



Folsom City Council Staff Report

MEETING DATE:	1/11/2022
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution 10785– A Resolution Authorizing the City Manager to Execute an Agreement with McGuire and Hester for the Design-Assist and Construction of the Natoma Alley Sewer Rehabilitation Project and Appropriation of Funds
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution 10785 - A Resolution Authorizing the City Manager to Execute an Agreement with McGuire and Hester for the Design-Assist and Construction of the Natoma Alley Sewer Rehabilitation Project and Appropriation of Funds.

BACKGROUND / ISSUE

The Environmental and Water Resources Department identifies sewer infrastructure rehabilitation and replacement projects through sewer master plans and ongoing sewer condition assessment programs. As a condition of the City’s State permit for its wastewater collection system, the Environmental and Water Resources Department is required to perform ongoing condition assessments on the wastewater system and correct any defects/deficiencies identified through this process.

Through these efforts, portions of the water and wastewater system in the City have been identified as needing rehabilitation or replacement (R&R). A comprehensive plan has been developed for the R & R of these aging or failing systems, and much of this work has been completed in recent years. The next phase of the R & R program includes the replacement and relocation of sewer lines within the Persifer and Mormon Alleys, between Stafford Street and Coloma Street.

This project will rehabilitate approximately 4,750 feet of sewer infrastructure along the Persifer and Mormon Alleys between Stafford and Coloma as well as relocating private sewer laterals. Through the City's sewer condition assessment program, City staff has had to perform continual maintenance in this area in order to sustain operations of these systems. These pipes are beyond their serviceable life and require rehabilitation and replacement.

This resolution will authorize the City Manager to execute an agreement with McGuire and Hester for the Design-Assist and Construction of the Natoma Alley Sewer Rehabilitation Project and Appropriation of Funds.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$62,657 or greater shall be awarded by City Council.

ANALYSIS

The Natoma Alley Sewer Rehabilitation Project includes finalizing the project plans through a Design-Assist process followed by construction to replace and rehabilitate portions of the sewer systems in the older areas of the City that are encountering ongoing maintenance problems. The Natoma Alley Sewer Rehabilitation Project consists of installing approximately 28 sanitary sewer laterals, 33 property line cleanouts, and reconnecting 42 existing sanitary sewer laterals all located on private property. Due to the complexity and unknown elevations of the existing private sanitary sewer services involved without significant pre-construction work and access to private property, the design-assist delivery method was selected for this project. The design-assist method will allow the selected Contractor and design engineer, Bennett Engineering, to collaborate with the City on the design and construction ideas to advance the existing 70 percent plans to constructable, 100 percent plans utilizing field investigations and existing utility potholing information gathered during the design-assist portion of the project.

The Design-Assist portion of the Natoma Alley Sewer Rehabilitation Project will include field investigation including potholing, obtaining right-of-entry (ROE) forms, and evaluating project constraints in order to develop sewer alignment alternatives. The contractor will assist the designer and City staff to advance the plans from 70 percent to 100 percent and after selecting a preferred alternative, construction services will commence.

The Request for Proposals (RFP) for the Design-Assist and Construction of the Natoma Alley Sewer Project consisted of two, separate parts. Part 1 of the RFP was the Technical Proposal which required each proposer to establish minimum qualifications, project understanding, references, and individual contractor staff experience. Part 2 of the RFP was the Sealed Proposal which was to be sealed and included in a separate envelope. In Part 2 the contractor was to include a statement of total proposed construction costs and proprietary bid documents. Part 1 of the proposals was evaluated and scored for all proposals prior to Part 2 being reviewed and scored.

The City issued the RFP on September 14, 2021, for the Design-Assist and Construction of Natoma Alley Sewer Rehabilitation Project. The City received a total of three proposals submitted from C&D Contractors, Inc., BRCO Constructors, Inc., and McGuire and Hester.

C&D Contractors, Inc. did not include the required forms, which were outlined and included in the RFP, in the Part 1 – Technical Proposal. Therefore, their proposals were considered to be materially non-responsive. Due to Part 1 of C&D Contractors, Inc. proposal being materially non-responsive, any evaluation of C&D Contractors, Inc. proposal is not included in this staff report for consideration by the City Council.

BRCO Constructors, Inc. and McGuire and Hester provided responsive proposals. Below is a ranking of the proposals prior to reviewing costs.

Company	Part 1 Score (out of 75)
BRCO Constructors, Inc.	55
McGuire and Hester	63

Table 1. Contractor ranking for Part 1 – Technical Proposal without costs.

After reviewing the proposals based on the contractor’s project understanding, project approach, the contractor’s qualifications, the project manager’s qualifications, EWR staff reviewed total project costs. Proposal costs from each consultant were required to be submitted under a separate sealed envelope. A table showing BRCO Constructors, Inc. and McGuire and Hester’s fees is shown below.

