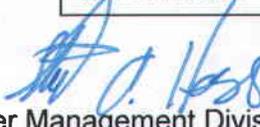




May 6, 2010

FROM:RENE A. RAMIREZ, Director
Department of Public Utilities **BY:**STEPHEN A. HOGG, Assistant Director
Department of Public Utilities, Wastewater Management Division **SUBJECT:**

ADOPT A FINDING OF CLASS 1 AND 2 CATEGORICAL EXEMPTIONS, PURSUANT TO SECTION 15301(B) (EXISTING FACILITIES) AND 15302(C) (REPLACEMENT OR RECONSTRUCTION) OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT GUIDELINES FOR REHABILITATION OF SEWER UTILITIES AT FRUIT, GETTYSBURG, VAGEDES, SANTA ANA, MARKS AND WISHON AVENUES AND FRESNO AND FIRST STREETS. AWARD A \$1,556,490 CONTRACT TO INSITUFORM TECHNOLOGIES, INC., OF CHESTERFIELD, MISSOURI, FOR THE REHABILITATION OF FRUIT, GETTYSBURG, VAGEDES, SANTA ANA, MARKS, AND WISHON AVENUES AND FRESNO AND FIRST STREETS SEWER (BID FILE NO. 2978) (FRESNO COUNTY, NEAR COUNCIL DISTRICTS NO. 3, 4, 6 & 7). ADOPT THE 74th ANNUAL APPROPRIATION RESOLUTION NO. 2009-149.

RECOMMENDATIONS

1. Staff recommends the City Council adopt a finding of Class 1 and 2 Categorical Exemptions, pursuant to Section 15301(b) (existing facilities) and 15302(c) (replacement or reconstruction) of the California Environmental Quality Act guidelines for rehabilitation of sewer utilities at Fruit, Gettysburg, Vagedes, Santa Ana, Marks and Wishon Avenues and Fresno and First streets.
2. Staff recommends the City Council award a contract in the amount of \$1,556,490 to Insituform Technologies, Inc., of Chesterfield, Missouri, for Sewer Rehabilitation in Fruit, Gettysburg, Vagedes, Santa Ana, Marks, and Wishon Avenues and Fresno and First Streets as the lowest responsive and responsible bidder.
3. Adopt the 74th Annual Appropriation Resolution (AAR) No. 2009-149 to appropriate funds.

EXECUTIVE SUMMARY

The Department of Public Utilities Wastewater Management Division is seeking to award a Sewer Rehabilitation construction contract for 11,978 lineal feet of pipe in Fruit, Gettysburg, Vagedes, Santa Ana, Marks, and Wishon Avenues and Fresno and First Streets by installing a new Cast in Place Pipe (CIPP) liner where capacity and structural deficiencies were identified. Staff recommends that the City Council adopt a finding of Class 1 and 2 Categorical Exemptions, pursuant to Section 15301(b) and 15302(c) of the CEQA guidelines, award a contract in the amount of \$1,556,490 to Insituform Technologies, Inc., of Chesterfield, Missouri, as the lowest responsive and responsible bidder and adopt the 74th Annual Appropriation Resolution (AAR) No. 2009-149.

AGENDA ITEM NO.	1 G
COUNCIL MEETING	5/6/2010
APPROVED BY	

DEPARTMENT DIRECTOR 

CITY MANAGER

REPORT TO THE CITY COUNCIL

Fruit, Gettysburg, Vagedes, Santa Ana, Marks, and Wishon Avenues
and Fresno and First Streets Sewer Rehabilitation

