



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: SEPTEMBER 28, 2020

ITEM NO: 4

SUBJECT: BID NO. RPU-7782 FOR THE CONSTRUCTION OF THE GAGE 29-3R GROUNDWATER WELL REPLACEMENT PROJECT (PHASE II) WITH PYRAMID BUILDING AND ENGINEERING, INC., IN THE AMOUNT OF \$1,964,543.34 INCLUDING A 10% OR \$196,454.33 CHANGE ORDER AUTHORITY AND WORK ORDER NO. 1704585 IN THE AMOUNT OF \$2,420,000

ISSUES:

To consider the award of Bid No. RPU-7782 to Pyramid Building and Engineering, Inc., of Hesperia, California, for the construction of the Gage 29-3R Groundwater Well Replacement Project (Phase II) in the amount of \$1,964,543.34 including a 10% or \$196,454.33 change order authority and approve the capital expenditure for Work Order No. 1704585 in the amount of \$2,420,000.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Award Bid No. RPU-7782 to Pyramid Building and Engineering, Inc., of Hesperia, California, in the amount of \$1,964,543.34 for the construction of the Gage 29-3R Groundwater Well Replacement Project (Phase II);
2. Authorize change order authority for the Pyramid Building and Engineering, Inc. Construction Contract in the amount of 10% or \$196,454.33 for Bid No. RPU-7782; and
3. Approve the capital expenditure for Work Order No. 1704585 in the amount of \$2,420,000 which includes all design, construction, construction support, contract administration, inspection and construction change order authority costs for the Gage 29-3R Groundwater Well Replacement Project (Phase II).

BACKGROUND:

The Riverside Public Utilities Department (RPU) operates and maintains over 50 active groundwater wells located throughout Riverside, Colton and San Bernardino to supply drinking water to the City of Riverside. The existing Gage 29-3 Groundwater Well is in the City of San Bernardino and was constructed in 1929 at a depth of approximately 300 feet. Over the years, the production capacity of this well has dropped as related to the declining groundwater table in

the area. At times, air entrapment has caused the well to be inoperable. The existing well is too shallow to allow for lowering of the pumping equipment and therefore needs to be replaced with a new deeper well.

The Gage 29-3R Groundwater Well Replacement Project consists of two phases: the first phase, awarded by the Riverside Board of Public Utilities (Board) on December 9, 2019, involved drilling a domestic water well approximately 1,160 feet deep and was completed recently; and the second phase of the project, as contemplated herein, will generally involve equipping the new well with a pump and motor, electrical and instrumentation equipment, yard piping and a building enclosure.

This project was previously advertised for construction bids on July 9, 2020. However, three of the five bids received exceeded the allowable threshold of work to be subcontracted, and one of the five bidders failed to list a subcontractor. For these reasons, the bids were canceled by the Purchasing Manager.

DISCUSSION:

The proposed work includes equipping the new Gage 29-3R Groundwater Well with a pump and electric motor, electrical and instrumentation equipment, yard piping and a building enclosure, along with the necessary site improvements. The work also involves upgrading and consolidating the electrical services for the Gage Chlorination Station, the Gage 92-1 Groundwater Well and the Gage 29-3R Groundwater Well into a single electrical service. In addition, the work involves abandoning the existing Gage 29-3 Groundwater Well.

Water produced by the existing Gage 29-3 Groundwater Well currently undergoes treatment at the Tippecanoe Regional Treatment Plant, operated by Lockheed Martin Corporation (LMC). Staff reached an agreement with LMC to contribute \$500,000 toward the cost of constructing the Gage 29-3R Groundwater Well in order for the water to continue to undergo treatment, as recommended by the Board on April 27, 2020 and subsequently approved by the City Council on May 19, 2020.

Staff is in the process of hiring a consultant from RPU's Consultant Panel to provide Geotechnical and Materials Testing for this project. A budgetary amount for these services has been provided in this authorization.

Bid No. RPU-7782 was posted on the City's Online Bid System on August 3, 2020, a pre-bid conference was held on August 10, 2020 and bids were opened on August 25, 2020. Seven (7) construction contractors submitted bids. Staff evaluated the bids and deemed Pyramid Building and Engineering, Inc. as the lowest responsive and responsible bidder.

The bids for Bid No. RPU-7782 are summarized in the table below:

| Rank | Vendors | City Location | Bid Total |
|-------------|---|----------------------|-----------------------|
| 1. | Pyramid Building & Engineering, Inc. | Hesperia, CA | \$1,964,543.34 |
| 2. | Weka Inc. | Highland, CA | \$2,104,797.00 |
| 3. | SCW Contracting Corp. | Fallbrook, CA | \$2,124,221.00 |
| 4. | Pascal & Ludwig Constructors | Ontario, CA | \$2,191,549.00 |
| 5. | Cora Constructors, Inc. | Palm Desert, CA | \$2,195,000.00 |
| 6. | Green Building Corporation | Van Nuys, CA | \$2,326,394.00 |
| 7. | Caliagua, Inc. | Yorba Linda, CA | \$2,356,035.00 |

Engineer's Construction Cost Estimate: \$2,100,000

The project/fiscal breakdown is as follows:

| Project and Fiscal Breakdown | | |
|---|--|-----------------------|
| Work Type: | Performed By: | Amount: |
| Planning and Design | Internal Staff | \$59,002.33 |
| Construction | Pyramid Building & Engineering, Inc. | \$1,964,543.34 |
| Construction Support | Internal Staff | \$25,000.00 |
| Engineering Support, Construction Management and Inspection | Internal Staff | \$130,000.00 |
| Geotechnical and Materials Testing | Vendor to be Determined (Consultant Panel) | \$20,000.00 |
| Site Security | Informal Procurement | \$25,000.00 |
| Construction Contingencies | N/A | \$196,454.33 |
| Work Order Total: | | \$2,420,000.00 |
| Reimbursements: | \$500,000 (from LMC) | |
| Anticipated Start Date: | October 2020 | |
| Anticipated Duration: | 9 Months | |

The table above identifies the parties that have performed and are expected to perform various portions of the project. For brevity, certain contracts with vendors valued at less than \$10,000 have not been itemized in the table. Should there be a need to seek additional services using the formal procurement process, such items in excess of \$50,000 will be brought before the Board for consideration and action.

The Purchasing Manager concurs that the recommended actions follow Purchasing Resolution No. 23256.

FISCAL IMPACT:

Sufficient funds are available in the Public Utilities' Potable/Irrigation Well Replacement Account No. 6230100-470833.

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| Prepared by: | Todd L. Jorgenson, Utilities Assistant General Manager/Water |
| Approved by: | Todd M. Corbin, Utilities General Manager |
| Approved by: | Al Zelinka, FAICP, City Manager |
| Approved as to form: | Gary G. Geuss, City Attorney |

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| Certifies availability of funds: | Brian Seinturier, Utilities Fiscal Manager |
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Attachments:

1. Bid Award Recommendation
2. Presentation

Project Site Map

