pump station an additional reverse osmosis train and other infrastructure-related work. All work was satisfactorily completed with the exception of the production wells, which when drilled did not produce sufficient quantities for production.

In October 1998, City Council authorized a joint participation agreement between the City of Oceanside, San Diego County Water Authority (SDCWA) and the Metropolitan Water District (MWD) for participation in the Groundwater Recovery Program (GRP). As part of the GRP study, SDCWA has drilled 11 exploratory wells to map the Basin for possible future use. As part of the drilling project, Oceanside had the SDCWA analyze

up to five sites with an emphasis on three that can replace the poorly performing well sites 6, 7 and 8. Three of the sites are within a mile of the Mission Basin Groundwater Facility with one being on the plant site. Well site 9 at the plant site has been drilled by the SDCWA and during the test pumping produced up to 2,220 gallons per minute. The other two sites, well sites 10 and 11, adjacent to Fire Station 7 have been drilled by the SDCWA.

On December 10, 2008, the City Council approved the plans and specification for the construction of the Well Head Facilities for Wells 10 and 11 project and authorized the City Engineer to call for bids.

ANALYSIS

On September 15, 2009, eight bids were received and opened for the Well Head Facilities for Wells 10 and 11 project (Exhibit B). The apparent low bidder was Pascal and Ludwig Constructors with a bid of \$1,347,293, shortly after the bids were received and within the requirements outlined in the Bid Documents, Pascal and Ludwig Constructors requested to withdrawal their bid. Staff reviewed the request and circumstances thereof and approved the withdrawal. The next lowest bidder is American Industrial Services of Escondido with a bid of \$1,529,471. Staff has reviewed the bid submitted by American Industrial Services, and finds that the bid bond and references are in accordance with City standards. The engineer's estimate to construct the project was \$2,000,200.

To properly manage this project during construction, the services of a professional construction management and inspection support team are required. On February 18, 2009, staff solicited proposals from twelve engineering firms (Exhibit C) to provide construction management and inspection services during construction of this project. The firms were selected from a list compiled by the City of Oceanside's Engineering Division using the City's selection procedures for professional services. Included in the solicitation were all Oceanside firms that provide these services.

On March 13, 2009, three proposals were receive by the Water Utilities Department. In accordance with the City's procedure, a panel consisting of City project managers was selected to evaluate the proposals (Exhibit D). The panel recommended that Infrastructure Engineering Corporation of Oceanside be selected to provide the construction management and inspection services.

Infrastructure Engineering Corporation construction management and inspection duties will be to ensure that the project is constructed according to the plans and specifications, on time and under budget. Additional duties to be performed include day-to-day monitoring and inspection of the work; geotechnical engineering and inspection services; surveying; special inspections as required; preparation of daily, weekly and monthly reports; processing of proposed change orders; processing submittals and requests for information; maintenance of logs for all correspondence, submittals, requests for information and change orders; attending weekly and monthly progress meetings; and generating and submitting detailed as-built construction drawings.

FISCAL IMPACT

The Mission Basin Desalter Facility Expansion fund (908742600712.5703) has a balance of \$2,760,468 of which \$300,000 is FY 2008-09 carry forward. The American Industrial Services bid is \$1,529,471 and Infrastructure Engineering Corporation's CM & Inspection proposal is \$373,465 plus the construction phase support services cost of \$77,481 which brings the total cost for construction and construction management and inspection to \$1,980,417. Therefore, adequate funds are available for the project.

CITY ATTORNEY'S ANALYSIS

The referenced documents are being reviewed by the City Attorney's.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

COMMISSION OR COMMITTEE REPORT

Does not apply.

RECOMMENDATIONS

Staff and the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council authorize the award of a contract in the amount of \$1,529,471 to American Industrial Services of Escondido for the construction of the Well Head Facilities for Wells 10 and 11 project located adjacent to Fire Station 7; approve a professional services agreement with Infrastructure Engineering Corporation of Oceanside in the amount of \$373,465 for construction management and inspection services during construction; and authorize the City Manager to execute the agreements upon receipt of all supporting documents.

PREPARED BY:

Greg Blakely
Administration Manager

Exhibit A: Site Map
Exhibit B: Bid Results
Exhibit C: Request for Proposals Mailing List
Exhibit D: Consultant Rating Form