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DATE: December 17, 2014

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

SUBJECT: **AWARD OF CONTRACT FOR THE CONSTRUCTION OF THE SAN LUIS REY WATER RECLAMATION FACILITY – MAJOR UPGRADES PROJECT AND APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING SUPPORT SERVICES DURING CONSTRUCTION**

### **SYNOPSIS**

Staff recommends that the City Council award a contract in an amount not to exceed \$1,460,000 to Stanek Constructors, Inc. of Escondido, for construction of the San Luis Rey Water Reclamation Facility - Major Upgrades Project; approve a Professional Services Agreement with Dudek of Encinitas in an amount not to exceed \$36,463 for engineering support services during construction; and authorize the City Manager to execute the agreements upon receipt of all supporting documents.

### **BACKGROUND**

The San Luis Rey Water Reclamation Facility (SLRWRF) is located at 3950 North River Road. The plant was originally constructed in the early 1970s with the last major expansion completed in 2003. Several small rehabilitation projects have been completed over the years to ensure the facility continues to operate efficiently.

Currently the facility has a rated capacity of 14.5 MGD for secondary treatment with an average annual flow of 9.8 MGD. The capacity of the plant is sufficient; however, improvements are necessary to continue to operate and ultimately increase the plants efficiency.

The City prepared a Facility Needs assessment to identify projects and facilities requiring rehabilitation and/or replacement. The most critical projects were identified and grouped together in the Major Upgrades Project.

The City Council approved an agreement with Dudek Engineers of Oceanside in September 2013 to prepare the plans and specifications for the San Luis Rey Water Reclamation Facility - Major Upgrades Project. The plans and specifications were completed in August 2014.

## **ANALYSIS**

The City Council authorized the City Engineer to call for bids on October 15, 2014. On November 25, 2014, three bids were received and publically opened for the project. The apparent low bidder is Stanek Constructors, Inc. of Escondido, with a bid in the amount of \$1,460,000 (Exhibit A). Staff has reviewed the bid documents submitted by Stanek Constructors, Inc. and find that its bid, bid bond, and references are in accordance with City standards.

The design engineer, Dudek, Inc., will provide construction phase engineering support services during construction (Exhibit B). Construction phase engineering support services include reviewing submittals for concurrence with plan specifications, requests for information and reviewing change orders.

## **FISCAL IMPACT**

The adopted FY 14/15 budget for the SLWRF Major Plant Improvements project account (909125500722) is \$4,591,427. The construction contract price is \$1,460,000 and the engineering support service contract is \$36,463 for a combined total of \$1,496,463; therefore, sufficient funds are available. Funding for this project comes from the Sewer Fixed Asset Replacement Fund, 722, which is primarily funded by sewer service and flow fees.

## **INSURANCE REQUIREMENTS**

The City's standard insurance requirements will be met.

## **COMMISSION OR COMMITTEE REPORT**

The Utilities Commission received an update at its regularly scheduled meeting on September 16, 2014.

## **CITY ATTORNEY'S ANALYSIS**

As to awarding the construction contract, the bid documents were previously reviewed by the City Attorney and approved as to form. The construction contract must be awarded to the lowest responsible bidder. The Public Contract Code defines "responsible bidder" as a bidder who has demonstrated the attributes of trustworthiness as well as quality, fitness, capacity and experience to satisfactorily perform a public works contract. The City Council also has the discretion to reject all bids and re-advertise.

The professional services agreement with Dudek has been reviewed by the City Attorney and approved as to form.

**RECOMMENDATION**

Staff recommends that the City Council award a contract in an amount not to exceed \$1,460,000 to Stanek Constructors, Inc. of Escondido, for construction of the San Luis Rey Water Reclamation Facility - Major Upgrades Project; approve a Professional Services Agreement with Dudek of Encinitas in an amount not to exceed \$36,463 for engineering support services during construction; and authorize the City Manager to execute the agreements upon receipt of all supporting documents.

PREPARED BY:

  
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Jason Dafforn  
Interim Water Utilities Director

SUBMITTED BY:

  
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Steven R. Jepsen  
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Assistant City Manager



Scott Smith, City Engineer



James R. Riley, Financial Services Director



Exhibit A: Bid Tabulation

**BID TABULATION**

<b>PROJECT NO.:</b>	909125500722	<b>ENGINEER'S ESTIMATE</b>	
<b>PROJECT NAME:</b>	San Luis Rey Water Reclamation Facility Major Upgrades Ph 1		\$2,178,000
<b>PROJECT MANAGER</b>	Jason Dafforn		
<b>BID DATE:</b>	November 25, 2014 at 10am		

<b>BIDDER:</b>	<b>ADDRESS:</b>	<b>BID AMOUNT:</b>
1. NCC NEWest Construction, Inc.	9235 Trade Place Suite A, San Diego, CA 92126	\$ 2,148,000
2. HPS Mechanical, Inc.	3100 E. Belle Terrace, Bakersfield, CA 93307	\$ 2,594,400
3. Stanek Constructors Inc.	2434 Auto Park Way Suite 102, Escondido, CA 92029	\$ 1,460,000
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