



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 6, 2022

FROM: PUBLIC WORKS DEPARTMENT WARD: 4

SUBJECT: BID NO. 7918 – CONSTRUCTION OF VAN BUREN BOULEVARD SEWER SYSTEM, KRAMERIA SEWER PUMP STATION, AND WOOD ROAD SEWER PUMP STATION IMPROVEMENTS – REJECT ALL BIDS

ISSUE:

The issue for City Council consideration is to reject all bids and release related bid bonds received for the construction of the Van Buren Boulevard sewer system, the Krameria sewer pump station, and the Wood Road sewer pump station improvements.

RECOMMENDATIONS:

That the City Council reject all bids and release related bid bonds received for Bid No. 7918 - Construction of Van Buren Boulevard sewer system, Krameria Sewer pump station, and Wood Road sewer pump station improvements.

BACKGROUND:

The Van Buren Boulevard corridor between Wood Road and King Avenue is in the City of Riverside's (City) sewer service area, although 46% of the project is located within the County of Riverside. The lack of sewer service is impeding property and business development, increasing the operational and maintenance costs of private septic systems, affecting the environment and public health, and impacting Woodcrest Elementary and Woodcrest Christian High School. Efforts have been made to establish sewer service in the Woodcrest area but were unsuccessful due to legal challenges preventing bonds from being sold and the dissolution of an assessment district, as not enough businesses and property owners participated to finance the project.

Due to funding challenges, on March 21, 2017, the City Council approved a conceptual plan for the City to provide new sewer facilities on Van Buren Boulevard between Wood Road and King Avenue ("Project") and authorized the Public Works Department to begin engineering design, environmental clearance, and right-of-way acquisition for the construction of the new sewer facilities.

On February 5, 2019, the City Council approved a Memorandum of Understanding between the City, Western Municipal Water District, and the County of Riverside to support the construction of

the Van Buren Boulevard Sewer Project, including acquisition of the vacant lot at 16476 Washington Street.

On January 19, 2021, the City Council approved a potholing contract to locate utilities within the Project limits as well as a Purchase and Sale Agreement with Western Municipal Water District for the acquisition of a lot located at 16476 Washington Street to construct the sewer pump station. Since a large portion of the Project is in the County, the City Council directed staff to work with the County to assess available grants and/or pursue an interagency funding agreement to reduce project costs outside City limits.

On April 13, 2021, the City Council authorized the submission of a grant application to the U.S. Economic Development Administration (USEDA), in the amount of \$3,000,000, to construct the sewer improvements along Van Buren Boulevard from Wood Road to King Avenue.

On April 5, 2022, the City Council approved an Interagency Funding Agreement with the Riverside County Office of Economic Development (EDA) in which the County agreed to contribute \$6,440,000 for their fair share to this Project.

DISCUSSION:

On September 9, 2022, Bid No. 7918 for the construction of Van Buren Boulevard sewer system, Krameria sewer pump station, and Wood Road sewer pump station improvements (“Project”) was posted on PlanetBids to construct gravity and force main sewer pipes on Van Buren Boulevard, a sewer pump station at the northeast corner of Krameria Ave. and Washington St., and improve the existing Wood Road sewer pump station to accommodate additional sewage flow from the Woodcrest tributary area.

On October 27, 2022, three bids were received for the construction of the Project (Attachment 1). The bids ranged from \$22,030,611 to \$23,134,650, which are 84.4% to 93.7% over the Engineer’s Estimate. The Public Works Department reviewed the bid proposals, the questions asked during the bidding period, and believes the City would be able to attract more competitive bids for the Project if the specifications are revised to clarify various requirements. As a result, Public Works is recommending that the City Council reject all bids, release all related bid bonds, and direct the Public Works Department to revise the bid documents and re-advertise the Project for bids.

The Purchasing Manager concurs that the recommendation to reject is in compliance with Purchasing Resolution 23914.

STRATEGIC PLAN ALIGNMENT:

This Project aligns to **Strategic Priority No. 6 – Infrastructure, Mobility and Connectivity** and **Goal No. 6.2** – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

1. **Community Trust** – This Project proposes to install sewer infrastructures on Van Buren Boulevard between King Avenue and Wood Road to serve the communities fronting the corridor in order to eliminate health hazards associated with sewer septic tank system and to promote community growth.
2. **Equity** – The Project will provide a higher degree of sewer service reliability and capacity

compared to septic tank system to all properties fronting Van Buren Boulevard between King Avenue and Wood Road.

3. **Fiscal Responsibility** – By rejecting the bids and re-advertise the project, the City is fiscally responsible by soliciting the lowest responsive and responsible bidder for the construction of this Project.
4. **Innovation** – This Project will be re-advertised on PlanetBids, which is an internet-based platform that allows for a wider exposure to potential contractors compared to the conventional local newspaper advertisement.
5. **Sustainability & Resiliency** – By advertising this Project on PlanetBids, the City eliminates the use of printed hard copy documents, which saves papers and translate to a greener and more sustainable practice.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: Gilbert Hernandez, Public Works Director
Certified as to availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachment: Bid Rejection Recommendation