



Staff Report

File #: 23-0526

**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: Utilities Department

SUBJECT:

AWARD OF CONSTRUCTION CONTRACT FOR WATER RECLAMATION FACILITY No. 1 CENTRIFUGE NO. 2 ADDITION PROJECT TO GSE CONSTRUCTION COMPANY, INC.

EXECUTIVE SUMMARY:

This staff report requests the City Council to award Notice Inviting Bids 23-061CA to GSE Construction Company, Inc., in the amount of \$1,806,600 for the Water Reclamation Facility No. 1 Centrifuge No. 2 Addition Project. The existing belt press has reached its useful life and requires significant work to remain a functional dewatering unit.

RECOMMENDED ACTION:

That the City Council:

- a. Award NIB-23-061CA to GSE Construction Company, Inc., the lowest responsive, responsible bidder, for the total bid amount of \$1,806,600 and waive any and all minor irregularities in the bidding documents as submitted by said bidder for Water Reclamation Facility 1 Centrifuge No. 2 Addition Project.
- b. Authorize an appropriation in the amount of \$969,171.99 from the Sewer Utility Fund 572 to the Centrifuge Installation at Water Reclamation Facility No. 1 Capital Improvement Project No. 73050.
- c. Authorize the City Manager, or his designee, to execute the Construction Contract with GSE Construction Company, Inc., in the amount of \$1,806,600 including any purchase orders, non-substantive extensions, change orders, and amendments up to 10% of the contract amount or \$180,660.00.

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

BACKGROUND & HISTORY:

Sludge dewatering is an important part in the water reclamation process which is designed to remove water from the sludge prior to hauling to a composting site or processing through other means. In 2019, one of the two operational belt presses was removed from service and replaced with an Alfa Laval G3-95 Centrifuge. The dewatering structure was designed to accommodate a future centrifuge in anticipation of the remaining belt press reaching the end of its useful life.

City staff utilized on-call engineering services of Albert A. Webb Associates (Webb) to evaluate two options to either repair the existing belt press or replace the belt press with a new centrifuge. It was determined by Webb that it would be more cost effective to replace the aging belt press with a new centrifuge matching the existing centrifuge and that this will simplify the operations and maintenance of the solids handling system. The installation of the new centrifuge shall result in sludge processing operation with reduced maintenance, efficient operations, and ease of installation at a capital cost that appeared reasonable.

City Council approved the purchase of a new Alfa Laval G3-95 Centrifuge on October 20, 2021. During manufacturing and production of new Alfa Laval centrifuge, Webb completed the design and specifications for the installation of the centrifuge.

ANALYSIS:

On March 30, 2023, Notice of Inviting Bids (NIB23-061CA) was solicited following City of Corona Municipal Code (CMC) [Section 3.08.110](#) Non-public projects - formal bidding procedure and purchasing policy through the City’s PlanetBids bidding portal. Project bidding was limited to the City’s prequalified contractors only. The City has 13 prequalified contractors to perform water reclamation, sewage pump station & sewer system mechanical projects. Among the 13 prequalified contractors, five downloaded the bid documents and by the May 2, 2023, submission deadline, a total of 4 bids were received from the following contractors:

Vendor	City	Bid Amount
GSE Construction Company, Inc.	Livermore	\$1,806,600
J.R. Filanc Construction Company, Inc.	Escondido	\$1,925,000
Pacific Hydrotech Corporation	Perris	\$2,145,700
RC Foster Corp.	Corona	\$2,682,000

The project scope of work consists of an installation of City furnished Alfa Laval ALDEC G395 Centrifuge along with major civil, mechanical, electrical, instrumentation and telemetry work.

