



Staff Report

File #: 23-0533

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

DATE: 06/21/2023

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

FROM: Public Works Department & Utilities Department

SUBJECT:

CONSTRUCTION CONTRACT WITH W.M. LYLES COMPANY IN THE AMOUNT OF \$3,825,000 FOR THE WATER RECLAMATION FACILITY 1 AERATION SYSTEM IMPROVEMENTS PROJECT, NO. 2023-06; NOTICE INVITING BID 23-066CA

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve the Construction Contract with W.M. Lyles Company for the Water Reclamation Facility 1 Aeration System Improvements Project, No. 2023-06. The aeration system has declined in efficiency at the activated sludge secondary treatment basins and requires the use of twice as much electricity and chemicals. The replacement of the aeration system will improve the efficiency of sludge treatment and result in reduced operational costs.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the Construction Contract with W.M. Lyles Company for the Water Reclamation Facility 1 Aeration System Improvements Project, No. 2023-06, in the amount of \$3,825,000.
- b. Adopt Plans and Specifications for the Water Reclamation Facility 1 Aeration System Improvements Project, No. 2023-06, Notice Inviting Bid 23-066CA.
- c. Award Notice Inviting Bids 23-066CA to W.M. Lyles Company, the lowest responsive, responsible bidder, for the total bid amount of \$3,825,000, and waive any and all minor irregularities in the bidding document as submitted by the said bidder.
- d. Authorize the City Manager, or his designee, to execute the Contract with W.M. Lyles

Company in the amount of \$3,825,000, including any non-substantive extensions, change orders, purchase orders, and amendments up to 10% of the contract amount or \$382,000.

- e. Authorize an appropriation in the amount of \$2,445,242 from the Sewer Utility Fund 572 to the Water Reclamation Facility No. 1 Aeration Diffuser Replacement Capital Improvement Project No. 77020 for a total project cost of \$5,045,242.

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

BACKGROUND & HISTORY:

At 11.5 million gallons per day, Water Reclamation Facility 1, is the oldest and largest of the three Corona wastewater treatment plants operating under the City's National Pollutant Discharge Elimination System (NPDES) permit. Aeration is the process of adding air into wastewater to allow aerobic biodegradation of the organic materials, which is an important activated sludge treatment process. The efficiency of the aeration system has been declining since 2019, requiring the use of more electricity and chemicals to maintain production. City staff utilized Dudek to design a replacement of the aeration header, stainless steel grid, and more efficient fine-bubble diffusers, which will result in reduced maintenance and efficient operations. The new aeration facilities are designed to treat a load of 5.5 million gallons per day, complementing a parallel treatment process

Construction is tentatively scheduled to commence in September 2023, with completion anticipated in March 2024.

ANALYSIS:

The Plans and Specifications for the Project were completed by Dudek and reviewed 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.

On April 23, 2023, Notice of Inviting Bids (NIB 23-066CA) was advertised for bids, pursuant to Corona Municipal Code and Public Contract Code [3.08.110](#), Non-public projects formal bidding procedure, and Public Contract Code requirements. On May 17, 2023, five (5) bids were received through the City's PlanetBids bidding portal.

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

Contractor		Location	Bid Schedule
Engineer's Estimate			\$3,500,000
1	W.M. Lyles Company	Temecula, CA	\$3,825,000
2	GSE Construction Company Inc	Livermore, CA	\$4,399,600
3	Pacific Hydrotech Corporation	Perris, CA	\$4,608,400
4	J.R. Filanc Construction Company, Inc.	Escondido, CA	\$5,145,000
5	R.C. Foster Corporation	Corona, CA	\$5,394,000

Staff has reviewed all bids received and recommends awarding the contract to W.M. Lyles Company as the lowest responsive, responsible bidder based on the Bid Schedule for a total contract amount of \$3,825,000. All licenses and references for W.M. Lyles Company have been reviewed and verified by City staff, and all other documentation is in order.

City staff will administer the construction contract and a consultant will perform construction management and inspection services. Should the City Council award the contract as recommended, construction is tentatively scheduled to commence in September 2023, with completion anticipated by March 2024.

FINANCIAL IMPACT:

Funding for the recommended actions and support services in the amount of \$2,445,242 is requested to be appropriated from the Sewer Utility Fund 572 to the Water Reclamation Facility No. 1 Aeration Diffuser Capital Improvement Project No. 77020.

The estimated cost for the Project is outlined as follows:

Design Engineering (City staff and Dudek)	\$263,992
Construction	\$3,825,000
City and Consultant Construction Support (15%)	\$573,750
Contingency (10%)	\$382,500
Total Construction Cost	\$5,045,242

With the approval of the recommended actions, enterprise funds will be used for the Water Reclamation Facility No. 1 Aeration Diffuser Capital Improvement Project. The project budget will be available from the following source:

Fund	Project No.	FY 2023 Current Balance	Requested Appropriation	FY 2024 Proposed Amount	Balance*
572	77020	\$511,911	\$2,445,242	\$2,600,000	\$5,557,153
*Total project balance after requested appropriation and Proposed FY 2024 amount.					

ENVIRONMENTAL ANALYSIS:

This action is categorically exempt pursuant to Section 15302 of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity consists of replacing or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. The project merely replaces the existing equipment to improve the efficiency of the existing aeration system. A Notice of Exemption will be filed with the County of Riverside prior to the start of construction.

PREPARED BY: DENNIS PHINNEY, PROJECT MANAGER

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

Attachments:

1. Exhibit 1 - Location Map
2. Exhibit 2 - Contract