

Item Title: Award of Contracts for Holly Drive Reservoir, Phase 2

Purpose:

To award a construction contract and a professional services contract for the Holly Drive Reservoir - Phase 2, project.

Issues:

Should the Board award a construction contract to Paso Robles Tanks for a not to exceed amount of ~~\$446,560~~ ~~\$691,000~~?

Should the Board award a professional services agreement to TKE Engineering for a not to exceed amount of \$92,260?

Manager's Recommendation:

Find Paso Robles Tanks as the lowest responsible bidder and authorize General Manager to execute a construction contract with Paso Robles Tanks. for a not to exceed amount of ~~\$446,560~~ ~~\$691,000~~.

Authorize the General Manger to execute a professional services agreement with TKE Engineering for a not to exceed amount of \$92,260.

Background:

The Holly Drive reservoir site has been in design since 2016, undergoing various changes to accommodate increased understanding of the site and water demands in the service area. Originally conceived as the replacement of a single 60,000-gallon tank, the project morphed into the installation of a 120,000-gallon tank and replacement/upgrading existing tank to a 120,000-gallon tank. These changes were necessary to meet system fire flow, as researched for the Water Master Plan developed after initiation of the Holly Drive Tank design.

The project is currently split into three phases; Phase I - geotechnical work has been completed. Phase II - construct new reservoir is being discussed tonight. Phase III - replace old reservoir will be bid at a future date. The current plan is to complete Phase II in early FY2021. Phase III will be budgeted in a future year.

Phase II plans and specifications were advertised in August 2020 and a bid opening was held on September 10, 2020. A total of 2 bids were received.

Bid Opening Results:

<u>Engineer's Estimate</u>	\$477,000
Crosno Tanks	\$898,761
Paso Robles Tanks	\$691,000

While the Engineer reviewed the bids, staff prepared the original Board Memo with the assumption that the bids were complete and correct. That turned out to be an inaccurate assumption. Both bids had bad math in their bid sheets resulting in an increase in original bid prices. When each line item was added (by the engineer), the final bid results were as follows:

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<u>Engineer's Estimate</u>	<u>\$477,000</u>
Crosno Tanks	\$913,872
Paso Robles Tanks	\$747,000

Because of those errors, staff reevaluated the bid results.

When the tank work is separated from the civil work it is clear that the civil portion of the work is bid disproportionately higher in relation to the engineer's estimate.

Looking at the Paso Robles Tanks bid, the civil bid items were 443% above the engineer's estimate. The tank items were 11% above the engineer's estimate.

In consideration of the disproportionate differences between the civil and tank bid items, staff is recommended award of a contract for the tank portion of the work. The civil portion of the work will be bid at a later date. Bidding the civil work as a separate contract should attract smaller local contractors with pipeline experience.

Staff has coordinated this discussion with TKE Engineering, who concurs with staff recommendation. TKE Engineering confirms that the tank bid items can be completed separate from and prior to the civil work.

~~Based on a review of the bids, staff recommends award to Paso Robles Tanks for the contract price of \$691,000.~~

Staff also recommends award of engineering services contract to TKE Engineering for the time and material, not-to-exceed amount of \$92,260. The ratio of engineering service costs to contract cost is about 13.5%, which is within expectations for project management on tank construction. \$20,000 of the engineering services contract is proposed to inspect the shop coating of the steel. While considered an optional task, staff highly recommends the Company authorize said services. Steel tanks are only as good as their coatings. **TKE Engineering services will span across both the tank construction and civil work, completing Phase 2 of the project.**

The budget estimate, prepared in 2019, for the tank portion of this project was \$403,620. The low bid is \$42,940 higher than budgeted.

Additionally, engineering services were not included in the 2020 budget, in error.

Previous Action:

Engineering Design budget approval of \$186,970 through various actions in 2016 and 2017 as scope changed from one 60,000-gallon tank to two 120,000-gallon tanks, including associated CEQA work.

	Awarded	Final Cost
<b>Design Services</b>	\$186,970	\$176,893
<b>Phase 1</b>		
Construction	\$ 236,836	\$ 224,995
Engineering Services	\$ 63,000	\$ 59,185
TOTAL Phase I	\$ 299,836	\$284,180
<b>TOTAL TO DATE</b>	<b>\$ 486,806</b>	<b>\$ 461,073</b>

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**Proposed Phase II**

Tank Construction	\$ 446,560	<del>\$ 691,000</del>
Civil Work	\$55,400	

Engineering Services	\$ 92,260	
TOTAL	\$594,220	<del>\$ 783,260</del>

Impact on Budget:

Capital cost of \$477,000 budgeted in 2020 for completion of Phase II.

Actual proposed cost of Phase II is ~~\$594,220~~ ~~\$783,260~~

Proposed Budget increase of ~~\$117,220~~ ~~\$306,260~~ due to unbudgeted engineering services and a construction bid higher than estimated.

**San Antonio Water Company  
Holly Drive Reservoir - Phase II  
Bid Summary**

ITEM	DESCRIPTION	QUANTITY	UNIT	Engineer's Estimate		Crosno Construction, Inc.		Paso Robles Tank, Inc.	
				UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
101	Contract bonds, insurance, permits, project management, mobilization of equipment, materials, and labor prior to starting the Work, and demobilizing after completing all Contract Work. (Payment: 60% Mob & 40% Demob.)	1	L.S.	\$ 20,620.00	\$ 20,620.00	\$ 81,450.00	\$ 81,450.00	\$ 19,740.00	\$ 19,740.00
102	Furnish clearing and grubbing for the entire work zone. Grubbing shall include removal of all items required to construct the proposed improvements. All deleterious materials, organics, vegetation and remnants shall be removed from the site. Materials shall be disposed of in an approved off-site location. Loose, soft, or organic soils or non-engineered fill encountered at the bottom of excavations for areas to receive fills shall be removed.	1	L.S.	\$ 5,000.00	\$ 5,000.00	\$ 3,780.00	\$ 3,780.00	\$ 15,750.00	\$ 15,750.00
103	Prepare and implement BMPs and Monitoring Program.	1	L.S.	\$ 3,000.00	\$ 3,000.00	\$ 4,670.00	\$ 4,670.00	\$ 5,250.00	\$ 5,250.00
104	Pothole all existing utility crossings and points of connections.	1	L.S.	\$ 9,000.00	\$ 9,000.00	\$ 3,780.00	\$ 3,780.00	\$ 6,300.00	\$ 6,300.00
105	Furnish trench and excavation protection (including protection of existing improvements required for proper water system operation during construction) in accordance with CAL-OSHA Standards for all excavations greater than 5' in depth.	1	L.S.	\$ 1,300.00	\$ 1,300.00	\$ 2,670.00	\$ 2,670.00	\$ 7,350.00	\$ 7,350.00
106	Perform complete design of Reservoir and appurtenances in accordance with the Contract Documents and Geotechnical Investigation as specified and shown on the Drawings.	1	L.S.	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 15,000.00	\$ 15,000.00
107	Furnish all labor, materials and equipment to construct Reservoir concrete foundation (ring wall).	1	L.S.	\$ 40,000.00	\$ 40,000.00	\$ 165,780.00	\$ 165,780.00	\$ 60,900.00	\$ 60,900.00
108	Furnish all labor, materials and equipment to construct 120,000 gallon Reservoir, including but not limited to tank, stairway, access manholes, overflow drain, inlet/outlet, all other piping, fittings, valves, connections, testing, disinfection per the plans and specifications for a properly operating potable water system.	1	L.S.	\$ 245,000.00	\$ 245,000.00	\$ 270,500.00	\$ 270,500.00	\$ 223,170.00	\$ 223,170.00
109	Furnish all labor, materials, and equipment to coat the Tank per Specification.	1	L.S.	\$ 35,000.00	\$ 35,000.00	\$ 128,100.00	\$ 128,100.00	\$ 45,000.00	\$ 45,000.00
110	Furnish all labor, materials and equipment to construct 3'x4'x4' (LxWxD) precast concrete catch basin with grated inlet as shown in Detail 1 on Sheet 8 (D-2) and as implied on the project plans and specifications.	1	L.S.	\$ 7,000.00	\$ 7,000.00	\$ 16,890.00	\$ 16,890.00	\$ 14,700.00	\$ 14,700.00
111	Furnish all labor, materials and equipment to construct guard post per STD SAWCO-17 where shown on the project plans and specifications.	6	EA.	\$ 600.00	\$ 3,600.00	\$ 675.00	\$ 4,050.00	\$ 5,040.00	\$ 30,240.00
112	Furnish all labor, materials and equipment to install 12" diameter below grade steel overflow and drain pipe. Bid shall include: excavation, backfill, fittings, concrete encasement, thrust blocks, headwall, slope protection cut-off wall, testing, riprap, and other accessories or work required or necessary for a completed and operable pipeline as shown and specified on the project plans and specifications.	1	L.S.	\$ 14,400.00	\$ 14,400.00	\$ 91,560.00	\$ 91,560.00	\$ 103,950.00	\$ 103,950.00
113	Furnish all labor, materials and equipment to install below grade 8" diameter steel potable water main pipe. The Bid shall include: excavation, backfill, fittings, thrust blocks, slope protection cut-off wall, testing, disinfection, and other accessories or work required or necessary for a completed and operable pipeline as shown and specified on the project plans and specifications.	1	L.S.	\$ 5,600.00	\$ 5,600.00	\$ 35,890.00	\$ 35,890.00	\$ 38,850.00	\$ 38,850.00

