



COACHELLA VALLEY WATER DISTRICT  
AGENDA STAFF REPORT

Meeting Date: 7/10/2018

TO: Board of Directors

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**SUBJECT:**

Award Construction Contract for Highway 86 Transmission Main Extension, Phase 2 and Booster Station 08886 Project, Specification No. 2017-55

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**FOR:**     **Action**                       **Public Hearing**                       **Ordinance**  
                  **Presentation/Recognition**                       **Informational Report**

**STAFF RECOMMENDATION:** *It is recommended that the Board of Directors:*

Waive inconsequential deviations in the bid of Ames Construction, Inc. (Ames), reject the bid protest of W.M. Lyles, Co. (Lyles) and authorize the General Manager to execute a construction contract with Ames Construction, Inc. in the amount of \$20,361,510 for the Highway 86 Transmission Main Extension, Phase 2 and Booster Station 08886 Project, Specification No. 2017-55.

It is also recommended that the Board authorize the following expenditures:

- CVWD Project Management and Engineering - \$100,000
- Task Order with Dahl Consultants for Engineering Support Services - \$611,000
- Task Order with Vanir for Construction Management and Inspection Services - \$993,840
- CVWD Forces - \$75,000
- Soils and Concrete Testing (RMA On-Call) - \$116,860
- Environmental/Tribal Monitoring - \$332,000
- County Permit Fees - \$150,000
- Construction Contingency - \$2,059,790

The total cost of this request is \$24,800,000.

**SUMMARY:** *This request consists of:*

The purpose of this project is to consolidate CVWD's Improvement District No.11 (ID11) water system serving the communities of Salton Sea Beach, Desert Shores, Salton City and unincorporated areas in Riverside and Imperial Counties with CVWD's Cove Community water system. ID11 is a disadvantaged community supplied by three wells located along Avenue 86 west of Highway 86 that produce water with naturally high levels of total dissolved solids. The consolidation of the ID11 system with the Cove water system will improve water quality and reliability for CVWD's 7,400 customers (2,762 connections) in this area. The project consists of the installation of approximately 35,230 linear feet of 30-inch diameter zinc-coated ductile iron pipe and appurtenances along Harrison Street (old Highway 86) from Avenue 74 to Avenue 86 (County Line Road) and the construction of Booster Pump Station (BS08886). The BS08886 will be located on CVWD-owned property located on the southeast corner of Harrison Street and Avenue 80. A \$26,703,000 State Water Board Drinking Water State Revolving Fund (SRF) loan was recently obtained to reimburse CVWD's costs for the project.



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This project was advertised for bids on April 27, 2018, to twelve (12) prequalified contractors with an Engineer's estimate of \$19,808,516. On June 7, 2018, seven (7) bids were received online via Planetbids.com and were read publicly. The lowest responsive bid was received from Ames in the amount of \$20,361,510. Please see the attached Register of Bids for Specification 2017-55.

W.M. Lyles Company (Lyles), the second low bidder on the project, submitted a bid protest letter dated June 14, 2018. Lyles identified minor errors in the license and registration numbers included by Ames for its subcontractor Christian Brothers Mechanical, Inc. (Christian Brothers). These minor errors would not allow Ames to withdraw its bid, and are thus inconsequential, and can be waived by CVWD. Lyles also questioned whether Ames' corporate seal was attached to the bid forms. It was difficult to determine from the PDF whether the seal was attached, however, the failure to affix a corporate seal is also a minor deviation which CVWD could waive, if such seal was not affixed to the form.

In order to meet SRF requirements, bidders were required to comply with the SRF Disadvantaged Business Enterprise (DBE) Good Faith Efforts requirement, which includes, among other things, the obligation to make DBEs aware of contracting opportunities and to submit certain DBE forms required by the State Water Board.

Lyles also alleged that Ames failed to comply with the DBE requirements. Specifically, Ames identified Southern Contracting Company, a DBE subcontractor, for electrical work as part of its DBE forms. However, Ames identified a different electrical subcontractor in the Designation of Subcontractors form required by the Public Contract Code. Staff has determined that this is not a deviation in the Ames bid, as the DBE forms do not commit Ames to utilize the identified DBE subcontractor. The DBE forms specifically state that "Signing this form does not signify a commitment to utilize the subcontractors above." Thus, there is no deviation in the bid related to this issue.

Finally, Ames included Christian Brothers on the Designation of Subcontractors form as its HVAC subcontractor. Christian Brothers self-identified as a DBE subcontractor on its Bidder's List form. Ames did not list Christian Brothers as a DBE subcontractor on its DBE forms. However, Ames did properly submit the required DBE forms for other DBE subcontractors.

The failure to list Christian Brothers on the DBE form is waivable by CVWD as an immaterial deviation because, based on dialogue with the State Water Board, it would not render Ames' DBE good faith efforts non-compliant. Thus, CVWD has the right to waive the failure to submit the DBE form for Christian Brothers as an inconsequential error under the current factual circumstances. Further, these issues would not have allowed Ames to withdraw its bid, nor do they give Ames an unfair advantage.

Based on the above, CVWD staff recommends that the Board exercise its discretion and waive the inconsequential deviations in Ames's bid submittal, reject the Lyles' bid protest and award the project to Ames for the amount as stated above.

### **FISCAL IMPACT:**

This project is included in the current Domestic Water Fiscal Year 2018/19 Capital Improvement Budget in the amount of \$1.5 million for the booster station and \$10.2 million for the transmission



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main for a total budget of \$11.7 million under Project Nos. DW1105 and DW1202, respectively. An additional \$14.3 million has been budgeted in the following fiscal year FY2019/20 since the contract time is 480 calendar days. Staff has obtained an SRF loan, Agreement No. D17-02091, from the State Water Resources Control Board in the amount of \$26,703,000 for reimbursement of all project costs. \$5 million of this loan will be forgiven while the remaining balance will be paid over a 30 year term at an annual interest rate of 1.8%.

**ENVIRONMENTAL REVIEW:**

- No, this item is not a “project” as defined by CEQA; therefore, approval does not require any CEQA action.  
 Yes, see below.

An Initial Study-Mitigated Negative Declaration was adopted and filed in 2012 to assess impacts from the Hwy 86 Domestic Water Transmission Main Phase 2 and Pump Station Project. In March of 2017, CVWD adopted and filed an addendum to the previously adopted environmental review, which incorporated a partial realignment of the pipeline in the southern terminus. Changes in the project did not result in new required mitigations not previously identified in 2012. All impacts from the project have been determined to be less than significant with mitigation measures taking place in the project design, preconstruction planning, and during construction through the implementation of BMP’s. Applicable CWA permits have been obtained for the project and include post project monitoring and mitigation requirements.

**LEGAL REVIEW:**  Yes – Reviewed by Counsel  
**FIRM:** Best Best & Krieger

Prepared by: Mario Zamora  
Senior Engineer

Submitted by: Craig Parker  
Director of Engineering

Approved by:

A handwritten signature in black ink, appearing to read 'J. M. Barrett', written over a horizontal line.

J. M. Barrett  
General Manager

ATTACHMENTS/AS  
FILE: 0426.0215, 0427.05  
PROJECT ID NO: DW1105, DW1202