

AGENDA STAFF REPORT

MEETING NAME: REGULAR BOARD MEETING

MEETING DATE(S): OCTOBER 13 & 17, 2022

FROM: BRIAN MACY – ASSISTANT GENERAL MANAGER

FOR: ACTION X DIRECTION _____ INFORMATION _____



AWARD OF CONTRACT FOR THE CONSTRUCTION OF THE REGIONAL SEWER CONVEYANCE LINE PROJECT

STAFF RECOMMENDATION

Authorize the General Manager to award a contract for the construction of the Regional Sewer Conveyance Line Project to Downing Construction, Inc., the lowest responsible bidder, in the amount of \$6,508,281.00 plus a 10% contingency of \$650,828.10 for a total of \$7,159,109.10, and to do all things necessary to complete the project.

SUMMARY

The Regional Water Reclamation Facility (RWRf) Project is a vital component in expanding the District's wastewater treatment capacity. One major component is the Regional Sewer Conveyance Line Project, which will construct 2.0 miles of force main and 1.3 miles of gravity sewer from the existing Dos Palmas Lift Station to the RWRf and provide the initial wastewater flows for treatment at the RWRf. The project also includes the construction of a sewer diversion near the Horton Wastewater Treatment Plant to divert additional wastewater flows to the RWRf and allow greater operational flexibility for treatment plant maintenance and upgrades.

ANALYSIS

Staff received and publicly opened four bids as described in greater detail in the attached Bid Review Summary Memorandum, including a full bid tabulation and a bidder compliance summary. Downing Construction's bid proposal included all required bid documentation with a bid of \$6,508,281.00. Their bid is approximately 18% higher than the engineer's estimate. Upon further review, the PVC and VCP pipeline bid items were the primary drivers for the cost increase. It's been well documented that constrained labor availabilities, global shortages of raw materials, and unreliable transportation have continued to provide challenges for manufacturers and have driven the cost of goods (i.e. pipe, appurtenances, aggregate, etc.) and services higher both locally and globally. The engineer's estimate was based on a similar publicly bid project over the last 12 months, yet this volatility is highlighted by the unit cost for the PVC pipeline at 40% higher and for the VCP pipeline at 25% to 35% higher than the engineer's estimate. Finally, while all bids were above the engineer's estimate, the three lowest bids were within 7% of each other indicating that the current market conditions are the biggest factor in price increases.

FISCAL IMPACT AND STRATEGIC PLAN IMPLEMENTATION

The Project was approved in the capital budget for an amount of \$8,040,000.00, including design, CEQA, construction, construction management, and inspection. The Project is part of the \$68,627,837 RWRf Grant through the State Water Resource Control Board. While the Regional Sewer Conveyance Line Project bid was above the engineer's estimate, the full project cost was within the approved grant amount. As such, there is no fiscal impact on the District.

ATTACHMENTS

Contract Agreement

Bid Review Summary Memorandum (with Bid Tabulation and Bid Compliance Summary)