



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: APRIL 10, 2018**

FROM: PUBLIC WORKS DEPARTMENT **WARDS: 2 AND 3**

SUBJECT: AWARD BID NO. 7460 FOR THE CONSTRUCTION OF TEQUESQUITE ARROYO TRUNK SEWER REPLACEMENT PHASE IIB TO STEVE P. RADOS, INC. IN THE AMOUNT OF \$12,080,359 AND AUTHORIZE AN INCREASE IN CHANGE ORDER AUTHORITY FOR THE CONSTRUCTION CONTRACT FROM \$150,000 TO \$1,208,036

ISSUES:

Award a construction contract for Bid 7460 to replace the Tequesquite Arroyo Trunk Sewer to Steve P. Rados, Inc., of Santa Ana, California, in the amount of \$12,080,359, and authorize an increase in change order authority for the construction contract from \$150,000 to \$1,208,036.

RECOMMENDATIONS:

That the City Council:

1. Award a construction contract for Bid No. 7460 – Tequesquite Arroyo Trunk Sewer Replacement Phase IIB to Steve P. Rados, Inc., Santa Ana, California, in the amount of \$12,080,359;
2. Authorize Public Works Department to negotiate change orders to the contract for an amount not-to-exceed 10% (\$1,208,036) of the contract amount; and
3. Authorize the City Manager, or his designee, to execute the construction contract with Steve P. Rados, Inc., including making minor and non-substantive changes.

BACKGROUND:

On October 6, 2009, the City Council approved Case EPW-09-002, an Initial Environmental Study prepared for the Project in compliance with the California Environmental Quality Act (CEQA) and adopted a Mitigated Negative Declaration for the Tequesquite Arroyo Trunk Sewer Replacement Project to replace approximately 4.4 miles of deteriorating and undercapacity sewer lines installed between the 1940's and the 1960's.

On February 16, 2010, the City Council awarded a construction contract for Bid 6808 – Tequesquite Arroyo Trunk Sewer Improvement Project Phase I. The Phase I of the Project replaced 1.8 miles of 21 to 27 inch sewer mains with 36 inch sewer mains from the westerly end

of Tequesquite Park to Olivewood Avenue. Construction of Phase I of the Project was completed in June 2011.

In order to accommodate the construction schedule of the State Route 91 Freeway widening, on February 28, 2012, the City Council awarded a construction contract for Bid 7042 – Tequesquite Arroyo Trunk Sewer Phase IIA and Date Street Sewer Relocation. Phase IIA of the Project relocated the interfering portions of the Tequesquite Arroyo trunk sewer between Olivewood Avenue and Brooks Street and a segment of the Date Street sewer. Construction of Phase IIA was completed in August 2014.

DISCUSSION:

This final phase of the Project will replace approximately two miles of 21 to 24 inch sewer mains with 36 inch sewer mains, from east of the 91 Freeway through the Victoria Country Club to Andulka Park (Attachment 1).

On February 15, 2018, five bids were received for the construction of the Project (Attachment 2). The lowest responsive bid was from Steve P. Rados, Inc., in the amount of \$12,080,359, which is 22.5% under the Engineer's Estimate.

Per Section 1104(c) of the City's Purchasing Resolution (Resolution No. 23256), the standard change order authority amount is 10%, up to \$150,000. Due to the complexity of this project, the Public Works Department is requesting authorization for an increase in change order authority to an amount not-to-exceed 10% (\$1,208,036) of the contract amount.

The Purchasing Manager concurs that the recommended action to award complies with the current Purchasing Resolution.

FISCAL IMPACT:

The estimated total project cost including design, environmental clearance, right-of-way acquisition, construction, construction engineering, and contingencies is \$15,760,000. Sufficient funds are available in the Project Account No. 9770923-440301 (Tequesquite/Arroyo Trunk Line) to award the contract and complete the project.

Prepared by: Kris Martinez, Public Works Director
Certified as to
availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer
Approved by: Al Zelinka, FAICP, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

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