



CITY OF POMONA COUNCIL REPORT

June 5, 2017

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Darron Poulsen, Water and Wastewater Operations Director

Subject: **Adopt a Resolution Amending the 2016/2017 Capital Improvement Program (CIP) Budget by Appropriating: \$7,100 of Available Series "BB/BD" Sewer Bond Proceeds, \$359,289 of Available Series "BA" Sewer Bond Proceeds, and \$3,250,000 of Available Sewer Fund Balance, to "Sewer Pipeline Replacement – Citywide (Phase IV)," Project No. 586-2565-XXXXX-86022; and Award a Construction Contract to MNR Construction, Inc., in the amount of \$3,765,800**

OVERVIEW

Recommendation – That the City Council:

1. Adopt a resolution amending the FY 2016/2017 Capital Improvement Program (CIP) budget by appropriating the following funds to "Sewer Replacement - Citywide (Phase IV)," Project No. 586-2565-XXXXX-86022:
 - a. \$7,100 of available Series "BB/BD" Sewer Bond proceeds;
 - b. \$359,289 of available Series "BA" Sewer Bond proceeds; and
 - c. \$3,250,000 of available Sewer Fund balance;
2. Find the bid of Vasilj, Inc. to be non-responsive as the result of a clerical error made during the bid preparation of their pavement subcontractor, allow them to withdraw their bid, and authorize return of their bid guarantee;
3. Award a construction contract to MNR Construction, Inc. in the amount of \$3,765,800, for "Sewer Pipeline Replacement – Citywide (Phase IV)," Project No. 586-2565-XXXXX-86022;
4. Authorize change order capability to 15% of the contract amount, which will exceed the \$100,000 allowed by City Code Section 2-1001(b)(14); and
5. Authorize the City Manager to execute the construction contract, subject to review by the City Attorney, and any subsequent change orders of the awarded contract amount on behalf of the City.

Fiscal Impact – Funding for the project is available from Series "BB/BD," and "BA" Bond proceeds, as well as, available Sewer Fund Balance. This project will be fully funded with the proposed appropriations. Table 1 on the following page summarizes the proposed fiscal impact:

Table 1

Category	“Sewer Pipeline Replacement – Citywide (Phase IV)” Project No. 586- 2565-XXXXX-86022
Beginning Budget	\$956,000
Appropriation of Series “BB/BD” Bond proceeds	\$7,100
Appropriation of Series “BA” Bond proceeds	\$359,289
Appropriation of Sewer Fund	\$3,250,000
New Beginning Budget	\$4,572,389
Expenditures and encumbrances (as of May 23, 2017)	(\$27,655)
Amendment of Construction Contract to MNR Construction, Inc.	(\$3,765,800)
Balance Remaining for Construction Contingency, Administrative and Miscellaneous Costs	\$778,934

MBE/WBE – MNR Construction, Inc is not an MBE/WBE contractor.

Previous Related Action – There are no previously related actions.

Environmental - The project is categorically exempt under Section 15301(d) of the California Environmental Quality Act.

EXECUTIVE SUMMARY

This proposed action will award a construction contract to install approximately 8,100 linear feet of sewer mains at one hundred seventy-two (172) different locations in the northern part of the City. This project consists of the highest prioritized replacement segments identified by the City's closed circuit television (CCTV) inspection and assessment program. This work will take approximately three months to complete.

DISCUSSION

This project is for rehabilitation of several different reaches of the sanitary sewer system in the northern part of the City. These segments of the sanitary sewer system were identified by the 2005 Sewer Master Plan as high priority “red flag” areas. Sewer Maintenance staff has recently verified that the locations are still in need of rehabilitation/improvements due to sewer pipeline deficiencies such as undersize piping, sewer pipe condition, sewer flows constraints, etc.

Per the requirements of Pomona City Code Section 2-1001, a notice was posted on the City's website on April 11, 2017, for the City's CIP Project “Sewer Pipeline Replacement – Citywide (Phase IV)”, Project No. 586-2565-XXXXX-86022. Addendums were issued on April 25, 2017, and May 3, 2017. On May 17, 2017, five (5) bids were received and opened by the City's Clerk. The bid results are listed in Table 1 on the following page:

Award of Construction Contract to MNR Construction, Inc. in the amount of \$3,765,800 for Sewer Pipeline Replacement – Citywide (Phase IV), Project No. 586-2565-XXXXX-86022
June 5, 2017
Page 3 of 3

Table 1

Bidder's Name		Bid Amount
1	Vasilj, Inc. Irwindale, CA	\$2,920,720
2	MNR Construction, Inc. Baldwin Park, CA	\$3,765,800
3	Mike Prlich and Sons Inc. Baldwin Park, CA	\$3,771,600
4	DDH Apple Valley Construction Apple Valley, CAS	\$4,558,068
5	Colich and Sons Irwindale, CA	\$4,678,675

The lowest responsive bid in the amount of \$2,920,720 was submitted by Vasilj, Inc. The lowest bid is 11.49 % (\$379,280) below the last updated engineer's estimate of \$3,300,000 and 22.44 % (\$845,080) below the second lowest bidder. The apparent low bidder submitted a request to the City, dated May 17, 2017, (Attachment 2) requesting that the City allow Vasilj, Inc. to withdraw its bid due to a mathematical error made by their sub-contractor G.M. Sager when filling out the bid proposal.

MNR Construction, Inc. submitted the lowest responsible bid. Qualification and reference check were conducted for MNR Construction, Inc. which included contacting listed references and verification of the contractor's license and insurance. MNR Construction, Inc. was found to be a responsible bidder and is appropriately licensed, bonded, insured, qualified and competent to perform this work.

Attachment: 1) Resolution
2) Vasilj, Inc. Bid Withdrawal Letter

Prepared by: Timotheus Hampton, PE, Senior Water Resources Engineer