



Agenda Report

File #: 20-0020

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

DATE: 01/15/2020

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

FROM: Public Works Department
Department of Water and Power

SUBJECT:
City Council and Corona Utility Authority consideration of approval of award of Notice Inviting Bid ("NIB") 20-018HC for Sierra Del Oro Water Treatment Plant Landscape Renovation Project.

RECOMMENDED ACTION:

That the:

1. City Council adopt the Plans and Specifications for the Sierra Del Oro Water Treatment Plant Landscape Renovation Project.
2. City Council award Notice Inviting Bid ("NIB") 20-018HC for the Sierra Del Oro Water Treatment Plant Landscape Renovation Project to Clean Cut Landscape, Inc., of Fresno, California, in the amount of \$587,000.
3. City Council authorize the City Manager, or Acting Public Works Director, to execute a contract with Clean Cut Landscape, Inc., in the amount of \$587,000, and approve necessary change orders up to ten percent of the contract amount.
4. City Council authorize the Acting Public Works Director or the Department of Water and Power General Manager and City Attorney to negotiate and execute any amendments to this agreement which are either non-substantive or otherwise in compliance with the City Council's actions hereunder.
5. City Council authorize the Purchasing Agent to issue a purchase order to Clean Cut Landscape, Inc., in the amount of \$587,000 in accordance with duly authorized and executed agreements.

6. City Council authorize an appropriation of \$776,233 from the Water Utility Fund 570 to an existing Capital Improvement Project (72800) titled "SDO Treatment Plant Landscape Repair."
7. City Council approve a cash transfer of \$706,868.74 from the General Fund 110 to the Water Utility Fund 570.
8. Corona Utility Authority (CUA) review, ratify, and to the extent necessary, direct the City Council to take the above actions.

ANALYSIS:

The Department of Water and Power (DWP) owns and operates a treatment plant named the Sierra Del Oro (SDO) Water Treatment Plant (WTP). The SDO WTP is located on 8.23 acres in the hills of the western part of the City at 2940 Wilderness Circle. A map of the location of the SDO WTP is attached to this report as "Exhibit A." The SDO WTP is bordered on three sides by undeveloped open space areas consisting of mountains and hillsides with native plant materials.

On September 25, 2017, the Canyon Fire ignited south of State Route 91 in the Cleveland National Forest, crossing from Orange to Riverside County. The fire eventually burned 2,662 acres, including portions of the SDO WTP. While the main structures of the SDO WTP remained intact, there was substantial damage to the landscaping, roof and communication site equipment.

As a result of the damage, the City of Corona filed an insurance claim with its carrier, Lexington Insurance Company. On December 19, 2018, the City Council and Corona Utility Authority approved resolution of the claim and received reimbursement for the damages in the amount of \$957,591.78, as shown on Exhibit "B".

Prior to the settlement, the Public Works (PW) Department issued RFP 18-085CA for landscape design services associated with the fire at SDO WTP which was awarded to Dudek on August 30, 2018 in the amount of \$53,900. The design consists of rehabilitating approximately 70,000 square feet of the site, including the existing irrigation system and installing cobble hardscape, removing and replacing a failing retaining wall, and installing plant materials to act as a fire break to help reduce the potential for fire damage in the future.

The PW Department issued NIB 20-018HC for the project on November 13, 2019. NIB 20-018HC was posted to the City's PlanetBids website on November 13, 2019 and advertised in the Sentinel Weekly and the construction trade journals specified in § 22036 of the Act on November 13, 2019. Twenty-nine contractors were solicited, and a mandatory job-walk was conducted on November 21, 2019. Four bids were received by the December 11, 2019 due date and time.

The results of the bids are as follows:

Vendor	City	Total Bid Amount
Clean Cut Landscape, Inc.	Fresno, CA	\$587,000
Marina Landscape, Inc.	Orange, CA	\$614,200
Mariposa Landscape, Inc.	Irwindale, CA	\$624,580
Griffith Company	Brea, CA	\$649,380

Clean Cut Landscape, Inc., of Fresno, California is the apparent lowest responsive and responsible bidder, with a bid submission of \$587,000. PW and DWP recommend that the City Council award the project to Clean Cut Landscape, Inc., of Fresno, California in the amount of \$587,000. All licenses and references for Clean Cut Landscape have been reviewed and verified by City staff and all other documentation is in order.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

This item supports the City's Strategic Plan Goal 1: Promote Public Safety: Protect our Residents and Businesses; Objective C: Ensure adequate funding for investments and improvement in infrastructure that support public safety. The recommended action will help achieve these goals by rehabilitating the SDO WTP fire damage and help reduce the potential for fire damage and ensuring the security of the City's water supply facilities.

