

City of Calistoga

Staff Report

TO: Honorable Mayor and City Council Members
FROM: Derek Rayner, Senior Civil Engineer
VIA: Dan Takasugi, Public Works Director/City Engineer
DATE: June 7, 2011
SUBJECT: Consideration of a Resolution Awarding a Construction Contract to Pacific Hydrotech Corporation for the Mt. Washington Water Storage Tank Project and Authorizing the City Manager to Execute the Contract

APPROVAL FOR FORWARDING:



Richard D. Spitler, City Manager

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2 **ISSUE:** Consideration of a Resolution awarding a construction contract to Pacific
3 Hydrotech Corporation for the Mt. Washington Water Storage Tank Project and
4 authorizing the City Manager to execute the contract.

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6 **RECOMMENDATION:** Adopt the Resolution.

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8 **BACKGROUND / DISCUSSION:**

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10 The City is required to provide adequate water storage to meet the daily demands of
11 existing customers, satisfy peak fire flow rates, and provide emergency reserve in the
12 event of an interruption in supply or transmission of potable water. Although the City
13 maintains a 1 million gallon storage tank at Fiege Canyon, this tank does not provide
14 enough capacity to meet the City's water storage requirements. Further, the existing
15 Fiege Canyon water tank needs to be taken out of service for cleaning and rehabilitation
16 without disrupting service, which requires an alternative location for potable water storage
17 to accomplish this work. Additionally, in order to perform repairs and upgrades at the
18 City's Kimball Reservoir, both the Fiege Canyon tank and the Mt. Washington tank will be
19 needed at a time when Kimball Reservoir must be temporarily drained.

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21 In recognition of these issues, the State Department of Public Health has required the
22 City to design and construct a new water tank to address the City's water storage needs
23 and to upgrade the Fiege Canyon tank. In response, the City Council directed staff to

24 pursue development of a 1.5 million storage tank to accommodate the current storage
25 needs and to provide better water reliability.

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27 In 2006, the City acquired the Mt. Washington parcel for the purpose of constructing this
28 water tank. That same year, the City contracted with Tetra Tech, Inc. for engineering
29 design services for the project.

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31 Council authorized the Public Works Department to bid the project on June 17, 2008. For
32 various reasons the project was delayed and the project was recently put out to bid. Four
33 bids were received on May 24, 2011, as follows:

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35	1. Pacific Hydrotech Corporation	Perris, CA	\$4,506,800
36	2. Gateway Pacific Contractors, Inc.	Sacramento, CA	\$4,921,993
37	3. Cats4U, Inc.	Healdsburg, CA	\$5,220,228
38	4. Helmer & Sons, Inc.	Angwin, CA	\$5,714,000

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40 Due to the nature of this project, staff specified only contractors experienced in the
41 construction of wrapped wire strand post-tensioned concrete tanks were qualified to bid.
42 Contractors had to have successfully completed at least 3 post tensioned concrete tanks
43 (AWWA D110, Type 1) in 10 years. A two envelope bid process was also utilized to
44 ensure contractor qualifications: the first envelope has the bid amount and the second
45 envelope has a statement of qualifications for the contractor. This process aids in further
46 pre-qualifying the contractors.

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48 Additionally city staff conducted due diligence review of Pacific Hydrotech Corporation's
49 qualifications and below is a brief summary of their initial findings:

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- 51 • According to their resume they have built 8, AWWA D110, Type 1 tanks in the last
52 6 years
 - 53 • Their change orders rate is typically very low – typically between 1 to 2 percent.
 - 54 • Their bid-bond appears reputable and is notarized and they included a letter from
55 Safeco regarding there ability to provide performance and payment bonding.
 - 56 • Two agencies' (City of Ontario and Yorba Linda Water District) recommended
57 them, and preferred them as a contractor – several had multiple projects Pacific
58 Hydrotech Corporation had built for them in the last 3 years as well as tanks
59 similar to ours.
 - 60 • They meet 50% prime contractor requirement.
- 61

62 In conclusion, staff has found that the bidder is both responsive and responsible.

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64 As described more fully below, this project is funded in part by the United States Dept. of
65 Agriculture (USDA). Under the City's funding agreement with the USDA, the USDA must
66 evaluate the bid and indicate its concurrence and agreement with the award of the
67 construction contract. Staff has provided the USDA with the information required for the