Company	Design-Assist Costs	Construction Costs	Total Fee
BRCO Constructors, Inc.	\$185,000	\$3,415,000	\$3,600,000
McGuire and Hester	\$275,000	\$3,502,000	\$3,777,000

Table 2. Contractor project costs associated with the RFP.

Based on the technical scores from the proposal Part 1 and the cost scores from the proposal Part 2, the total proposal scores are shown in Table 3 below.

Company	Part 1 Score (out of 75)	Part 2 Score (out of 25)	Total Score (out of 100)
BRCO Constructors, Inc.	55	25	80
McGuire and Hester	63	24	87

Table 3. Total contractor ranking for the RFP including costs.

City staff evaluated the proposals based on the contractor’s project understanding, project approach, the contractor’s qualifications, the project manager’s qualifications, and the proposed project costs. EWR staff identified McGuire and Hester as being the most qualified, had the most relevant experience, and would provide the best value to the City and proposes to utilize McGuire and Hester for this project.

FINANCIAL IMPACT

The Environmental and Water Resources Department recommends that the contract be awarded to McGuire and Hester for \$3,777,000 with the project budgeted for this agreement in the amount of \$4,154,700 which will include a 10% contingency in the amount of \$377,700.

Approximate project costs to date, which include pre-design, design and construction administration services, total approximately \$240,000. The Natoma Alley Sewer Rehabilitation Project was included in the FY 2021-22 Capital Improvement Plan with a total project budget of \$3,141,457. Staff is now projecting the total project costs to be approximately \$4,930,000. With this new projection of costs an additional appropriation will be needed. Staff is requesting an appropriation of \$1,788,543 for the total project budget of \$4,930,000. This appropriation will be in the Sewer Operating Fund (Fund 530) and funds are available for this appropriation.

ENVIRONMENTAL REVIEW

This project is replacement and/or improvement of existing infrastructure with negligible or no expansion of use and therefore is categorically exempt from environmental review under the California Environmental Quality Act as noted in Title 14 – California Code of Regulations, Chapter 3 – Guidelines for Implementation of the California Environmental Quality Act, Article 19 – Categorical Exemptions, Sections 15301 (Existing Facilities), 15302 (Replacement or Reconstruction), and/or 15304 (Minor Alterations to Land).

ATTACHMENT

Resolution 10785 - A Resolution Authorizing the City Manager to Execute an Agreement with McGuire and Hester for the Design-Assist and Construction of the Natoma Alley Sewer Rehabilitation Project and Appropriation of Funds

Submitted,

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 10785

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH MCGUIRE HESTER FOR THE DESIGN-ASSIST AND CONSTRUCTION OF THE NATOMA ALLEY SEWER REHABILITATION PROJECT AND APPROPRIATION OF FUNDS

WHEREAS, the City is currently implementing its Sewer System Management Plan (SSMP) which consists of condition assessment, as well as operation and system improvements; and

WHEREAS, the City has identified this project as a priority to maintain integrity and operation of the sanitary sewer collection system; and

WHEREAS, the project is categorically exempt from environmental review under the California Environmental Quality Act; and

WHEREAS, the Environmental and Water Resources Department issued a Request for Proposals on September 14, 2021 for the Design-Assist and Construction of the Natoma Alley Sewer Rehabilitation Project; and

WHEREAS, McGuire and Hester by reason of their past experience, abilities for performing these types of services, and overall best value for these services, is qualified to perform the required Design-Assist and Construction of the Natoma Alley Sewer Rehabilitation Project; and

WHEREAS, the Design-Assist and Construction of the Natoma Alley Sewer Rehabilitation Project was included FY 2021-22 Capital Improvement Plan with a project budget of \$3,141,457 staff is now projecting the project costs will be \$4,930,000; and

WHEREAS, an additional appropriation of funds in the amount of \$1,778,543 is needed for a revised project budget of \$4,930,000 and sufficient funds are available in the Sewer Operating Fund (Fund 530); and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute an agreement with McGuire and Hester for the Design-Assist and Construction of the Natoma Alley Sewer Rehabilitation Project for a not-to-exceed amount of \$3,777,000 with the budgeted amount to include a 10% contingency for a total of \$4,154,700.

BE IT FURTHER RESOLVED that the Finance Director is directed to appropriate \$1,778,543 for this agreement. The appropriation will be from the Sewer Operating Fund (Fund 530) balance in the amount of \$1,778,543, for a total project budget of \$4,930,000.

PASSED AND ADOPTED this 11th day of January 2022, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Kerri M. Howell, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK