

# City of Calistoga

# 24

## Staff Report

**TO:** Honorable Mayor and City Council  
**FROM:** Derek Rayner, Deputy Public Works Director  
**VIA:** Michael Kirn, Public Works Director/City Engineer  
**DATE:** June 20, 2017  
**SUBJECT:** Council Discussion of Kimball Intake Tower Project including permitting and construction issues; also Consideration of a Resolution Awarding a Construction Contract to Maggiora & Ghilotti, Inc., and Authorizing Professional Service Agreements for Construction Inspection Services to Consolidated CM and AECOM in the amount of \$1,804,693 for the Kimball Intake Tower, Drain Valve and Drainage Improvements Project, contingent upon Fish and Wildlife (DFW) and Division of Safety of Dams (DSOD) final permit approvals, approves a Budget Adjustment and authorizes the City Manager to Execute the Contracts.

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**APPROVAL FOR FORWARDING:**



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Dylan Feik, City Manager

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2 **ISSUE:**  
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4 Council will hear a staff report of the Kimball Intake Tower project, associated  
5 challenges and permitting requirements, and then will consider a Resolution awarding a  
6 construction contract to Maggiora & Ghilotti, Inc., and authorizing Professional Service  
7 Agreements for construction inspection services to Consolidated CM and AECOM in the  
8 amount of \$1,804,693 for the Kimball Intake Tower, Drain Valve and Piping  
9 Improvements Project, contingent upon Fish and Wildlife (DFW) and Division of Safety  
10 of Dams (DSOD) final permit approvals, and authorizes the City Manager to Execute  
11 the Contracts.  
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13 **RECOMMENDATION:**  
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15 Provide direction to staff.

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**BACKGROUND:**

Kimball Reservoir (Reservoir) was built in 1940 and raised 10 feet for additional storage in 1948. The infrastructure is 77 years old and in need of repairs.

Calistoga is under an order from the California Department of Water Resources Division of Safety of Dams (DSOD) to repair or replace the 24-inch main drain valve for the Reservoir. The existing valve can only be partially opened, and is significantly seized. DSOD is concerned that during an emergency, the City would not be able to drain the Reservoir quickly enough to prevent catastrophic overtopping. They are willing to grant the City of Calistoga a 2-year extension to complete the project.

The City hired AECOM (formerly URS) to design and prepare bid documents to replace the 24-inch valve and replace other aging infrastructure including the Intake Tower and 12 and 24-inch piping within the dam/reservoir footprint.

AECOM completed bid documents and the City advertised the bid on April 7, 2017. No bids were received when bids were scheduled to be opened on May 4, 2017. Per CMC Section 3.32.090B "Rejection of Bids" section, Calistoga is allowed to negotiate a contract for the improvements. As a result, staff decided to meet with Maggiora & Ghilotti, Inc. (M&G), to review the project and requested a bid for their services on May 24, 2017. M&G recently built the 16MG recycled water storage pond for Calistoga and was a good contractor to work with throughout the project. M&G also showed an interest in the Kimball project and had pulled plans during bid period.

This resolution is contingent on final 1601 (DFW) permit and signed DSOD permit. Staff is currently in negotiations with DFW to resolve future bypass flow requirements for downstream habitat, per 5937. If we are not able to come to an agreement in time to finalize the permit and build the project this summer, then the project would have to be delayed until the summer of 2018. Staff has conferred with DSOD to determine whether or not they would penalize Calistoga if we do not replace the valve this summer. They have confirmed they will not penalize us and can extend their permit for two years. We will also be able to request extensions to the 1601 and 401 permits. If the Project is delayed we would most likely re-advertise for bids.

**GENERAL PLAN CONSISTENCY:**

This project is consistent with General Plan Section 7 - Infrastructure – Water Facilities, Part C – Goals, objectives, policies and actions, which provide as follows:

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58 Goal I-1 – Provide adequate supplies of water, appropriate for the intended  
59 purpose, and available to all types of users.  
60 Objective I-1.2 – Maintain water storage, conveyance and treatment infra-  
61 structure in good condition.

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63 **CEQA/NEPA/PERMIT COMPLIANCE:**

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65 AECOM completed the initial study and mitigated negative declaration for the  
66 construction project to complete CEQA compliance. Since there is no Federal funding  
67 for the project NEPA is not required.

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69 This project required three permits:

- 70 • 1601 - California Department of Fish and Wildlife (DFW)
- 71 • Division of Safety of Dams
- 72 • 401 - Regional Water Board permits

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74 We have the Regional Water Board Permit and staff approval on the DSOD permit. The  
75 DSOD permit is scheduled to be approved by their Board early next month. We are still  
76 negotiating and awaiting a second draft of the DFW permit.

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78 **FISCAL IMPACT:**

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80 M&G plans to provide a bid later this week that staff will review as  
81 responsible/responsive for the project. The engineer's estimate is \$1,160,814. M&G  
82 initially thought the project was closer to \$1.4M. Additional services will be required to  
83 ensure permit mitigation measures are adhered too and construction work is properly  
84 inspected. Consolidated CM provided constructability review during the design phase  
85 and was asked to provide a proposal for inspection services. Staff also requested  
86 AECOM provide the City a proposal to provide mitigation measure compliance for the  
87 401, DSOD and 1601 permits on the project. The total anticipated costs with a  
88 contingency are below:

- 89 • \$1,400,000 – Construction Costs
  - 90 • \$ 72,000 – Inspection Services
  - 91 • \$ 97,299 – Construction services for Permit Compliance
  - 92 • \$ 235,394 – 15% Contingency
- 93 Total \$1,804,693

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95 Staff suggests the contract agreement include an escalation clause based on ENR's  
96 annual published data, typically 2% to 3%. Assuming a 3% escalation the total project  
97 costs will be \$1,858,834, if the project gets delayed until summer 2018.

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99 This Project is included in the City's FY 2016/17 CIP Project (Account Number 12-5426-  
100 4915) and is a designated Measure A project for \$1.2 million. The proposed FY 2017/18  
101 CIP Budget includes appropriations in the amount of \$1,280,000 for this Project under  
102 Account Number 12-5426-4915.

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104 Staff has recently contacted the County and the remaining Measure A funds are  
105 \$2,465,226. Kimball Debt Service will take \$219,827 leaving a balance available of  
106 \$2,245,399. After the Grant Street Project is paid for (\$1,328,443) there will be  
107 approximately \$916,956 remaining. Therefore the City would need to provide the  
108 remaining \$887,737 from another fund to complete the construction of this project.

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110 The recommended Resolution includes a Budget Adjustment increasing the Project  
111 appropriations to \$1,804,693 derived from the Water CIP Fund Balance, leaving a  
112 projected year end Fund Balance of \$41,065.

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114 **ATTACHMENTS**

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116 1. Resolution  
117 2. Consolidated CM Professional Services Agreement  
118 3. AECOM Professional Services Agreement  
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## RESOLUTION NO. 2017- XXX

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3       **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF**  
4       **NAPA, STATE OF CALIFORNIA, AWARDING A CONSTRUCTION CONTRACT TO**  
5       **MAGGIORA GHILOTTI, INC. IN THE AMOUNT OF \$1,400,000 FOR CONSTRUCTION**  
6       **OF THE KIMBALL RESERVOIR INTAKE TOWER, DRAIN VALVE AND PIPING**  
7       **IMPROVEMENTS PROJECT AND AUTHORIZING PROFESSIONAL SERVICES**  
8       **AGREEMENTS WITH CONSOLIDATED CM (\$72,000) AND AECOM (\$97,299) FOR**  
9       **CONSTRUCTION INSPECTION/PERMIT SERVICES AND AUTHORIZING THE CITY**  
10       **MANAGER TO EXECUTE THE CONTRACTS**

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12       **WHEREAS**, the Kimball Reservoir was built in 1940 and raised 10 feet for additional  
13 storage in 1948; and

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15       **WHEREAS**, the City is under an order from the California Department of Water  
16 Resources Division of Safety of Dams (DSOD) to repair or replace the 24-inch main drain valve  
17 for the reservoir; and

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19       **WHEREAS**, the City hired AECOM (formerly URS) to design and prepare bid documents  
20 to replace the 24-inch valve and replace other aging infrastructure including the intake tower and  
21 12-inch and 24-inch piping within the dam/reservoir footprint: and

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23       **WHEREAS**, AECOM completed the initial study and mitigated negative declaration for the  
24 construction project to complete CEQA Compliance. The Mitigated Negative Declaration was  
25 filed with the Napa County Clerk's Office and the State Clearing House on November 23, 2015;  
26 and

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28       **WHEREAS**, a request for bids was circulated on April 7, 2017 and no bids were received  
29 by the City; and

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31       **WHEREAS**, per CMC Section 3.32.090B "Rejection of Bids" section, Calistoga is allowed  
32 to negotiate a contract for the improvements; and

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34       **WHEREAS**, because staff had worked with Maggiora & Ghilotti, Inc. on the recently  
35 constructed recycled water storage pond, staff met with Maggiora & Ghilotti, Inc. to review the  
36 project and requested a bid for their services on May 24, 2017; and

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38       **WHEREAS**, staff has determined that Maggiora & Ghilotti, Inc. possesses the required  
39 license(s) for this Project and is otherwise qualified to perform the Project in accordance with the  
40 Contract documents; and

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42       **WHEREAS**, staff has received a proposal from Consolidated CM for inspection services  
43 in the amount of \$72,000 and a proposal from AECOM in the amount of \$97,299 for construction  
44 services for permit compliance; and

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46       **WHEREAS**, staff estimates that the total project costs will be \$1,804,693 which includes  
47 construction, inspection services, construction services for permit compliance and a 15%  
48 contingency; and

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50       **WHEREAS**, staff recommends that a construction contract be awarded to Maggiora &  
51 Ghilotti, Inc. in the amount of \$1,400,000 with an escalation clause of 3% in the event the project

52 cannot be built in the summer of 2017; and  
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54 **WHEREAS**, staff recommends that a Professional Services Agreement be authorized for  
55 Consolidated CM in the amount of \$72,000 for construction inspection services and a  
56 Professional Services Agreement be authorized for AECOM in the amount of \$97,299 for  
57 construction services for permit compliance, both to include a 3% escalation clause; and  
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59 **WHEREAS**, Measure A funds in the amount of \$916,956 are available for this project  
60 leaving a shortfall of \$887,737 to be funded with City funds.  
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62 **NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Calistoga as  
63 follows:  
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65 1. Approves the Project construction budget in the amount of \$1,804,693, which  
66 includes construction inspection services and construction services for permit  
67 compliance, and a contingency of 15% of the bid amount and authorizes the Public  
68 Works Director/City Engineer to negotiate and approve contract change orders up to the  
69 approved construction budget amount.  
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71 2. Awards a Construction Contract to Maggiora & Ghilotti, Inc. in the amount of  
72 \$1,400,000 for construction of the Kimball Intake Tower, Drain Valve, and Piping  
73 Improvements Project, based on CMC Section 3.32.090B, upon Maggiora & Ghilotti, Inc.  
74 providing all documents in satisfaction of the bid award requirements.  
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76 3. Authorizes a Professional Services Agreement with Consolidated CM in the amount  
77 of \$72,000 for construction inspection services.  
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79 4. Authorizes a Professional Services Agreement with AECOM in the amount of \$97,299  
80 for construction services for permit compliance.  
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82 5. The City Manager is hereby authorized to execute all three Contracts on behalf of the  
83 City of Calistoga.  
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85 6. Directs staff to issue a notice of award to Maggiora & Ghilotti, Inc. and otherwise  
86 administer the Project.  
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88 **PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Calistoga at a  
89 regular meeting held this 20<sup>th</sup> day of June, 2017, by the following vote:  
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92 **AYES:**  
93 **NOES:**  
94 **ABSTAIN:**  
95 **ABSENT:**  
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99 **CHRIS CANNING, Mayor**

100 **ATTEST:**

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102 **KATHY FLAMSON, City Clerk**