May 6, 2010

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BACKGROUND

In 2009 the City Council adopted the Sewer System Management Plan (SSMP) prepared by the Department of Public Utilities (DPU), as required by the statewide General Wastewater Discharge Requirements for sanitary sewer collection systems. This plan calls for the need to perform evaluations, check design criteria, analyze capacity enhancement measures and create schedules for improvements. The SSMP utilizes the 2006 Wastewater Collection System Master Plan to determine inadequate areas within the sewer collection system. This master plan identified North First Street 18-inch sewer from East Stuart Avenue to East Vartikian Avenue, North Fresno Street 18-inch sewer from East Barstow Avenue to East Browning Avenue, North Wishon Avenue 18-inch sewer from East Garland Avenue to East Griffith Way, North Fruit Avenue 21-inch sewer from West Ashlan Avenue to West Gettysburg Avenue, North Vagedes Avenue 18-inch sewer from West Gettysburg Avenue to West Santa Ana Avenue, West Gettysburg Avenue 18-inch sewer from North Fruit Avenue to North Vagedes Avenue, North Marks Avenue 21-inch sewer from West Alamos Avenue to West San Jose Avenue, North Marks Avenue 18-inch sewer from West San Carlos Avenue to West Barstow Avenue, and North Marks Avenue 18-inch sewer from West Shields Avenue as being in poor condition. The condition is a result of hydrogen sulfide corrosion. DPU recommends constructing a CIPP corrosion resistant liner in the existing concrete pipe as the most cost-effective solution. The CIPP liner will repair the structural integrity and prevent further corrosion caused by hydrogen sulfide. The installation of a CIPP liner will also restore the flow capacity and reliability of the collection system.

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within Class 1 and 2 Categorical Exemptions set forth in California Environmental Quality Act (CEQA) Guidelines, section 15301(b) (Existing Facilities) and 15302(c) (Replacement or Reconstruction) as this contract is for the repair and rehabilitation of existing public sewer utilities involving the construction of a CIPP corrosion resistant liner in the existing concrete pipe which will involve negligible or no expansion of capacity or use. Furthermore, none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.

Plans and specifications were prepared for the project. A Notice Inviting Bids was published on January 11, 2010, posted on the City's website and faxed to six building exchanges. The specifications were distributed to 21 prospective bidders. Five sealed bid proposals were received and publicly opened on February 11, 2010. Bid proposal prices ranged from \$1,556,490 to \$2,741,590.

Insituform Technologies, Inc. was the lowest responsive bidder and submitted a bid of \$1,556,490. Staff determination was posted on the City Website on March 15, 2010. Staff recommends that the City Council award a contract in the amount of \$1,556,490 to Insituform Technologies, Inc. as the lowest responsive and responsible bidder. Their bid price is 50% below the construction allocation. The Engineer's Estimate was \$3,240,000.

The Council may award a contract in the amount of \$1,556,490 to Insituform Technologies, Inc., and the project will be completed within 60 working days from the date of the Notice to Proceed. The funds for this project are available in the 2008 Sewer Enterprise bond fund No. 40525. This project was originally budgeted using FY10 Sewer Enterprise Operating Funds. However, it is being moved to be funded with 2008 Sewer Enterprise bond fund No. 40525 requiring the request for the AAR to appropriate the fund in Fund No. 40525. As a result of the unusually favorable construction environment, the City has been receiving lower than anticipated bids for most projects allowing additional project to be funded from bond proceeds. All bond proceeds from this debt issue must be expended within three years to avoid possible loss of their tax exempt status, which the award of this project as recommended provides.

REPORT TO THE CITY COUNCIL

**Fruit, Gettysburg, Vagedes, Santa Ana, Marks, and Wishon Avenues
and Fresno and First Streets Sewer Rehabilitation**

May 6, 2010

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The Council may reject all bids. If all bids are rejected, the project will be rebid resulting in a delay of approximately 85 days. As the end of the fiscal year approaches, a delay in award will result in the project being awarded sometime after July 1, 2010, or next fiscal year.

FISCAL IMPACT

The funds for this project are available in the 2008 Sewer Enterprise bond fund No. 40525. This project was originally budgeted using FY10 Sewer Enterprise reserves. However, because of the unusually favorable bidding environment this project is being moved to be funded with 2008 Sewer Enterprise bond fund No. 40525 causing the request for the AAR to appropriate the funds in Fund No. 40525.

Attachments:

Fiscal Impact Statement

Bid Evaluation

Annual Appropriation Resolution

FISCAL IMPACT STATEMENT

PROGRAM:

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$1,556,490.00</u>	_____
Indirect Cost (Additional See Below)	<u>\$41,000.00</u>	_____
TOTAL COST	<u>\$1,597,490.00</u>	_____
Additional Revenue or Savings Generated	<u>\$0</u>	_____
Net City Cost	<u>\$1,597,490.00</u>	_____
 Amount Budgeted (If none budgeted, identify source)	 <u>\$3,119,800.00*</u>	 _____
 Inspection	 <u>\$8,000.00</u>	
Administration	<u>\$10,000.00</u>	
Contract Compliance	<u>\$15,000.00</u>	
Other	<u>\$8,000.00</u>	

***Annual Appropriation Resolution 74th AAR No. 2009-149**

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EVALUATION OF BID PROPOSALS

FOR: SEWER REHABILITATION IN FRUIT, GETTYSBURG, VAGEDES, SANTA ANA, MARKS,
AND WISHON AVENUES AND FRESNO AND FIRST STREETS

Bid File No. 2978
Bid Opening: 02/11/2010

BIDDERS'S	TOTAL NET BID AMOUNT
1. Insituform Technologies, Inc. 17988 Edison Ave. Chesterfield, MO 63005	\$1,556,490.00
2. RePipe California, Inc. 5525 E Gibraltar St. Ontario, CA 91764	\$1,727,838.00
3. Pipenology, Inc. 4253 Duluth Ave Rocklin, CA 95765	\$1,731,661.00
4. Michels Pipeline Construction 1715 16 th St SE Salem, OR 97302	\$2,200,000.00
5. Spiniello Companies 1441 E Ninth St Pomona, CA 91766	\$2,741,590.00

Each bidder has agreed to allow the City sixty-four (64) 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, March 10, 2010, 5:00 P.M.

The Engineer's Estimate for this expenditure is \$3,240,000.00. The contract price is 52% above/below the Engineer's Estimate.

BACKGROUND OF PROJECT:

In 2009 the City Council adopted the Sewer System Management Plan (SSMP) prepared by the Department of Public Utilities (DPU), as required by the statewide General Wastewater Discharge Requirements for Sanitary sewer collection systems. This plan calls for the need to perform evaluations, check design criteria, analyze capacity enhancement measures and create schedules for improvements. The SSMP utilizes the 2006 Wastewater Collection System Master Plan to determine inadequate areas within the sewer collection system. This master plan identified N. First Street 18-inch sewer from E. Stuart Avenue to E. Vartikian Avenue, N. Fresno Street 18-inch sewer from E. Barstow Avenue to E. Browning Avenue, N. Wishon Avenue 18-inch sewer from E. Garland Avenue to E. Griffith Way, N. Fruit Avenue 21-inch sewer from W. Ashlan Avenue to W. Gettysburg Avenue, N. Vagedes Avenue 18-inch sewer from W. Gettysburg Avenue to W. Santa Ana Avenue, W. Gettysburg Avenue 18-inch sewer from N. Fruit Avenue to N. Vagedes Avenue, N. Marks Avenue 21-inch sewer from W. Alamos Avenue to W. San Jose Avenue, N. Marks Avenue 18-inch sewer from W. San Carlos Avenue to W. Barstow Ave, and N. Marks Avenue 18-inch sewer from W. Shield Avenue as being in poor condition; the condition is a result of hydrogen sulfide corrosion. DPU recommends constructing a CIPP

EVALUATION OF BID PROPOSALS

Page 2

**FOR: SEWER REHABILITATION IN FRUIT, GETTYSBURG, VAGEDES, SANTA ANA, MARKS,
AND WISHON AVENUES AND FRESNO AND FIRST STREETS**

Bid File No. 2978

Bid Opening: 02/11/2010

corrosion resistant liner in the existing concrete pipe as the most cost-effective solution. The CIPP liner will repair the structural integrity and prevent further corrosion caused by hydrogen sulfide. The installation of a CIPP liner will restore the flow capacity and reliability of the collection system.

Plans and specifications were prepared for the project. A Notice Inviting Bids was published on January 11, 2010, posted on the City's website and faxed to six building exchanges. The specifications were distributed to 21 prospective bidders. Five sealed bid proposals were received and publicly opened on February 11, 2010. Bid proposal prices ranged from \$1,556,490.00 to \$2,741,590.00.

