



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 5, 2023

FROM: PUBLIC WORKS DEPARTMENT WARD: 4

SUBJECT: AWARD BID NO. 7988 FOR CONSTRUCTION OF THE KRAMERIA AVENUE LIFT STATION TO VIDO ARTUKOVICH & SON INC./VIDMAR INC. A JV OF SOUTH EL MONTE, CALIFORNIA, IN THE AMOUNT OF \$9,760,000; INCREASE CHANGE ORDER AUTHORITY TO \$976,000 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$10,736,000; FIRST AMENDMENT TO VAN BUREN BOULEVARD SEWER IMPROVEMENTS PROJECT INTERAGENCY FUNDING AGREEMENT TO INCREASE THE FUNDING AMOUNT TO \$10,030,348 – SUPPLEMENTAL APPROPRIATION

ISSUES:

Award Bid No. 7988 for the construction of the Krameria Avenue Lift Station to Vido Artukovich & Son Inc./Vidmar Inc. A JV of South El Monte, California in the amount of \$9,760,000; authorize an increase in change order authority to \$976,000 for a total contract amount not to exceed \$10,736,000; and approval of a First Amendment to Van Buren Boulevard Sewer Improvements Project Interagency Funding Agreement with the County of Riverside to increase the funding by \$3,590,348 for a total of \$10,030,348 to support the project costs associated with the Van Buren Boulevard Sewer Installation Project.

RECOMMENDATIONS:

That the City Council:

1. Award Bid No. 7988 for construction of the Krameria Avenue Lift Station to Vido Artukovich & Son Inc./Vidmar Inc. A JV of South El Monte, California, in the amount of \$9,760,000;
2. Authorize 10% change order authority in the amount of \$976,000.00 for Bid No. 7988 for the construction of the Krameria Avenue Lift Station to Environmental Construction, Inc. for a total contract amount not to exceed \$10,736,000;
3. Authorize the City Manager, or designee, to execute a construction contract with Vido Artukovich & Son Inc./Vidmar Inc. A JV, including making minor and non-substantive changes;
4. With at least five affirmative votes, and upon execution of the First Amendment To Van Buren Boulevard Sewer Improvements Project Interagency Funding Agreement with the County of Riverside, authorize the Chief Financial Officer, or designee, to record an increase in revenue and expenditures in the amount of \$3,590,348 to the Sewer Fund,

Woodcrest Sewer Project revenue and expenditure accounts; and

5. Authorize the City Manager, or designee, to execute the First Amendment to Van Buren Boulevard Sewer Improvements Project Interagency Funding Agreement with the County of Riverside, 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.

On April 5, 2022, the City Council approved the Van Buren Boulevard Sewer Improvements Project Interagency Funding Agreement with the County of Riverside County in which the County agreed to contribute \$6,440,000 (46% of the original \$14,000,000 estimated project cost) for their fair share to this Project. Due to the dramatic rise in construction costs, the contributed amount from the County needs to be amended to \$10,030,348, which is an increase of \$3,590,347 (Attachment 3) and represents 46% of the revised estimated project cost of \$21,805,103.

On December 6, 2022, the City Council rejected all bids received for Bid No. 7918 for the installation of the sewer gravity and force main pipes on Van Buren Boulevard, and for the construction of the Krameria Avenue Lift Station. 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 divide the project into two phases: the pipeline installation portion (Bid 7974), and the construction of the Krameria Avenue Sewer Pump Station (Bid 7988).

On May 2, 2023, the City Council awarded a construction contract for 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. Total project costs for this phase of the project are estimated to be \$10,203,553.

DISCUSSION:

On April 6, 2023, Bid No. 7988 for the construction of the Krameria Avenue Lift Station (Project) was posted on PlanetBids to construct a sewer lift station located at the northeast corner of Krameria Avenue and Washington Boulevard (Attachment 1). The lift station will collect gravity sewage from sewer pipes on Van Buren Boulevard and pump it to the City's existing sewer system on Wood Road.

On May 9, 2023, four bids were received for the construction of the Project (Attachment 2). The lowest bid was from Environmental Construction, Inc., in the amount of \$8,747,829. However, this bidder subsequently withdrew the bid, citing clerical error. Hence, the lowest responsive bid

was from Vido Artukovich & Son Inc./Vidmar Inc. A JV of South El Monte, California, in the amount of \$9,760,000, which is 61.18% above the Engineer's Estimate.

The Purchasing Manager concurs that the recommendations are in compliance with Purchasing Resolution No. 23914.

STRATEGIC PLAN ALIGNMENT:

This Project aligns with **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.

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

1. **Community Trust** – This Project proposes to install a sewer lift station at the northeast corner of Washington Street and Krameria Avenue. The station is needed to collect sewage from the pipelines on Van Buren Boulevard between King Avenue and Wood Road, serving the communities fronting the corridor and eliminating health hazards associated with sewer septic tank system.
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 bidders.
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 and lift station system have more flexibility in accepting flow fluctuations throughout the day without many consequences; it can accommodate future growth as well as eliminates health hazards of septic tanks being inundated during heavy rainstorms.

FISCAL IMPACT:

Upon Council approval, an increase in revenue and a supplemental appropriation in the amount of \$3,590,348 for the County of Riverside's share of the project will be recorded in the Sewer Fund, Woodcrest Sewer Project revenue and expenditure accounts as listed in Table 1 below.

Table 1.

Fund	Project	Account	Amount
Sewer	Woodcrest Sewer Project	<i>Revenue</i>	
		9896900-331300	\$3,590,348
		<i>Expenditure</i>	
		9896900-440120	\$3,590,348

The estimated total Project cost of this phase including design, construction, construction engineering, and contingencies is \$11,601,550 (Table 2).

Table 2.

Task	Amount
Engineering (Consultant) (3.87%)	\$377,550
Construction Contract	\$9,760,000
Construction Contingencies (10%)	\$976,000
Construction Engineering, Inspection, and Survey (In House)	\$488,000
Construction Materials Testing (TBD from Approved Panel)	
Total	\$11,601,550

With the approved appropriation, sufficient funds are available in the Project expenditure accounts shown below (Table 3) to award the construction contract and complete the Project.

Table 3.

Fund	Project	Account	Amount
Sewer	Woodcrest Sewer Project	9896923-440301	\$6,264,837
		9896900-440120	\$5,336,713
		Total	\$11,601,550

Total costs for Phase 1 and Phase 2 of the Project are provided in the following Table 4:

Table 4.

Task	Amount
Phase 1 - Installation of gravity sewer and force main pipelines on Van Buren Boulevard	\$10,203,553
Phase 2 - Construction of the Krameria Avenue Lift Station	\$11,601,550
Total	\$21,805,103

The total cost of the Project is \$21,805,103, of which the County will pay \$10,030,348 (46% of total project costs) and the City will pay \$11,774,755.

Prepared by: Gilbert Hernandez, Public Works Director
 Certified as to availability of funds: Kristie Thomas, Finance Director/Chief Financial Officer
 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. First Amendment to the Interagency Funding Agreement
4. Presentation