



Item Number: 1

City Council / Board of Directors

Public Hearing(s)

Meeting of: August 16, 2022

Submitted By:

Brian Gengler, City Engineer

Subject:

Award of Construction Contract – Pipeline Replacement Project – Area 1 and 2

Recommendation:

That the Honorable Board of Directors:

1. Open and conduct the Public Hearing;
2. Close the Public Hearing;
3. Approve the Notice of Exemption; and
4. Award a construction contract to DDH Apple Valley Construction in the amount of \$5,291,906.00 for the Pipeline Replacement Project – Area 1 and 2.

Fiscal Impact:

This action will result in fiscal impact of \$5,291,906.00. This project is funded by the Water Fund, No. 410. An additional appropriation is not required. There are sufficient funds available in the project budget to cover the planned expenses. The budget account numbers, project descriptions and amounts are shown below.

Budget Account Number: 4104500-55080-74290 – Area 1 Pipeline Replacement Budget Amount: \$2,303,041.00

Budget Account Number: 4104500-55080-74461 – Area 2 Pipeline Replacement Budget Amount: \$3,096,959.00

Background:

The purpose of this Capital Improvement Plan (CIP) project is to replace approximately 11,072 lineal feet of aging, leak-prone, fire flow deficient, mainly small diameter water pipelines within the Old Town area of the City of Victorville. In addition, water services and other necessary appurtenances will be replaced. Please refer to Attachment A, a location Map.

This project is considered the final phase of the water system improvement projects that have taken place during calendar years 2015 and 2017 within the Old Town area. The proposed improvements, in conjunction with the improvements completed in previous years, will result in robust, long-lasting water system infrastructure, as well as greatly increase the available fire flow and eliminate future costly watermain repairs.

This overall project was identified in the most recent 2021 Water Master Plan as Pipeline Replacement Projects Area 1 and Area 2. This project is consistent with the pipeline projects category in the Water Rate Study, which was accepted by City Council on June 1, 2021, and is the basis for the current water rates charged to customers.

Discussion:

It is a routine requirement to comply with the California Environmental Quality Act (CEQA) before construction starts on a capital improvement project. The Notice of Exemption, Attachment B, describes the project activities and states that the project is categorically exempt under CEQA Class 1, section 15301(b) because the project involves replacing existing watermains with no expansion of use.

This project was bid using formal bidding procedures in accordance with Victorville Municipal Code §2.28.210 and California Public Contract Code. Formal bidding procedures are used for public works contracts with an estimated cost in excess of five hundred thousand dollars. On May 12, 2022, a Notice Inviting Bids was e-mailed to potential bidders, posted on City of Victorville website and Ebidboard. In addition, it was published in newspaper(s) of general circulation within the City.

On June 30, 2022, six formal bids were received. The engineer's estimate for this project was \$3,300,000. The lowest bid is approximately 60 percent higher than the engineer's estimate. Construction costs have risen significantly over the past year due to higher material, labor, and equipment costs. The bid results are shown below:

<u>Company</u>	<u>Bid Amount</u>
DDH Apple Valley Construction	\$5,291,906.00
Van Dyke Corporation	\$5,312,495.70
Empire Equipment	\$5,444,384.00
Sully Miller	\$5,530,000.00
Borden Excavating	\$5,777,555.00
Christensen Brothers General Engineering, Inc.	\$6,567,556.00

After a careful review of the bid proposals, it was determined that the lowest responsive, responsible bidder is DDH Apple Valley Construction with a bid amount of \$5,291,906.00. Please refer to Attachment C, the construction contract, which includes the contract bid items and total contract amount.

Staff recommends that the Board of Directors approve the notice of exemption and award a construction contract to DDH Apple Valley Construction in the amount of \$5,291,906.00 for Pipeline Replacement Project – Area 1 and 2.

Staff is available for any questions the Board may have.

Attachments: A. Location Map
 B. Notice of Exemption
 C. Construction Agreement