



Legislation Text

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File #: 18-1601, Version: 1

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

DATE: 3/21/2018

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 to adopt the Plans and Specifications for the California Avenue Sewer Project, No. 6986; approve a Construction Contract with Trautwein Construction, Inc. in the amount of \$6,270,900.00 and take related budgetary actions; authorize acceptance of \$409,000.00 as an initial deposit from the New Home Company for its fair share of the Project with the remaining balance (estimated to be \$2,315,960.00) to be paid pursuant to a payment schedule approved by the City Manager and secured by a payment bond deemed acceptable by the City Manager; authorize the Purchasing Manager to issue a purchase order to Trautwein Construction, Inc. in the amount of \$6,270,900; and award the bid, NIB 18-016BT.

**RECOMMENDED ACTION:**

That the:

1. City Council adopt the Plans and Specifications for the California Avenue Sewer Improvements Project, CIP 6986.
2. City Council appropriate \$2,724,960.00 in the Water Reclamation Utility Fund (Fund 572) for the California Avenue Sewer Improvements Project (CIP 6986).
3. City Council authorize the acceptance of \$409,000.00 as an initial deposit from The New Home Company towards its fair share total of \$2,724,960.00 for the Project, with the remaining balance (estimated to be \$2,315,960.00) to be paid pursuant to a payment schedule approved by the City Manager and secured by a payment bond deemed acceptable by the City Manager.

4. City Council award the bid, NIB 18-016BT, to Trautwein Construction, Inc., the lowest responsive, responsible bidder, for the total bid amount of \$6,270,900.00, and waive any and all minor irregularities in the bidding document as submitted by said bidder.
5. City Council authorize the City Manager or his designees to execute the Construction Contract with Trautwein Construction, Inc. in the amount of \$6,270,900.00, and approve necessary change orders up to the amount provided by Corona Municipal Code Section 3.08.060(j).
6. City Council authorize the Purchasing Agent to issue a purchase order to Trautwein Construction, Inc. in the amount of \$6,270,900.00.
7. Authorize the Assistant City Manager/Administrative Services Director to make necessary adjustments to the revenue estimates and appropriations for the California Avenue Sewer Improvements Project (CIP 6986) under the condition that there is no net impact to the fund balance of Fund 572.
8. Corona Utility Authority (CUA) review, ratify, and to the extent necessary, direct that the City Council take the above actions.

**ANALYSIS:**

The California Avenue Sewer Improvements Project ("Project") will construct approximately 9,050 feet of 15-inch gravity sewer main on California Avenue between Foothill Parkway and Pico Street. The Project is required to convey sewer flows from the Arantine Hills Lift Station, currently in construction, as well as all existing sewer flows that are currently received by Water Reclamation Facility No. 3, upon its decommissioning.

The Plans and Specifications for the Project were completed by KWC Engineers, and reviewed by City staff. The Project was advertised per Corona Municipal Code and Public Contract Code requirements and is ready for adoption and award.

The Plans and Specifications were advertised on December 6, 2017. On February 13, 2018, six (6) valid bids were received from prequalified contractors and opened by City Staff. The following is a summary of the bid results and the Engineer's Estimate:

<b>Contractor</b>	<b>Location</b>	<b>Bid Schedule</b>
Engineer's Estimate		\$6,000,000 to \$8,000,000
<b>Trautwein Construction, Inc.</b>	<b>Rancho Cucamonga</b>	<b>\$6,270,900</b>
MNR Construction	Baldwin Park	\$6,337,370
WA Rasic Construction	Long Beach	\$6,850,000
Weka, Inc.	Highland	\$7,147,376
EJ Meyer Company	Highland	\$7,177,777
Mike Bubalo Construction	Baldwin Park	\$10,493,500

**COMMITTEE ACTION:**

Not applicable.

**STRATEGIC PLAN:**

Not applicable.

**FISCAL IMPACT:**

Funding for the Project construction, including construction management and all other necessary costs above current committed funds, will be partially provided by The New Home Company ("Developer"), the developer of the Bedford Community, also known as Arantine Hills. Under the terms of the Arantine Hills Development Agreement, the Developer is responsible to pay its fair-share contribution equal to 40 percent of the total Project cost. Although the Development Agreement does not expressly mandate the timing of these payments, staff is recommending that Council accept an initial deposit of \$409,000.00, with the remaining amount (currently estimated to be \$2,315,960.00) to be paid pursuant to a payment schedule approved by the City Manager and secured by a payment bond deemed acceptable by the City Manager. The bonds will be reduced by the amounts of the subsequent progressive payments throughout the Project prior to the City incurring the cost. Approval of the recommended actions will add an appropriation of \$2,724,960.00 to CIP 6986 in Fund 572 in Fiscal Year 2017-18's Capital Improvement Plan. Estimated revenue is included in the current revenue estimates in the Water Reclamation Utility Fund.

Securities have been posted as detailed below:

	Construction Contract	
	Security No.	Amount
Payment Performance	PB02497500766	\$2,315,960.00

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

Construction .....	\$6,270,900.00
City and Design Construction Support. ....	\$145,000.00
CEQA Mitigation .....	\$82,500.00
Contingency .....	\$314,000.00
Total Construction Cost .....	\$6,812,400.00

Funding for the construction phase of the Project is as follows:

Account Name	Fund	Account	Total
Water Reclamation Utility Fund	572	6986	\$6,812,400.00

There is sufficient working capital available for the recommended actions.

Fund	07/01/17 Est. Working Capital	Budgeted Revenues/ Sources	Budgeted Expenditures/ Uses	Working Capital Impacts	06/30/18 Est. Working Capital
Water Reclamation Utility Fund 572	\$23,823,252	\$35,674,800	(\$29,462,007)	(\$2,724,960) Appropriation	\$27,311,085

**ENVIRONMENTAL ANALYSIS:**

In 2016, the City prepared an Initial Study to analyze the potential environmental impacts of the Project, and found that all potential impacts could be reduced to a less than significant level. The City subsequently prepared a Mitigated Negative Declaration (MND) and associated Mitigation Monitoring and Reporting Program (MMRP) to identify mitigation measures to reduce or avoid each impact. The MND and associated MMRP were adopted by Council on December 7, 2016. All mitigation measures identified in the MMRP applicable to this project will be implemented.

**PREPARED BY:** BOB TRAN, P.E, SENIOR ENGINEER

**REVIEWED BY:** VERNON R. WEISMAN, P.E., DISTRICT ENGINEER

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

**REVIEWED BY:** NELSON D. NELSON, P.E., PUBLIC WORKS DIRECTOR

**REVIEWED BY:** TOM MOODY, GENERAL MANAGER

**REVIEWED BY:** KIM SITTON, FINANCE MANAGER

**REVIEWED BY:** PATRICIA SONG, FINANCE MANAGER

**REVIEWED BY:** CITA LONGSWORTH, PURCHASING MANAGER

**REVIEWED BY:** KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

**SUBMITTED BY:** DARRELL TALBERT, CITY MANAGER & EXECUTIVE DIRECTOR

Exhibits:      "A" - Location Map