



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: MAY 2, 2023**

**FROM: PUBLIC WORKS DEPARTMENT      WARD: 4**

**SUBJECT: AWARD BID NO. 7974 FOR THE INSTALLATION OF GRAVITY SEWER AND FORCE MAIN PIPELINES ON VAN BUREN BOULEVARD TO E.J. MEYER COMPANY OF YUCAIPA, CALIFORNIA, IN THE AMOUNT OF \$7,848,888 WITH 10% CHANGE ORDER AUTHORITY FOR A TOTAL CONTRACT AMOUNT OF \$8,633,776**

## **ISSUE:**

Award Bid No. 7974 for the installation of gravity sewer and force main pipelines on Van Buren Boulevard to E.J. Meyer Company of Yucaipa, California in the amount of \$7,848,888, with 10% change order authority for a total contract amount of \$8,633,776.

## **RECOMMENDATIONS:**

That the City Council:

1. Award Bid No. 7974 for the installation of gravity sewer and force main pipelines on Van Buren Boulevard to E.J. Meyer Company of Yucaipa, California, for a construction contract in the amount of \$7,848,888;
2. Approve change order authority for Bid No. 7974 for the installation of gravity sewer and force main pipelines on Van Buren Boulevard to E.J. Meyer Company in the amount of \$784,888 (10% of the contract) for a total contract amount of \$8,633,776; and
3. Authorize the City Manager, or designee, to execute the construction contract with E.J. Meyer Company including making minor and non-substantive changes.

## **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 (46% of the project cost) for their fair share to this Project.

On December 6, 2022, the City Council rejected all bids received for Bid No. 7918. The bids ranged from \$22,030,611 to \$23,134,650, which was 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 determined that the Project would be more competitive if the specifications were revised to clarify various requirements and the project was divided into two phases: the pipeline installation portion (Bid 7974); and the construction of the Krameria Avenue Sewer Pump Station, which is currently being advertised for bids.

## **DISCUSSION:**

On January 3, 2023, Bid No. 7974 for the installation of gravity sewer and force main pipelines on Van Buren Boulevard (Project) was posted on PlanetBids to install a new gravity sewer main and two parallel sewer force mains on Van Buren Boulevard from King Avenue to Wood Road and on Washington Street from Van Buren Boulevard to Krameria Avenue, together with two new parallel sewer force mains running north along Washington Street, then east along Van Buren Boulevard to Wood Road (Attachment 1).

On February 10, 2023, 13 bids were received for the construction of the Project (Attachment 2). Three of the bids were deemed non-responsive due to failing to meet or show the required minimum experience for the prime contractor. The lowest responsive bid was from E.J. Meyer Company in the amount of \$7,848,888, which is 17.52% below the Engineer's Estimate.

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

## **STRATEGIC PLAN ALIGNMENT:**

This Project aligns with **Strategic Priority 6 – Infrastructure, Mobility and Connectivity** and **Goal 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.

Furthermore, this project aligns with each of the five Cross-Cutting Threads as follows:

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** – This Project was publicly bid and construction contract will be awarded to the lowest responsive and responsible bidder.
4. **Innovation** – This Project exemplifies “out of the box” thinking by identify an alternative to provide sewer services to an area that previously served by private septic systems. The City of Riverside is inventive and timely in meeting the community’s changing needs and prepares for the future through collaborative partnerships with the County of Riverside and adaptive processes.
5. **Sustainability & Resiliency** – This Project promotes growth by installing a sewer system to serve a community that are currently relying on septic tanks. Sewer pipe system have more flexibility in accepting flow fluctuations throughout the day without much consequences; it can accommodate future growth as well as eliminates health hazards of septic tanks being inundated during heavy rainstorms.

## **FISCAL IMPACT:**

The total fiscal impact of this action is \$8,633,776, including increased change order authority. Funds for contract costs are budgeted and available as outlined in Table 1 below.

Table 1 – Project Budget

Fund	Project	Account	Amount
Sewer	Van Buren Sewer - Woodcrest	9896923-440301	\$5,509,919
		9896900-440120	\$4,693,634
Total			\$10,203,553

The estimated total Project cost of this phase including design, construction, construction engineering, and contingencies is \$10,203,553, as listed in Table 2 below.

Table 2 – Project Cost

<b>Task</b>	<b>Amount</b>
Public Works Engineering (In House) Staff (5%)	\$392,444
Environmental (5%)	\$392,444
Construction Contract	\$7,848,888
Construction Contingencies (15%) includes 10% of the construction contract Change Order Authority	\$1,177,333
Construction Engineering, Inspection, and Survey (In House)	\$392,444
Construction Materials Testing (TBD from Approved Panel)	
<b>Total</b>	<b>\$10,203,553</b>

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

## Attachments:

1. Project Location Map
2. Bid Award Recommendation
3. Presentation