



AGENDA STAFF REPORT

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Agenda Number: A
File ID: 0643.5219

Section Name: ACTION CALENDAR
Project ID: NP1602, NP1701, and NP2205

MEETING DATE: July 9, 2024

SUBJECT: Waive the immaterial deviations in T. E. Roberts Inc.'s bid and authorize the General Manager to execute a construction contract with T. E. Roberts, Inc. as the lowest responsive and responsible bidder for the Construction of Marriott Shadow Ridge, Low Pressure, and Emerald Desert Non-Potable Water Pipeline Projects, Specification No. 2022-42 in the amount of \$16,588,316 and approve additional expenditures for a total request of \$21,125,827.

TO: BOARD OF DIRECTORS

FROM: ENGINEERING/SANITATION/NONPOTABLE WATER, CARRIE OLIPHANT

**GENERAL MANAGER
RECOMMENDATION:**

RECOMMENDATION:

Waive the immaterial deviations in T. E. Roberts Inc.'s bid and authorize the General Manager to execute a construction contract with T. E. Roberts, Inc. as the lowest responsive and responsible bidder for the Construction of Marriott Shadow Ridge, Low Pressure, and Emerald Desert Non-Potable Water Pipeline Project (Project), Specification No. 2022-42 in the amount of \$16,588,316.

It is also recommended that the Board of Directors authorize the following additional expenditures:

- Task Order No. 2 with Krieger & Stewart, Inc. for engineering services during construction - \$316,500
- Task Order No. 4 with Atlas Technical Consultants, LLC for soils and concrete testing services - \$129,230,
- Task Order No. 2 with Vanir Construction Management for Clean Water State Revolving Fund (CWSRF) loan compliance support - \$262,365,
- CVWD Project Management - \$400,000,
- Construction Inspection - \$340,000,
- Contingency (5%) - \$829,416,
- Estimated interest on loan – \$2,260,000 based on loan terms of 30 years at 1.1% interest.

The total amount requested for Board approval is \$21,125,827.

BUDGET IMPACT:

The total cost of the Marriott Shadow Ridge, Low Pressure, and Emerald Desert Non-Potable Water Pipeline Projects (Project), including soft costs, is \$21,792,827 of which \$667,000 has been already spent. The Funding for the project is broken down as follows: Pay-Go Funds of \$3,959,370; Clean Water State Revolving Fund (CWSRF) loan funding of \$12,950,250, and Water Infrastructure Improvements for the Nation (WIIN) grant funding of \$4,883,207. The loan funding to be paid in 30 years at an average interest rate of 1.1 percent.

The Projects (NP1602, NP1701, and NP2205) are included in the Sanitation Fund Fiscal 2024-2025 Capital Improvement Budget in the amount of \$9,080,000. The Project is a multi-year construction project. It is anticipated that \$9,080,000 will be spent in this fiscal year and the remaining funds will be budgeted in the upcoming fiscal years using the same funding source.

PROCUREMENT METHOD:

☒ Formal Bid/RFP

If other, please explain: .

BACKGROUND

The scope of work for Marriott Shadow Ridge, Low Pressure, and Emerald Desert Non-Potable Water Pipeline Projects (Project) includes the off-site distribution pipelines that will connect to the two NPW users (Marriott Shadow Ridge and Emerald Desert) and also support the future expansion of the WRP-10 Low Pressure NPW system customers along Frank Sinatra Drive. The additional customers supported by the Low Pressure Pipeline include 1) Suncrest Country Club, 2) Rancho Mirage Country Club, 3) Cotino Development, 4) Annenberg Estate, 5) Tamarisk Country Club, 6) Desert Island Country Club, and 7) Springs Country Club. In addition, the Low Pressure Pipeline will also support the future expansion of the WRP-10 Low Pressure NPW system to future NPW customers in the north valley. The NPW pipelines will be installed in the City of Palm Desert, within the streets of Portola Avenue, Frank Sinatra Drive, and Cook Street. The Project will supply approximately 2,489 acre-feet per year of NPW to Marriott Shadow Ridge and Emerald Desert and also support additional NPW demand of approximately 5,525 acre-feet per year for NPW customers along Frank Sinatra Drive. The Project includes construction of approximately 13,900 linear feet of 36-inch diameter zinc coated ductile iron pipe and approximately 400 linear feet of smaller 12-inch to 24-inch diameter zinc coated pipeline for irrigation purposes to meet the demands of NPW customers reducing their reliance on groundwater for turf irrigation purposes.