Insituform Technologies, Inc. was the lowest responsive bidder and submitted a bid of \$1,556,490.00. Staff recommends that the City Council award a contract in the amount of \$1,556,490.00 to Insituform Technologies Inc. as the lowest responsive and responsible bidder. Their bid price is 50% below the construction allocation

EVALUATION OF BID PROPOSALS

FOR: SEWER REHABILITATION IN FRUIT, GETTYSBURG, VAGEDES, SANTA ANA, MARKS,
AND WISHON AVENUES AND FRESNO AND FIRST STREETS

Bid File No. 2978
Bid Opening: 02/11/2010

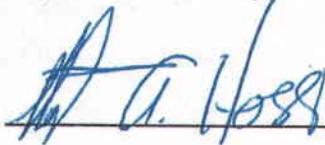
DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$1,556,490.00 to Insituform Technologies as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Department Head Approval



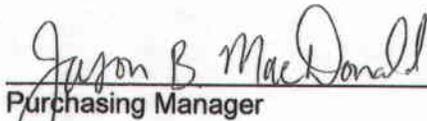
Title Assistant Director of Public Utilities

Date 3-4-10

- | | |
|--|--|
| <input checked="" type="checkbox"/> Approve Dept. Recommendation | <input type="checkbox"/> Approve GSD/Purchasing Recommendation |
| <input type="checkbox"/> Disapprove | <input type="checkbox"/> Disapprove |
| <input type="checkbox"/> See Attachment | |

GENERAL SERVICES DEPARTMENT

CITY MANAGER

 3/9/2010
Purchasing Manager Date

 3/11/10
City Manager or Designee Date

 3/9/10
Director Date

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO ADOPTING THE 74th AMENDMENT TO THE ANNUAL APPROPRIATION RESOLUTION NO. 2009-149 APPROPRIATING \$1,597,500 OF BOND PROCEEDS FOR THE WISHON/MARKS/FRUIT/GETTYSBURG SEWER REHABILITATION PROJECT

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRESNO:

THAT PART III of the Annual Appropriation Resolution No. 2009-149 be and is hereby amended as follows:

	<u>Increase/(Decrease)</u>
TO: DEPARTMENT OF PUBLIC UTILITIES	
Wastewater Operating	\$ (1,597,500)
WW / SEW 2008 Bond Cap Proj	1,597,500

THAT account titles and numbers requiring adjustment by this Resolution are as follows:

<u>Wastewater Operating</u>	
Retained Earnings:	
Account: 25300 Unreserved/Undesignated	<u>\$ (1,597,500)</u>
Fund: 40501	
Org Unit: 413501	
	Total Retained Earnings
	<u>\$ (1,597,500)</u>
Appropriations:	
Account: 57301 Improvements	<u>\$ (1,597,500)</u>
Fund: 40501	
Org Unit: 413501	
Project: RC00109	
CS: SQ002	
	Total Appropriations
	<u>\$ (1,597,500)</u>

Increase/(Decrease)

WW / SEW 2008 Bond Cap Proj

Revenues:

Account: **39301** Bond Sales Proceeds \$ 1,597,500
Fund: **40525**
Org Unit: **413501**

Total Revenues \$ 1,597,500

Appropriations:

Account: **51101** Permanent Salaries \$ 41,000
57301 Improvements 1,556,500
Fund: **40525**
Org Unit: **413501**
Project: **RC00109**
CS: **SQ002**

Total Appropriations \$ 1,597,500

THAT the purpose is to appropriate \$1,597,500 of bond proceeds for the Wishon/Marks/Fruit/Gettysburg sewer rehabilitation project. This project was previously funded from the Wastewater Operating Fund, however due to the favorable bidding environment the project will now be funded from the 2008 Sewer bond proceeds.

CLERK'S CERTIFICATION

STATE OF CALIFORNIA }
COUNTY OF FRESNO } ss.
CITY OF FRESNO }

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the _____ Day of _____, 2010

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor Approval: _____, 2010
Mayor Approval/No Return: _____, 2010
Mayor Veto: _____, 2010
Council Override Veto: _____, 2010

REBECCA E. KLISCH
City Clerk
