



Staff Report

File #: 22-0658

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

DATE: 08/03/2022

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

FROM: Public Works Department & Utilities Department

SUBJECT:
Second Amendment to Maintenance/General Services Agreement with Valverde Construction, Inc. for On-Call Emergency - Essential Systems Repair Services for Potable Water - Reclaimed Water - Wastewater.

EXECUTIVE SUMMARY:

The City and Lab Holding, LLC are conducting improvements to the Corona Mall South property to revitalize the commercial center. Lab Holding, LLC owns 6 retail parcels on the property, and the City owns the parking lot. The City plans to reconstruct the parking lot as part of the revitalization and is proposing to utilize the services of its on-call contractor, Valverde Construction, Inc., for the replacement of Asbestos Cement Pipe underneath the parking lot. An amendment to the Maintenance/General Services Agreement with Valverde Construction, Inc. is needed in order to utilize them for this project.

RECOMMENDED ACTION:

That the:

- a. City Council approve the Second Amendment to Maintenance/General Services Agreement with Valverde Construction, Inc. for On-Call Emergency - Essential Systems Repair Services for Potable Water - Reclaimed Water - Wastewater to increase the total compensation by \$615,721 to perform the asbestos cement pipe replacement work.
- b. City Council authorize the City Manager, or his designee, to execute the Second Amendment to Maintenance/General Services Agreement with Valverde Construction, Inc., for a total contract amount of \$835,721 and approve necessary change orders up to 10% or \$83,572 including making minor and non- substantive changes as authorized in Corona Municipal Code

Section [3.08.060 \(J\)](#).

- c. City Council authorize the Purchasing Manager to issue a change order to the On-Call Emergency - Essential Systems Repair Services for Potable Water - Reclaimed Water - Wastewater blanket purchase order for Valverde Construction, Inc. in the amount of \$615,721.
- d. Corona Utility Authority review, ratify, and to the extent necessary direct the City Council to take the above actions.

BACKGROUND & HISTORY:

The City of Corona operates and maintains hundreds of miles of water pipeline, reclaimed water pipeline, and sewer pipelines, and thousands of system/control valves and fire hydrants. This infrastructure can experience issues in the system due to various factors, including soil movement, material age, and corrosion. In order to ensure the City is able to provide continuous, uninterrupted service to keep Corona's utilities fully operational, the services of on-call contractors are needed to perform emergency repairs and replacement of the City's water and wastewater infrastructure at any time during a 24-hour period.

On March 3, 2021, the Purchasing Division issued Request for Proposals (RFP) No. 21-057RH for On-Call/Emergency Essential Systems Repair Services for: Potable Water - Reclaimed Water - Wastewater. The City received nine proposals, and all proposals were reviewed by a 3-person evaluation panel of City staff. The proposals were reviewed based on the qualifications of the firms, experience of personnel, completeness, timeliness of response, competitive cost and price, and project plan and completeness. The top three candidates were identified by the panel to perform repair and replacement work on an as-needed basis with competitive labor and equipment hourly rates.

On June 16, 2021, the City Council awarded RFP 21-057RH for On-Call and Emergency Repair Services for Potable Water, Reclaimed Water, and Wastewater Essential Systems to Valverde Construction, Inc. (Valverde), Augustine General Engineering (Augustine), and W.A. Rasic Construction Co. Inc. (WARasic). Maintenance/General Service Agreements (MGSA) were executed with all three contractors for an initial two-year term beginning in Fiscal Year 2022 with two optional two-year extensions in the amount of \$200,000 each.

On July 14, 2022, a First Amendment to the MGSA with Valverde was executed as part of the Fiscal Year 2023 blanket purchase order process, which increased the contract value by \$20,000 for a total amount not to exceed \$220,000.

ANALYSIS:

On June 9, 2022, the City contacted the three on-call contractors, Valverde, Augustine, and WA Rasic, to request pricing proposals for the replacement of two sections of 8" Asbestos Cement Pipe (ACP) running east-west through the Corona Mall South property. The replacement of the ACP is part of a series of improvements the City and Lab Holding, LLC (Lab) are conducting in support of Lab's efforts to revitalize the Corona Mall properties. Lab currently owns 6 retail parcels in the Corona Mall

South, and the City owns the parking lot. As part of the revitalization of the property, the City plans to reconstruct the parking lot on the Corona Mall South property to coincide with improvements Lab will commence later this month to revitalize the commercial center.

There is approximately 978 linear feet (LF) of 8" ACP running underneath the Corona South Mall parking lot. Corona recently replaced a failed ACP waterline after a street pavement project at Canary Lane; the ACP waterline failed at approximately 59 years of service.

ACP's useful life is estimated to be approximately 70 years, but this life span is dependent on several major factors that include the ACP's physical characteristics of age (the ACP pipes targeted for replacement are 50+ years of age), buried underground environment, internal pipe degradation due to its operation pressure, flow rate, and biodegradation of the pipe wall thickness. Such ACP degradation, combined with the proposed reconstruction of the Corona Mall South, can accelerate the ACP degradation or cause catastrophic failure of potable water pipes from construction activities like soils compaction that can vibrate the pipes and crack them. Therefore, replacement of the ACP is recommended prior to the reconstruction of the parking lot. Given the ACP waterline failure at Canary Lane, Corona staff has decided to proactively replace the ACP waterlines under the Corona Mall that will be experiencing similar construction stressors of soils and pavement compaction during the parking lot reconstruction.

In order to stay on track with the improvement schedule for the Corona Mall property and complete the construction of the parking lot prior to the opening of the Lab project, staff is proposing to utilize the services of its on-call contractors for the replacement of the ACP. Staff contacted all three contractors to request pricing proposals for this project, and their responses area listed below.

Contractor Name	Amount
Valverde Construction Inc.	\$615,721
Augustine General Engineering	\$640,795
W.A. Rasic Construction Co. Inc.	Declined to Bid

Staff recommends awarding the project to Valverde and amending their Maintenance/General Services Agreement to include this project in the amount of \$615,721.

The estimated time for construction for the ACP replacement project is 45 working days. Following completion of the ACP replacement, staff will proceed with the remaining steps to repave the parking lot.

FINANCIAL IMPACT:

Funding for the recommended actions is available in the Capital Improvement Project titled, "6th Street Beautification and Revitalization," CIP No. 76730 within the American Rescue Plan Act (ARPA) Fund 413. The current available balance in CIP No. 76730 is \$7,839,958, which is sufficient for the recommended actions. American Rescue Plan Act funds dedicated to the 6th Street Beautification and Revitalization Project coincide with the development of the Corona Mall property.

ENVIRONMENTAL ANALYSIS:

This action is categorically exempt pursuant to Section 15301 of the Guidelines for the California Environmental Quality Act (CEQA), which is defined as "Existing Facilities - 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 beyond that existing at the time of the CEQA determination" and is, therefore, exempt from CEQA. This action merely involves replacement of existing infrastructure to maintain public health and safety. Therefore, no environmental analysis is required. A "Notice of Exemption" from the requirements of the California Environmental Quality Act (CEQA) will be filed with the County of Riverside.

PREPARED BY: BARRY GHAEMI, SENIOR ENGINEER

REVIEWED BY: SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR

Attachments:

1. Location Map
2. Second Amendment to Maintenance/General Services Agreement with Valverde Construction, Inc