The Project was advertised for bids on March 8, 2024, through PlanetBids. The engineer-of-record's opinion of probable construction cost including the additional scope items added via addendums ranged from \$12 million to \$14 million. On May 29, 2024, seven (7) bids were received and read publicly as follows:

· T. E. Roberts Inc.	\$16,588,316
· Downing Construction, Inc.	\$17,067,500
· Ferreira Coastal Construction Co.	\$17,950,722
· Nationwide Contracting Services, Inc.	\$19,170,626
· Borden Excavating, Inc.	\$19,999,000
· Weka, Inc.	\$21,157,580
· MNR Construction, Inc.	\$22,577,332

Please see the attached Register of Bids for Specification no. 2022-42. Please note that Steve P. Rados, Inc. submitted the bid bond, but a formal bid was not submitted.

Bid Analysis for Cost Increase compared with Engineer's Estimate

The low bidder, T.E. Robert's bid amount of \$16,588,316 is approximately eighteen (18) per cent or \$2.6 million higher than the high range of Engineer's estimate of \$14 million. The main contributor of the cost increase is the material cost for 36-inch diameter zinc coated ductile iron pipe. The Project includes construction of approximately 13,900 linear feet of 36-inch diameter zinc coated ductile iron pipe. Due to the increase in raw material costs, the unit cost of the 36-inch pipeline has increased by approximately \$200 per linear foot (from \$600 per linear foot to \$800 per linear foot) resulting in an estimated additional project cost of \$2,780,000. The

overall construction costs for the other bid items are in line with the Engineer's estimate.

Analysis of Immaterial Deviations in T. E. Roberts' Bid Identified by Staff

Staff has consulted with its general counsel's office, Best Best & Krieger (BBK) regarding the compliance with CWSRF loan requirements. The CWSRF loan requires that all bidders comply with certain Good Faith Effort (GFE) steps to encourage the participation of Disadvantaged Business Enterprises (DBE's) on the Project. Staff and BBK noted that T. E. Roberts did not publish the DBE opportunity in a local newspaper. However, T. E. Roberts published the DBE opportunity in the following two trade journals: 1) Daily Reporter and 2) Bid America.

Staff has completed the review of the bids for the apparent low bidder T. E. Roberts and second apparent low bidder Downing Construction, Inc. The apparent low bidder T. E. Roberts has included two DBE subcontractors for their work. The total cost of work for the two DBE subcontractors accounts for \$29,042.88 which is 0.18% of the total contract value. In comparison, the apparent second low bidder Downing Construction, has not accounted for any DBE subcontractors. The difference between the lowest and second apparent low bidder is \$479,184.

Based on this evaluation, staff recommends waiving the minor deviations in T.E Roberts' bid and awarding the Project to T E Roberts in the amount of \$16,588,316 as the lowest responsive and responsible bidder.

Engineering Services During Construction:

This Board item also requests authorizing execution of Task Order No. 2 with Krieger & Stewart, Inc. in the amount of \$316,500 for engineering services during construction. The proposed fee accounts for detailed submittal review, technical support for requests for information (RFIs) and change order review, testing and start-up assistance, preparation of record drawings, and attending bi-weekly progress meetings and site visits. The engineering services during construction value represents approximately 1.9% of the construction contract amount. Staff has found Krieger & Stewart's proposal to be reasonable for this type of work.