Scope of Work	Cost
MOBILIZATION/DEMobilIZATION (NOT TO EXCEED 5% OF BIDDER'S BID AMOUNT)	\$80,000
TRENCH SAFETY MEASURES, SHEETING, SHORING AND BRACING	\$1,000
SITE CIVIL WORK	\$450,000
INSTALLATION OF CITY FURNISHED ALDEC G395 CENTRIFUGE	\$20,000
MECHANICAL WORK	\$1,062,000
INSTRUMENTATION AND TELEMETRY	\$13,000
ELECTRICAL	\$170,600
EQUIPMENT COMMISSIONING AND FACILITY STARTUP	\$10,000
Project Total Cost	\$1,806,600

Webb has prepared a comprehensive cost estimate for Centrifuge No. 2 Addition Project. The engineer's estimate of probable construction cost prepared during 2021 was \$1,542,526, while receiving the construction bid, the total project cost is estimated to be \$2,237,000. It is important to note that construction cost estimates are prepared using historical cost data that usually lag current market conditions, and design firms typically do not have the same availability to cost information as prime contractors bidding the work. The four bids received were 14% higher than the Engineer's Estimate. Staff believes the higher bid amounts reflect current market conditions, especially since this bid outcome is consistent with other recent projects in the City.

Staff requested a letter proposal from Webb for construction and project management and inspection services under previously awarded on-call services aforementioned under Request for Proposal (RFP) 19-016CA that was competitively bid. Staff received a letter proposal from Webb for the listed service. Webb will provide invaluable engineering support throughout the construction process, including construction management and inspection, for a total fee of \$219,700 under their existing on-call engineering service contract. Engineering support will be provided by Webb's design engineer who will provide submittal review, request for information review, meeting attendance, and technical assistance during construction. Meanwhile, the construction manager will represent the City and uphold the Contract Documents while interacting directly with the Contractor. The construction manager will lead meetings, oversee the schedule and budget, verify proper procedures and ensure that turnaround times for document review and approval are followed, and ensure the overall quality and delivery of the project. To ensure compliance with the plans and specifications, an inspector will be present on-site part-time. Given that the majority of the work is above ground and can be inspected at any time, it is expected that part-time inspection will suffice. Webb's scope and fee is based upon the anticipated project schedule and is subject to change. Project management support will be performed by City staff. The estimated cost of project management by City staff is approximately \$20,000.

Summary of Costs for Centrifuge No. 2 Addition Project:

Webb Design Services	\$131,152.00
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ALDEC G395 CENTRIFUGE	\$399,680.30
Project Management Support (City Staff)	\$20,000.00
Engineering Support, Construction Management and Inspection	\$219,700
GSE Construction Contract	\$1,806,600.00
10% Change Order Authority	\$180,660.00
Total	\$2,757,792.30

City Staff recommends that City Council award NIB 23-061CA and the construction contract in the amount of \$1,806,600 to GSE Construction Company, Inc., as the lowest responsive, responsible bidder for the Centrifuge No. 2 Addition Project. All licenses and references for GSE Construction Company have been reviewed and verified by City Staff, and all other required documentation is in order.

FINANCIAL IMPACT:

Approval of the recommended actions will result in an appropriation in the amount of \$969,171.99 from the Sewer Utility Fund 572 to the Centrifuge Installation at Water Reclamation Facility No. 1 Capital Improvement Project No. 73050. There is sufficient working capital for the recommended actions.

Fund	Project No.	Requested Appropriation	FY 2023 Current Balance	Proposed FY 2024 Amount	Project Balance*
572	73050	\$969,171.99	\$788,620.31	\$1,000,000	\$2,757,792.30

**Total project balance after requested appropriation and Proposed FY24 amount.*

ENVIRONMENTAL ANALYSIS:

This action is categorically exempt pursuant to Section 15301 of the Guidelines for the California Environmental Quality Act (CEQA), which states that operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the CEQA determination. This action involves the repair/replacement of dewatering equipment within the water reclamation system. Therefore, no environmental analysis is required.

PREPARED BY: AFTAB HUSSAIN, MAINTENANCE MANAGER

REVIEWED BY: TOM MOODY, DIRECTOR OF UTILITIES

Attachments:

1. Exhibit 1 - Contract with GSE Construction Company, Inc.
2. Exhibit 2 - Webb & Associates Cost Estimate