114	Furnish all labor, materials and equipment to install influent/effluent (outside of the tank) 8-inch diameter above grade water main with gate valve, Flex-Tend expansion joint and pipe support as shown or implied on the project plans and specifications.	1	L.S.	\$ 6,500.00	\$ 6,500.00	\$ 22,670.00	\$ 22,670.00	\$ 36,750.00	\$ 36,750.00
115	Furnish all labor and materials to install 6-inch below grade shut off Gate Valve per STD: SAWCO-5 as shown on the Drawing D-8 (Sheet 14) in Holly Drive.	2	EA.	\$ 4,000.00	\$ 8,000.00	\$ 15,111.00	\$ 30,222.00	\$ 31,500.00	\$ 63,000.00
116	Furnish all labor, materials to install the submersible level transducer in the new tank. Include all labor and material to relocate the existing TELEMETRY equipment (solar panels, battery cabinets) from the existing tank to new tank.	1	L.S.	\$ 15,000.00	\$ 15,000.00	\$ 12,120.00	\$ 12,120.00	\$ 19,950.00	\$ 19,950.00
117	Furnish all labor, materials and equipment to interior hydro dynamic mixing system per Tideflex Details 1 and 2 on Sheet 15. The Bid shall include: fittings, testing, disinfection, and other accessories or work required or necessary for a completed and operable pipeline as shown and specified on the project plans and specifications.	1	L.S.	\$ 26,000.00	\$ 26,000.00	\$ 28,400.00	\$ 28,400.00	\$ 25,000.00	\$ 25,000.00
118	All other work not included elsewhere as specified and shown on drawings.	1	L.S.	\$ 4,000.00	\$ 4,000.00	\$ 1,340.00	\$ 1,340.00	\$ 16,800.00	\$ 16,800.00
				<b>TOTAL:</b>	<b>\$ 459,020.00</b>	<b>TOTAL:</b>	<b>\$ 913,872.00</b>	<b>TOTAL:</b>	<b>\$ 747,700.00</b>

Bid Item	Engineer's Estimate	Bid	Difference
Civil Portion of Work			
104	\$ 9,000	\$ 6,300	\$ (2,700)
105	\$ 1,300	\$ 7,350	\$ 6,050
110	\$ 7,000	\$ 14,700	\$ 7,700
111	\$ 3,600	\$ 30,240	\$ 26,640
112	\$ 14,400	\$ 103,950	\$ 89,550
113	\$ 5,600	\$ 38,850	\$ 33,250
114	\$ 6,500	\$ 36,750	\$ 30,250
115	\$ 8,000	\$ 63,000	\$ 55,000
	\$ 55,400	\$ 301,140	\$ 245,740

443.6%

Bid Item	Engineer's Estimate	Bid	Difference
Tank Portion of Work			
101	\$ 20,620	\$ 19,740	\$ (880)
102	\$ 5,000	\$ 15,750	\$ 10,750
103	\$ 3,000	\$ 5,250	\$ 2,250
106	\$ 10,000	\$ 15,000	\$ 5,000
107	\$ 40,000	\$ 60,900	\$ 20,900
108	\$ 245,000	\$ 223,170	\$ (21,830)
109	\$ 35,000	\$ 45,000	\$ 10,000
116	\$ 15,000	\$ 19,950	\$ 4,950
117	\$ 26,000	\$ 25,000	\$ (1,000)
118	\$ 4,000	\$ 16,800	\$ 12,800
	\$ 403,620	\$ 446,560	\$ 42,940

10.6%