

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **APRIL 10, 2012**

From: **JAMES DURFEE / BILL ZIMMERMAN** 

Subject: **APPLEGATE REGIONAL SEWER PIPELINE PROJECT - CONSTRUCTION CONTRACT AWARD**

ACTION REQUESTED / RECOMMENDATION: Staff recommends that your Board take the following actions with regard to the Applegate Regional Sewer Pipeline Project, (Project):

1. Award the bid to T&S Construction Co. Inc., from Sacramento, California in the amount of \$4,885,960 and adopt the attached Resolution authorizing the Director of Facility Services, or his designee, upon approval of County Counsel and Risk Management, to execute the construction contract for the Project and approve any required change orders consistent with the County Purchasing Manual and Section 20142 of the Public Contract Code in amount not to exceed \$5,280,000, which includes the contract amount plus an approximate 8% contingency.
2. Adopt the attached Resolution authorizing a loan from the Solid Waste Management Enterprise Fund (SWMEF) to the Applegate Regional Sewer Capital Project 04825 in the amount of \$4,600,000.
3. Approve the attached Budget Revision appropriating the above-referenced loan amount to the Applegate Regional Sewer Capital Project 04825.

BACKGROUND: The Applegate County Service Area 28, Zone 24 (Applegate CSA) consists of a wastewater collection system and pond treatment facility serving 27 connections (36 equivalent dwelling units). The ponds are located over rocky soil in an area with high groundwater and are prone to filling with rainwater during wet weather, which has resulted in a number of enforcement actions by the Regional Water Quality Control Board (RWQCB). In October 2006, your Board approved a settlement agreement with the RWQCB that included a commitment to construct a pipeline to convey flows from Applegate to Sewer Maintenance District 1 (SMD 1).

On January 10, 2012, your Board approved the plans and specifications and authorized staff to solicit bids for the Project. The improvements include constructing a pump station in the Applegate community and installing approximately 29,000 linear feet of 8-inch pipeline from Applegate to the existing SMD 1 collection system in the Winchester subdivision. Completion of the Project will fulfill the terms of the settlement agreement and allow the County to take the existing pond treatment facility off line.

The Project was advertised on January 17, 2012 and January 24, 2012. Bids were opened by Procurement on March 7, 2012, resulting in the nine (9) bids listed in the attached Bid Tabulation Sheet (Attachment A). T&S Construction Co. Inc., Inc. is the apparent low bidder with a bid in the amount of \$4,885,960. The engineer's estimate for the Project is \$6,900,000. In order to proceed with construction of the Project, staff recommends that your Board award the bid to T&S Construction Co. Inc., Inc., and authorize the Director of Facility Services to execute the resulting construction contract.

ENVIRONMENTAL CLEARANCE: On January 10, 2012, your Board certified the Environmental Impact Report and Mitigation Monitoring and Reporting Plan for the Project. The Notice of Determination was filed for the Project on January 13, 2012.

FISCAL IMPACT: Staff recommends a total construction budget of \$5,280,000, which includes an approximate 8% contingency. The total project cost is estimated to be \$7,670,000. The County has spent \$1,411,650 to date and will spend another \$6,258,350 in order to complete the Project. Approximately \$2,127,611 of the total project cost will be reimbursed through a grant from the Environmental Protection Agency.

Approximately \$4,600,000 of the total Project cost is currently unfunded. As discussed with your Board on June 22, 2010 and January 10, 2012, staff is requesting a loan from the SWMEF to fully fund the Project. It is not anticipated that the Applegate CSA will generate sufficient revenues during the proposed loan term to repay the annual interest; therefore, the repayment obligation will likely fall to the County General Fund. If amortized over the anticipated loan term an annual obligation of the General Fund, less any future hookup reimbursements, would be approximately equal to \$512,102 per year. In the short term, repayment will be limited to the interest the SWMEF would have earned had the funds remained in the Placer County Treasury. Historically, the average interest rate has been 2.0%. The estimated interest expense on a loan of \$4,600,000 would be \$92,000 annually. The first interest-only payment from the General Fund or other sources would be due one year from loan authorization, and each year thereafter. The principal would be due within ten years.

JD:BZ:HK:LM

CC: COUNTY EXECUTIVE OFFICE

ATTACHMENT: RESOLUTIONS(2)
BUDGET REVISION
ATTACHMENT A: BID TABULATION SHEET

T:\FAC\BSMEMO2012\EEVAPPLEGATE COSTRUCTION CONTRACT APPROVAL.DOC

**Before the Board of Supervisors
County of Placer, State of California**

In the matter of: **AUTHORIZE THE DIRECTOR OF FACILITY SERVICES, OR HIS DESIGNEE, UPON APPROVAL OF COUNTY COUNSEL AND RISK MANAGEMENT, TO EXECUTE THE CONSTRUCTION CONTRACT FOR THE APPLGATE REGIONAL SEWER PIPELINE PROJECT AND APPROVE ANY REQUIRED CHANGE ORDERS CONSISTENT WITH THE COUNTY PURCHASING MANUAL AND SECTION 20142 OF THE PUBLIC CONTRACT CODE IN AMOUNT NOT TO EXCEED \$5,280,000, WHICH INCLUDES THE CONTRACT AMOUNT PLUS AN 8% CONTINGENCY**

Resolution _____

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors, County of Placer, State of California, that the Director of Facility Services, or his designee, upon approval of County Counsel and Risk Management, is authorized to execute the contract for the Applegate Regional Sewer Pipeline Project and approve any required change orders consistent with the County Purchasing Manual and Section 20142 of the Public Contract Code in amount not to exceed \$5,280,000, which includes the contract amount plus an 8% contingency.

**Before the Board of Supervisors
County of Placer, State of California**

In the matter of: **AUTHORIZE A LOAN FROM
THE SOLID WASTE MANAGEMENT ENTERPRISE FUND
TO THE APPLGATE REGIONAL SEWER CAPITAL
PROJECT 04825 IN THE AMOUNT OF \$4,600,000.**

Resolution _____

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors, County of Placer, State of California, the Solid Waste Management Enterprise Fund is authorized to make a loan to the Applegate Regional Capital Project 04825 in the amount of \$4,600,000.

NOW BE IT FURTHER RESOLVED, that said loan from the Solid Waste Management Enterprise Fund shall be under the following terms and conditions:

1. Repayment from the General Fund of the principal shall take place within ten (10) years of the date of this Resolution;
2. Annual payment from the General Fund of interest shall be made to the Solid Waste Management Fund in an amount equal to what would have been earned had the funds remained in the Placer County Treasury.

PAS DOCUMENT NO.

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
12	BR	9,200,000.00	2

Cash Transfer Required
Fund 220 Subfund 450

Reserve Cancellation Required

Establish Reserve Required

DP **Auditor-Controller**

DP **County Executive**

Board of Supervisors

ESTIMATED REVENUE ADJUSTMENT

APPROPRIATION ADJUSTMENT

DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
											12	014		140		991078	04825	4151			4,600,000.00
											12	034		140		991078	04825	4151	704825	010000	4,600,000.00
TOTAL										0.00	TOTAL										9,200,000.00

REASON FOR REVISION: TO APPROPRIATE LOAN FROM THE SOLID WASTE ENTERPRISE FUND TO THE APPLGATE REGIONAL SEWER PIPELINE CAPITAL PROJECT 04825.

Prepared by Valerie Bayne Ext 6803

Department Head _____

Date: 4/10/12

Board of Supervisors _____

Page: _____

Budget Revision # _____ FOR INDIVIDUAL DEPT USE

61

BID TABULATION

APPLEGATE REGIONAL SEWER PIPELINE PROJECT

BID DATE: March 7, 2012

<u>CONTRACTOR</u>	<u>LOCATION</u>	<u>BID AMOUNT</u>
1. T&S Construction Co., Inc.	Sacramento, CA	\$4,885,960
2. Mountain Cascade	Livermore, CA	\$4,925,410
3. Steve P. Rados, Inc.	Santa Ana, CA	\$4,960,080
4. Ranger Pipelines	San Francisco, CA	\$4,960,820
5. McGuire and Hester	Oakland, CA	\$5,156,730
6. Vincquerra Construction	Jackson, CA	\$5,177,044
7. Preston Pipelines	Milpitas, CA	\$5,240,040
8. Marques Pipeline	Sacramento, CA	\$5,543,475
9. Tidelands Construction	Brentwood, CA	\$5,655,615
Engineer's Estimate:		\$6,953,760