Soil and Concrete Testing Services During Construction:

Staff also requested proposals from our On-Call soil and concrete testing consultants for this Project. Atlas Technical Consultants (Atlas) submitted a proposal in the amount of \$129,230. Staff finds Atlas's proposal to be reasonable for this type of work and request authorization of Task Order No. 4 with Atlas in the amount of \$129,230.

CWSRF Loan Compliance Support During Construction:

The CWSRF loan agreement requires the recipient to submit monthly reports, quarterly progress reports, labor compliance reports, American Iron and Steel verifications, environmental permit compliance reports, and monthly reimbursement forms. The CWSRF loan also requires compliance for archaeological and paleontological monitoring as identified in the Project's Mitigation Monitoring and Reporting Plan. Staff submitted informal proposal requests to On-Call Engineering Services consultants for CWSRF loan compliance support on March 26, 2022, with a proposal due date of April 22, 2024. No proposals were submitted in response to the informal proposal request. Subsequently, staff requested a cost proposal from Vanir Construction Management, Inc. (Vanir) who is currently providing CWSRF loan compliance services for two of the existing projects. Vanir submitted a cost proposal in the amount of \$262,365. Please see attached informal proposal request summary. Staff finds Vanir's proposal reasonable for this type of work and requests authorization of Task Order No. 2 with Vanir in the amount of \$262,365 for CWSRF loan compliance support services.

The total amount requested for Board approval is \$21,125,827.

PRIOR BOARD ACTION:

Prior Board action included approval of the resolution authorizing the General Manager to execute a loan funding agreement for FY 2017-2018 NPW Pipeline Connection Projects with the State Water Resources Control Board (SWRCB) on December 11, 2018. Prior Board action also included approval of the resolution authorizing the General Manager to execute the loan funding agreement for FY 2020-2021 NPW Pipeline Connection Projects with the SWRCB on 4/12/2022. Prior Board action also included approval of the Resolution to authorize General Manager to execute Final Budget Approval for the FY 2020-2021 NPW Pipeline Connection Projects with the SWRCB.

DISTRICT STRATEGIC PLAN GOAL(S)/OBJECTIVES(S):

Approval of the Marriott Shadow Ridge, Low Pressure, and Emerald Desert Non-Potable Water Pipeline Projects aligns with the CVWD core value of the Coachella Valley Water Management plan including water conservation, water supply augmentation and source substitution to reduce reliance on groundwater.

ENVIRONMENTAL IMPACT:

☒ Yes, attachments included:

☒ Mitigated Negative Declaration

The Board certified the Mitigated Negative Declaration for the project and adopted the Mitigation Monitoring and Reporting Program for the FY 2017-2018 NPW Pipeline Projects on August 14, 2018. The Board also certified the Mitigated Negative Declaration for the project and adopted the Mitigation Monitoring and Reporting Program for the FY 2020-2021 NPW Pipeline Projects on December 8, 2020. No further environmental review is required.

PUBLIC NOTICE REQUIRED

N/A

LEGAL REVIEW

N/A

ATTACHMENTS

- Att 1 - BAI Map
- Att 2 – Krieger & Stewart Task Order No. 2
- Att 3 – Krieger & Stewart Proposal
- Att 4 – Atlas Task Order 4
- Att 5 – Atlas Proposal
- Att 6 – Vanir Task Order 2
- Att 7 - Vanir Proposal
- Att 8 – Information Proposal Summary for CWSRF Compliance Support
- Att 9 – Register of Bids
- Att 10- Construction Contract with T. E. Roberts, Inc.
- Att 11 – Notice of Determination FY 2017-2018 NPW Pipeline Project
- Att 12 – Notice of Determination FY 2020-2021 NPW Pipeline Project
- Att 13 – T. E. Roberts Designation of Subcontractors and DBE Utilization
- Att 14 – Downing Designation of Subcontractors and DBE Utilization