FISCAL IMPACT:

Approval of the recommended actions will result in an appropriation of \$776,233 in the Water Utility Fund 570. Additionally, a cash transfer will be approved for \$706,868.74 from the General Fund to the Water Utility Fund 570 for the balance of insurance proceeds previously received.

The City received insurance proceeds in the amount of \$957,591.78. Funds with qualifying expenditures were reimbursed, with the remaining balance held in the General Fund until the landscape renovation project was ready to commence. The remaining insurance proceeds of \$706,868.74 will be transferred from the General Fund to the Water Utility Fund 570.

Total Insurance Proceeds Received		\$957,591.78
Less Qualifying Reimbursements:		
	General Fund 110	(157,099.54)
	LMD 84-2, Zone 10, Fund 460	(12,624.00)
	Reclaimed Water System Fund 567	(884.44)
	Water Utility Fund 570	(67,079.20)
	Water Reclamation Utility Fund 572	(13,029.68)
	Electric Utility Fund 578	(6.18)
Remaining Insurance Proceeds		\$706,868.74

The construction bid is \$587,000, and an additional \$200,000 is requested to be appropriated for inspection services and for a small contingency for the project, totaling \$787,000. The settlement agreement allotted \$681,883 for landscape repairs. The additional funding above the settlement amount will come out of Fund 570 reserves. Fund 570 has sufficient reserves available for the appropriation. All monies not used will be returned to the Water Utility Fund 570 fund balance at the completion of the project.

Fund	CIP Balance as of 12/23/19	Bid Award Amount	Contingency/ Inspection	Funds Needed
Water Utility Fund 570	\$10,767.00	\$587,000.00	\$200,000.00	\$776,233.00

Fund	07/01/19 Est. Working Capital	Budgeted Revenues/ Sources	Budgeted Expenditures/ Uses	Working Capital Impacts	06/30/20 Est. Working Capital
Water Utility Fund 570	\$7,813,895	\$54,000,373	(\$52,951,067)	Appropriation (\$776,233) Cash Transfer +\$706,868.74	\$8,793,837

GENERAL FUND	
Budget Workshop May 23, 2019 - Estimated Revenue Over Expenditures	\$ 152,247
Previously approved/revised budget adjustments (net)*	(486,402)
Current Revenue Over Expenditures	(334,155)
Cash Transfer to Water Utility Fund 570 - Insurance Proceeds	(706,869)
Revised Estimated Revenue Over Expenditures	\$ (1,041,024)
Budget Balancing Measures Reserve - Actual 06/30/19	34,433,788
Estimated FY 2019-20 Change in Budget Balancing Measures Reserve	(1,041,024)
Estimated Budget Balancing Measures Reserve - 06/30/20	\$ 33,392,764

* Approved through Council Action or other operational process.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a 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 merely authorizes City staff to have a contractor remove existing plant material, install new irrigation and cobble, and install new plant material at an existing water treatment facility, and there is no possibility that approving this action will have a significant effect on the environment. Therefore, no environmental analysis is required, and staff will file a Notice of Exemption with the County of Riverside.

PREPARED BY: TRACY MARTIN, UTILITIES PROJECT MANAGER

REVIEWED BY: TOM KOPER, P.E., ACTING PUBLIC WORKS DIRECTOR

REVIEWED BY: TOM MOODY, GENERAL MANAGER

REVIEWED BY: SCOTT BRIGGS, PURCHASING SPECIALIST V

REVIEWED BY: KIM SITTON, ACTING ADMINISTRATIVE SERVICES DIRECTOR

SUBMITTED BY: JACOB ELLIS, CITY MANAGER & EXECUTIVE DIRECTOR

Attachments:

1. Exhibit A - Location Map
2. Exhibit B - Staff Report 18-2338
3. Contract