

AGENDA STAFF REPORT

MEETING NAME: REGULAR BOARD MEETINGS

MEETING DATE(S): FEBRUARY 13 & 18, 2025

FROM: ERIC WECK, P.E., ENGINEERING MANAGER

FOR: ACTION X DIRECTION _____ INFORMATION _____



AWARD OF CONTRACT TO BORDEN EXCAVATING, INC. FOR GQPP AD-18 AREA D-3 SEWER CONSTRUCTION AND WATER LINE REPLACEMENT PROJECT AND CAPITAL BUDGET AUGMENTATION

STAFF RECOMMENDATION

Authorize the General Manager to award a contract for the GQPP AD-18 Area D-3 Sewer Construction and Water Line Replacement Project to the lowest responsible bidder, Borden Excavating, Inc., in the amount of \$5,252,252, plus a 10% contingency (total \$5,777,477.20), augment the capital improvement budget amount by \$1,820,622.20 for Job No. 11876, and to do all things necessary to complete the project, including but not limited to preparation and filing of a Notice of Exemption to comply with CEQA requirements.

SUMMARY

This project is for the construction of new sanitary sewer and water main replacement in the AD-18 Area D-3 sewer area. The scope of work involves installation of 4,402 linear feet of sanitary sewer lines, 102 sewer laterals, 17 sewer manholes and over 5,448 linear feet of water main, 131 water services, and 19 fire hydrants, including street restoration throughout the project area located within the City of DHS. Abatement will proceed with the assistance of the District's "Make the Connection" program following the completion of the sanitary sewer project.

FISCAL IMPACT & STRATEGIC PLAN IMPLEMENTATION

Sanitary sewer costs are being funded by Prop 1 Round 1 and Prop 1 Round 2 grants in the amount of \$951,988, AD-18 proceeds in the amount of \$815,966.12, and Capital Budget 11693 in the amount of \$2,334,764.00. The water main replacement will be funded through Capital Budget 11876 in the amount of \$3,892,293.08. Budget adjustment of \$1,820,622.20 for Capital Budget 11876 is being requested for the water main replacement for a total budget of \$3,892,293.08. This action is consistent with Strategic Plan Goal 4.3-Maintain and renew assets while facilitating strategic Capital Improvements.

ATTACHMENTS

Project History and Analysis
Contract Agreement
Bid Summary

FINANCIAL DATA		
Cost Associated with this action:	\$2,089,822	
Current FY cost:	\$0	
Future FY cost:	\$2,330,093.12	
Is it covered in current year budget:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Budget adjustment needed:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If yes, year needed:	NA	
All previous contracts including dates, amounts and board approvals are attached or have been made available.		
FUNDING SOURCES		
Source of funds:	Grant and CIP	
BID/Job#	11693	
Current BID/Job balance	\$2,292,637	
Balance remaining if approved:	\$202,815	

FINANCIAL DATA		
Cost Associated with this action:	\$3,687,656	
Current FY cost:	\$0	
Future FY cost:	\$3,892,293.08	
Is it covered in current year budget:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Budget adjustment needed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If yes, year needed:	2024/25	
All previous contracts including dates, amounts and board approvals are attached or have been made available.		
FUNDING SOURCES		
Source of funds:	CIP	
BID/Job#	11876	
Current BID/Job balance	\$2,067,000.00	
Balance remaining if approved:	\$199,967	

PROJECT HISTORY AND ANALYSIS

This project was originally part of Assessment District (AD) 12, with design work carried out by USACE for AD-12 Areas M, F, and D. Initially, this project was put out for bidding under AD-12 Area D-2 Sewer, specifically as bid alternatives 2 and 3. However, due to high bid costs, only the base bid and bid alternate 1 were constructed at that time. Following the sunset of AD-12 in 2014, the remaining sub Areas (A, D-3, G, H, I, J-2, and K) lacked a program for advancement until the establishment of AD-18. This project, now known as Area D-3, has been progressing since AD-18 formation in 2019, with funding secured for construction commencing now.

In December 2024, staff initiated the bidding process, receiving bids from nine contractors, marking a significant milestone for the District in safeguarding groundwater resources from risks linked to densely concentrated septic tanks. The project's objective is to provide sewer access to 82 developed lots and 20 vacant lots, alongside relocating water lines out of easements to enhance accessibility and mitigate potential liability.

The construction of sanitary sewer systems and the abatement of septic systems are critical steps in protecting our groundwater resources. Septic systems, when not properly maintained or located in areas of high density, can leak harmful contaminants into the soil, which may ultimately seep into the groundwater supply. These contaminants, including bacteria, viruses, and chemicals, pose serious risks to public health and the environment. By replacing septic systems with a modern sanitary sewer system, we can significantly reduce the potential for groundwater contamination, ensuring cleaner, safer water for our community.

The District's Groundwater Quality Protection Program plays a vital role in this effort. This program is designed to monitor, manage, and mitigate the risks associated with groundwater contamination, focusing on preventing the infiltration of pollutants into the aquifers that supply our drinking water. By transitioning from septic systems to sewer connections, we are actively contributing to the success of this program. The installation of sanitary sewer infrastructure, alongside the proper decommissioning of septic systems, helps to safeguard our groundwater resources, ensuring the long-term availability and quality of water for current and future generations.

Ensuring the reliability of the District's water distribution system is a critical priority, especially when it comes to preventing costly and disruptive water main breaks. The existing 4" asbestos-cement (AC) pipe, installed in 1969 within easements, has become increasingly vulnerable due to its age and material, leading to higher risks of leakage, fractures, and other failures that can disrupt water service. To address this, the project involves upgrading the outdated AC pipe with a new, more durable 8" ductile iron pipe (DIP) installed in the streets fronting the project area.

DIP is recognized for its strength, longevity, and resistance to corrosion, making it a more reliable material for water distribution systems. By replacing the old AC pipe with new DIP, the District will significantly reduce the likelihood of water main breaks, ensuring more consistent and uninterrupted water service to the community. This upgrade not only improves the overall reliability and efficiency of the water distribution network but also aligns with the District's long-term goal of maintaining a sustainable, secure, and resilient infrastructure to meet the growing needs of its customers.