68 USDA to make it's determination as to concurring with the award of this construction
69 contract, and the concurrence is expected in the near future. *Given these circumstances,*
70 *the City's award of the construction contract must be made subject to the concurring*
71 *agreement of the USDA, and if the USDA does not concur in this contract award, the*
72 *City's contract award shall be void and of no binding effect.*
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74 Staff anticipates that construction activity will begin in the next six to ten weeks, and the
75 project should be completed by June 2013.
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77 **GENERAL PLAN CONFORMANCE/ENVIRONMENTAL REVIEW:**

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79 This project conforms to the General Plan Section 7-I – Water Facilities Services,
80 Objectives I-1.1 and I-1.2.
81

82 This project has fully complied with CEQA.
83

84 **FISCAL IMPACT:** This water facility improvement project is partially funded by a \$3.75M
85 USDA loan as well as from Measure A grant funds.
86

Sources of Funds

USDA Loan	\$3,750,000
Measure A Grant	2,204,059
Total Sources	<u>\$5,954,059</u>

Uses of Funds

Constr. Mgmt/Administration/Inspection	\$827,259
Archaeological	\$70,000
Improvements	\$4,506,800
Contingency	\$550,000
Total Uses	<u>\$ 5,954,059</u>

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88 The table of project cost information shown above is correct, based on the current
89 understanding of the project and the actual bid price. It is estimated that 60% of the
90 costs will be needed in FY 2011-12 and 40% in FY 2012-13.
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92 The budget figures shown herein are consistent with those to be presented in the
93 forthcoming Water Enterprise budget request.
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95 Funds required in FY 2011-12 are budgeted for this project in Fiscal Year 2011-12 in
96 Water Treatment Capital Improvements (12-5232).
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98 **ATTACHMENTS:**

- 99
100 1. Resolution

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RESOLUTION NO. 2011- ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA,
COUNTY OF NAPA, STATE OF CALIFORNIA, AWARDING A
CONSTRUCTION CONTRACT TO PACIFIC HYDROTECH CORPORATION
IN THE AMOUNT OF \$4,506,800 FOR CONSTRUCTION OF THE
MT. WASHINGTON WATER STORAGE TANK PROJECT AND
AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT**

WHEREAS, the City is required to provide adequate water storage to meet the daily demands of existing customers, satisfy peak fire flow rates, and provide emergency reserve in the event of an interruption in supply or transmission of potable water; and

WHEREAS, the State Department of Health Services has required the City to design and construct a new water tank to address the City's water storage needs; and

WHEREAS, the City has developed and completed a Water Facilities Master Plan, which was formally adopted by the City Council in 2000, that found and determined that the City of Calistoga requires additional potable water storage capacity; and

WHEREAS, the City completed CEQA process for the Mt. Washington Water Storage Tank in June, 2002, by means of certifying an Environmental Impact Report; and

WHEREAS, the City acquired the Mt. Washington property in 2006 for the purpose of constructing a water storage tank; and

WHEREAS, the City Council approved the project Plans and Specifications, and authorized the Public Works Department to advertise for bids, at their June 17, 2008 meeting; and

WHEREAS, four bids were received by the City, with the low bidder being Pacific Hydrotech Corporation in the amount of \$4,506,800; and

WHEREAS, Staff has reviewed the bid from Pacific Hydrotech Corporation and finds the bidder responsible and responsive; and

WHEREAS, Staff has submitted the required details of the bid, the bidder, and other pertinent information to be reviewed and approved by the United States Department of Agriculture (USDA); and

WHEREAS, the majority of the project funding is from a long-term loan from the USDA, and the USDA is entitled to approve of the bid and concur with the City's award of the construction contract; and

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WHEREAS, funds for the Mt. Washington Water Storage Tank Project are budgeted at \$3,572,435 in Fiscal Year 2011-12 and \$2,381,624 in Fiscal Year 2012-13 in the Water Treatment Capital Improvement Account (12-5232); and

WHEREAS, Staff recommends that the bid be awarded to Pacific Hydrotech Corporation in the amount of \$4,506,800.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Calistoga as follows:

1. A contract is hereby conditionally awarded to Pacific Hydrotech Corporation in the amount of \$4,506,800 for construction of the Mt. Washington Water Storage Tank Project. This contract award is subject to the concurrence and agreement of the USDA. If the USDA does not concur in this contract award, the City of Calistoga's contract award shall be void and of no binding effect.
2. The City Manager is hereby authorized to execute the Contract, contingent upon approval by the City Attorney and the concurrence of the USDA.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Calistoga at a regular meeting held this 7th day of June 2011, by the following vote:

AYES:

NOES:

ABSTAIN/ABSENT:

JACK GINGLES, Mayor

ATTEST:

SUSAN SNEDDON, City Clerk