



Staff Report

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**File #:** 23-0972

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**REQUEST FOR CITY COUNCIL AND  
CORONA UTILITY AUTHORITY ACTION**

**DATE:** 12/06/2023

**TO:** Honorable Mayor and City Council Members  
Honorable President and Board Members

**FROM:** Public Works Department & Utilities Department

**SUBJECT:**  
CONSTRUCTION CONTRACT TO MNR CONSTRUCTION, INC. FOR JAMES STREET SEWER  
EXTENSION PROJECT NO. UT-2021-08; NOTICE INVITING BIDS 24-027CA

**EXECUTIVE SUMMARY:**

This staff report asks for the City Council to approve the construction contract with MNR Construction, Inc. in the amount of \$407,200. A portion of James Street, located within City Limits, contains eight (8) single-family homes currently connected to septic systems. This section of James Street does not have a public sewerage main line. The action presented before the City Council is the award of Notice of Inviting Bids No. 24-027CA for the James Street Sewer Extension Project to MNR Construction, Inc. for the construction of 410 lineal feet of new sewer main on James Street between Carter Lane and Chase Drive. On December 01, 2021, the City Council adopted Resolution 2021-115 and approved this capital improvement project.

**RECOMMENDED ACTION:**

**That the City Council:**

- a. Adopt the Plans and Specifications for the James Street Sewer Extension, Project No. UT-2021-08, Notice Inviting Bids 24-027CA.
- b. Award Notice Inviting Bids 24-027CA to MNR Construction, the lowest responsive, responsible bidder, for the total bid amount of \$407,200 and waive any and all minor irregularities in the bidding documents as submitted by said bidder.
- c. Authorize the City Manager, or his designee, to execute the contract with MNR Construction, Inc. in the amount of \$407,200.

- d. Authorize the City Manager, or his designee, to negotiate and execute any non-substantive extensions, change orders, purchase orders, and amendments up to the amount authorized by Corona Municipal Code Section [3.08.060\(J\)](#), which is equivalent to 10% or \$40,720.
- e. Authorize the City Manager, or his designee, to issue a purchase order to MNR Construction, Inc. in the amount of \$407,200.
- f. Authorize an appropriation in the amount of \$97,144 from the Measure A Fund 227 to the James Street Sewer Extension Capital Improvement Project No. UT-2021-08.

**That the Corona Utility Authority** review, ratify, and, to the extent necessary, direct the City Council to take the above actions.

**BACKGROUND & HISTORY:**

The City Council adopted Resolution 2021-115 on December 1, 2021, establishing the Capital Improvement Project, "James Street Sewer Extension Project," to extend the public sewerage main 410 lineal feet on James Street. In addition, it established the proportionate fair share cost agreement for cost recovery from the eight (8) benefitted parcels on James Street.

The property owner for the existing single-family home at 2844 James Street, built in 1973, initiated the request for this project. The home is located on James Street between Fullerton Avenue and Rimpau Avenue, north of East Chase Drive and south of Carter Lane. The home is approximately 120 linear feet from the terminal sewer manhole near 2804 James Street and is currently connected to an active septic system. There are eight (8) single-family homes on septic systems on the south end of James Street including the 2844 James Street property and the respective property owner has expressed interest in abandoning his septic system and connecting to the public sewer system.

To coincide with the State and County's legislation and regulations to protect groundwater quality and public health, it is the goal of the City of Corona Utilities Department to eventually have all existing homes currently using septic systems connected to the City's public sewerage system.

This project was originally advertised for Construction Bid in July 2022 to the Utilities Department's Pre-Qualified Contractors list, which included nine (9) companies at the time. The engineer's estimate was \$310,000 and the City received only one (1) bid from Ferreira Coastal Construction for a total of \$409,310. Due to inflation uncertainty causing a volatile bidding climate and having received only one bid, staff elected to place the project on hold for one year to allow for construction costs to stabilize as well as allow for additional contractors to submit for approval to be on the Utility Department's Pre-Qualified Contractors list. Since July 2022, six (6) contractors were added to the Pre-Qualified Contractors list, providing for a more competitive bid process. With updated costs and inflation being factored in, the engineer's estimate for the project is now \$390,000.

**ANALYSIS:**

This Project was re-advertised for bids on September 28, 2023, pursuant to Corona Municipal Code

Section [3.08.110](#), Non-public Projects - Formal Bidding Procedure and Public Contract Code requirements to the fifteen (15) Pre-Qualified Contractors. On October 26, 2023, three (3) bids were received through the City's PlanetBids bidding service.

The Plans and Specifications for the James Street Sewer Extension Project were completed, reviewed, and approved by City staff. As specified in the bid package, the City shall award the contract for the project to the lowest responsive, responsible bidder as determined from the lowest total for the Bid Schedule.

The following is a summary of the bid results and the Engineer's Estimate:

Contractor		Location	Bid Schedule Amount
<b>Engineer's Estimate</b>			<b>\$390,000</b>
1	MNR Construction, Inc.	La Verne, CA	\$407,200
2	Ferreira Coastal Construction	Rancho Cucamonga, CA	\$497,664
3	T.E. Roberts, Inc.	Irvine, CA	\$519,098

Staff has reviewed the bid and recommends awarding the contract to MNR Construction, Inc. as the lowest responsive, responsible bidder based on the Bid Schedule for a total contract amount of \$407,200. All licenses and references for MNR Construction, Inc. have been reviewed and verified by City staff, and all other documentation is in order.

Upon review of the bid results and comparing them with the results from July 2022, Staff recommends moving forward with this project without further delay. The lowest bid one year later is only \$2,110 less than the previous bid, and continuing to hold the project to wait for pricing to come down is no longer prudent. Additionally, the homeowners in this area are best served by the City moving forward with this project at this time.

City staff will perform the construction contract administration, and a contract consultant will perform inspection services. Funding of \$50,000 is included in the project costs for the construction support services. Should the City Council award the contract as recommended, construction is tentatively scheduled to commence in February 2024, with completion anticipated by April 2024.

**FINANCIAL IMPACT:**

Partial funding for the recommended actions is available in the James Street Sewer Extension Capital Improvement Project No. UT-2021-08 within the Sewer Capacity Fund 440. Approval of the recommended actions will result in an appropriation in the amount of \$97,144 from Measure A Fund 227 to the James Street Sewer Extension Capital Improvement Project No. UT-2021-08 for the pavement restoration portion of the project. No additional funding will be required from the Sewer Capacity Fund 440.

The estimated construction cost for this project is outlined as follows:

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Construction .....	\$407,200
Construction Contract Change Orders (10%) .....	\$40,720
Construction Support Services .....	\$50,000
<b>Total Construction Costs .....</b>	<b>\$497,920</b>

With the approval of the recommended actions, funds will be used for the James Street Sewer Extension Project. The project budget will be available from the following funding sources:

<b>Funding Source</b>	<b>Amount</b>
Sewer Capacity Fund (440)	\$400,776
Measure A Fund (227)	\$97,144
Total	\$497,920

As the homeowners on James Street pay their fair share allocation, those funds will be deposited in the Sewer Capacity Fund 440 to replenish the spent funds.

**ENVIRONMENTAL ANALYSIS:**

This action is categorically exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Action (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense rule that CEQA applies only to projects that have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action is also exempt pursuant to Section 15303(d), which provides that the construction of water main, sewage, electrical, gas, and other utility extensions of reasonable length to serve an adjacent single-family residences are exempt from CEQA.

**PREPARED BY:** DYLAN GOLDSMITH, ASSOCIATE ENGINEER

**REVIEWED BY:** SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR & TOM MOODY, DIRECTOR OF UTILITIES

**Attachments:**

1. Exhibit 1 - Location Map
2. Exhibit 2 - Construction Contract
3. Exhibit 3 - Staff Report for Resolution 2021-115