

AGENDA ITEM NO.

COUNCIL MEETING

APPROVED BY _____

DEPARTMENT DIRECTOR _____

CITY MANAGER

January 30, 2007

FROM: JON R. RUIZ, Interim Public Works Director
Public Works Department

BY: SCOTT L. MOZIER, PE, Assistant Public Works Director
Public Works Department, Engineering Division

LALKUMAR GOONAWARDENA, P.E.
Public Works Department, Design Services Division

SUBJECT: AWARD A CONTRACT TO GEORGE DAKOVICH AND SON FOR THE
INSTALLATION OF AN 8" WATER MAIN IN THE CALAVERAS/BLACKSTONE
ALLEY FROM BULLARD AVENUE TO ESCALON AVENUE, BID FILE NO. 2669
(PROPERTY LOCATED IN COUNCIL DISTRICT 2)

KEY RESULT AREA

Customer Service

RECOMMENDATIONS

Staff recommends that the Council award a contract for the Base Bid and Add Alternate I in the amount of \$114,104.00 to George Dakovich and Son as the lowest responsive and responsible bidder.

EXECUTIVE SUMMARY

The existing water main in Blackstone/Calaveras alley is located in a former County Water District. Due to the age and rapid deterioration of this water main, failures occur frequently, thus impacting the customers adversely. The City of Fresno Water Division is replacing the existing water main with a new 8" water main, to provide reliable service to the customers, as well as to eliminate the high maintenance costs associated with the older water main.

KEY OBJECTIVE BALANCE

This project best balances the three Key Objectives of Customer Satisfaction, Employee Satisfaction and prudent Fiscal Management. This project will enable the City of Fresno to provide more consistent water pressure and circulation to its end users. The project will also provide

employee satisfaction by making water main maintenance and operation much easier for the Water Division service crews. The awarded contract price is 57% lower than the Engineer's Estimate. Therefore, it is fiscally responsible for the City.

BACKGROUND

This project is for the installation of an 8" water main on Calaveras/Blackstone Alley from Bullard Avenue to Escalon Avenue. The new water main will replace the existing water main that has deteriorated due to age. The new water main will provide more consistent water pressure to the customers and improve service reliability to this area.

Plans and Specifications were prepared and a Notice of Inviting Bids was published in the Business Journal on December 28, 2006, posted on the City's website and faxed to 6 builder exchanges. Plans and specifications were picked up by 6 prospective bidders. Two bids were received and opened in a public bid opening on December 28, 2006. Bid prices for the two bids were \$114,104.00 and \$192,828.00. The lowest bid was 57% below the Engineer's Estimate of \$179,000.

George Dakovich and Son submitted the lowest bid price in the amount of \$114,104.00 and is considered the lowest responsive and responsible bidder. Staff recommends that the City Council award a contract for the Base Bid and Add Alternate I in the amount of \$114,104.00 to George Dakovich and Son as the lowest responsive and responsible bidder. The project will be completed in 60 working days from issuance of Notice to Proceed.

The Council may reject all bids. However, in the event both bids are rejected, the project will be rebid resulting in a delay of approximately sixty days.

FISCAL IMPACT

See attached.

JRR/SLM/MC/eam
Award Contract Dakovich Wtr Main Calaveras-Blackstone Alley 1-30-07

Attachment: Bid Evaluation
Fiscal Impact Statement

EVALUATION OF BID PROPOSALS

Page 1

FOR: INSTALL 8" WATER MAIN ON CALAVERAS/BLACKSTONE ALLEY BETWEEN BULLARD & ESCALON

Bid File No. 2669
Bid Opening: 12/28/06

BIDDER	BASE BID + ALT. 1	BASE BID + ALT. 2
George Dakovich & Son 6135 N Golden State Blvd. Fresno, CA 93722	\$114,104.00	No Bid
Kelly Broyles Construction 2639 N Business Park Ave, #102 Fresno, CA 93727	\$119,052.00	\$131,572.00
West Valley Contruction 580 McGlincey Lane Campbell, CA 95008	\$129,910.00	No Bid
Yarbs Enterprises 11339 S Peach Fresno, CA 93725	\$139,706.60	\$148,835.60
Haydon Construction 2350 N Chestnut, #103 Fresno, CA 93703	\$162,887.40	No Bid
Bill Nelson Inc. 401 W. Fallbrook, Ste 104 Fresno, CA 93711	\$192,200.00	No Bid

Each bidder has agreed to allow the City sixty-two (62) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, February 7, 2007 5:00 P.M.

The Engineer's Estimate/Budget Allocation for this expenditure is \$ 179,000 . The contract price is 57 % below the Engineer's Estimate/Budget Allocation. If the overage is greater than 10% or only one bid was received, give explanation:

BACKGROUND OF PROJECT (To be completed by Evaluating Department/ Division. Explain need for project/equipment):

This project is to replace the existing old water main in Calaveras/Blackstone Alley. Currently, the Water Division spends many manhours repairing the leaks to keep water main functional. By replacing the water main, the Water Division will eliminate unnecessary expenditures, as well as provide reliable water service to the customers.

EVALUATION OF BID PROPOSALS

FOR: INSTALL 8" WATER MAIN ON CALAVERAS/BLACKSTONE ALLEY BETWEEN BULLARD & ESCALON

Bid File No. 2669
Bid Opening: 12/28/06

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ 114,104.00 to George Dakovich and Son at 615 N. Golden State Blvd. Fresno, CA 93727 for the base bid plus alternate bid 1 as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Department Head Approval

[Signature]
Title DIRECTOR
Date 1/11/07

[Signature]
Title ASST. DIR.
Date 1/11/07

- Approve Dept. Recommendation
- Disapprove
- See Attachment
- Approve GSD/Purchasing Recommendation
- Disapprove

GENERAL SERVICES DEPARTMENT

CITY MANAGER

[Signature] 1/16/07
Purchasing Manager Date
[Signature] for
Director Date

[Signature] 1/22/07
City Manager or Designee Date

FISCAL IMPACT STATEMENT

Calaveras/Blackstone Alley
From Bullard to Escalon Avenues
INSTALLATION OF AN 8" WATER MAIN

PROGRAM: Project ID WC00004 (Res type J5116 – KRA 0602002000)

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$ 114,104.00</u>	_____
Indirect Cost	<u>\$ 24,000.00</u>	_____
TOTAL COST	<u>\$ 138,104.00</u>	=====
Additional Revenue or Savings Generated	_____	_____
 Net City Cost	 <u>\$ 138,104.00</u>	 =====
 Amount Budgeted (If none budgeted, identify source)	 <u>WC00004</u>	 _____

REMARKS:

Contract Administration (Const. Manage., Surveying, Inspection, Contract Compliance, Wet Ties)	\$ 15,000.00
Contract Engineering Support	\$ 3,000.00
Contract Contingencies	\$ 5,000.00
Project Closeout	<u>\$ 1,000.00</u>
TOTAL	\$ 24,000.00