



# Folsom City Council Staff Report

<b>MEETING DATE:</b>	7/27/2021
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10663 - A Resolution Authorizing the City Manager to Execute an Agreement with Caggiano General Engineering, Inc. for the Construction of the Water System Rehabilitation Project No. 2 and Appropriation of Funds
<b>FROM:</b>	Environmental and Water Resources Department

**RECOMMENDATION / CITY COUNCIL ACTION**

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 10663 - A Resolution Authorizing the City Manager to Execute an Agreement with Caggiano General Engineering, Inc. for the Construction of the Water System Rehabilitation Project No. 2 and Appropriation of Funds.

**BACKGROUND / ISSUE**

The Environmental and Water Resources (EWR) Department identifies water infrastructure rehabilitation and replacement projects through water master plans, ongoing water condition assessment programs, and regulatory changes. Through these efforts, portions of the water system have been identified as needing rehabilitation or replacement in order to improve the water distribution system reliability.

The Water System Rehabilitation Project No. 2 will address infrastructure improvements needed throughout the water distribution system at 13 different locations. This work includes installing isolation valves, providing water service redundancy at locations that only have one point of connection to the water system, and rebuilding pressure reducing stations to meet current City standards.

This resolution will authorize the City Manager to execute an agreement with Caggiano General Engineering, Inc. for the construction of the Water System Rehabilitation Project No. 2 in the amount of \$\$1,395,785 and the budget for this agreement to include a 10% contingency in the amount of \$139,579 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 City completed plans and specifications for the Water System Rehabilitation Project No. 2 and publicly advertised for bids on May 6, 2021 and May 13, 2021. In addition, the City provided these documents to www.ciplist.com which is also picked up by several area builders' exchanges. The Environmental and Water Resources Department received the following bids on June 10, 2021 for construction of the Water System Rehabilitation Project no. 2:

<b>Contractor</b>	<b>Bid Amount</b>
Caggiano General Engineering, Inc.	\$1,395,785
McGuire & Hester	\$1,756,250
Rawles Engineering	\$2,151,655

Staff has reviewed the bids submitted and has determined that Caggiano General Engineering, Inc. is the lowest responsible and responsive bidder who meets the requirements and specifications set forth in the invitation for bids.

**FISCAL IMPACT**

The Environmental and Water Resources Department recommends that the contract be awarded to the lowest responsible, responsive bidder, Caggiano General Engineering, Inc. for \$\$1,395,785 with the project budgeted for this agreement in the amount of \$\$1,535,364 which will include a 10% contingency in the amount of \$139,579.

Approximate project costs to date, which include design, construction administration services, construction management and inspection services total approximately \$687,010. The Water System Rehabilitation Project No. 2 was included in the FY 2021-22 Capital Improvement Plan with a total project budget of \$1,924,694. Therefore, an additional appropriation will be needed for construction costs, and staff is requesting an appropriation of \$\$630,000 for a total project budget of \$ \$2,554,694. This appropriation will be in the Water Operating Fund (Fund 520) 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 No. 10663 - A Resolution Authorizing the City Manager to Execute an Agreement with Caggiano General Engineering, Inc. for the Construction of the Water System Rehabilitation Project No. 2 and Appropriation of Funds

Submitted,

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Marcus Yasutake, Director  
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

**RESOLUTION NO. 10663**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH CAGGIANO GENERAL ENGINEERING, INC. FOR THE CONSTRUCTION OF THE WATER SYSTEM REHABILITATION PROJECT NO. 2 AND APPROPRIATION OF FUNDS**

**WHEREAS**, the City of Folsom has identified this project as a priority to maintain integrity and operation of the water distribution system; and

**WHEREAS**, the infrastructure improvements identified to enhance the City's water distribution system includes installing isolation valves, providing water service redundancy and rebuilding pressure reducing stations; and

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

**WHEREAS**, plans and specifications were prepared for this work and publicly advertised for bids on May 6, 2021 and May 13, 2021; and

**WHEREAS**, Caggiano General Engineering, Inc. was the lowest responsive bidder, with an amount of \$1,395,785; and

**WHEREAS**, sufficient funds are available in the Water Operating Fund (Fund 520), however an appropriation in the amount of \$\$630,000 is needed for the project, increasing the overall project budget to \$\$2,554,694; 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 Caggiano General Engineering, Inc. for the construction of the Water System Rehabilitation Project No. 2 for a contract amount of \$1,1,395,785 with the budgeted amount to include a 10% contingency for a total \$139,579.

**BE IT FURTHER RESOLVED** that the Finance Director is directed to appropriate \$\$630,000 to the FY 2021-22 Water Operating Fund (Fund 520) for this project. The appropriation will be from fund balance which is currently available.

**PASSED AND ADOPTED** this 27<sup>th</sup> day of July 2021, by the following roll-call vote:

**AYES:** Councilmember(s):

**NOES:** Councilmember(s):

**ABSENT:** Councilmember(s):

**ABSTAIN:** Councilmember(s):

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Michael D. Kozlowski, MAYOR

ATTEST:

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Christa Freemantle, CITY CLERK

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