

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

To: **BOARD OF SUPERVISORS**

Date: **APRIL 9, 2013**

From:  **JAMES DURFEE / BILL ZIMMERMAN**

Subject: **SEWER MAINTENANCE DISTRICT 3 REGIONAL SEWER PROJECT –
CONSTRUCTION CONTRACT**

ACTION REQUESTED / RECOMMENDATION:

1. Award the bid for construction of the Sewer Maintenance District 3 Regional Sewer Project, Project 40131, to Vinciguerra Construction, from Jackson, California, in the amount of \$4,404,793, funded through existing funding in the Sewer Maintenance District 3 Regional Sewer Capital Project Budget augmented by financing through the Placer County Treasury and/or the Clean Water State Revolving Fund, with no net County cost;
2. Adopt a Resolution authorizing the Director of Facility Services, or his designee, to execute a contract with Vinciguerra Construction and any required change orders consistent with the County Purchasing Manual and Section 20142 of the Public Contract Code in an amount not to exceed \$4,802,000, which includes a 9% contingency, upon the approval of County Counsel and Risk Management;

BACKGROUND: Sewer Maintenance District (SMD) 3 provides sewer service to approximately 615 equivalent dwelling units in the Horseshoe Bar area of Loomis. The SMD 3 Wastewater Treatment Plant (Plant 3) was constructed in 1962 and uses treatment processes that cannot meet the regulatory standards included in its current discharge permit and accompanying Cease and Desist Order (CDO) issued by the Central Valley Regional Water Quality Control Board (CVRWQCB). Through an evaluation of potential alternatives, staff determined that abandoning Plant 3 and constructing a regional pipeline is the most cost effective solution to comply with the terms of the permit and CDO. Your Board committed its intent to regionalize SMD 3 in a January 8, 2008 letter to the CVRWQCB.

On November 20, 2012, your Board approved the Plans and Specifications and authorized staff to solicit bids for the SMD 3 Regional Sewer Project (Project). The improvements include constructing a pump station at the Plant 3 and installing approximately 13,100 linear feet of 10-inch pipeline to SMD 2 and decommissioning Plant 3. Completion of the Project will allow the County to convey wastewater from SMD 3 to the existing SMD 2 collection system and on to the City of Roseville's Dry Creek Wastewater Treatment Plant for treatment. The regulatory permits for Plant 3 issued by the CVRWQCB require construction to begin by April 30, 2013 and finish by December 31, 2014. If we do not meet these deadlines, staff anticipates \$600,000 per year in mandatory fines and potential additional discretionary fines from the CVRWQCB.

The Project was advertised on November 27, 2012 and December 7, 2012. Bids were opened by Procurement's staff on January 11, 2013, resulting in the nine (9) bids listed in the attached Bid Tabulation Sheet (Attachment A). Vinciguerra Construction is the apparent low bidder, with a bid in the amount of \$4,404,793. The Engineer's Estimate for the Project is \$5,833,905, which includes a 10% contingency. In order to proceed with construction of the Project, staff recommends that your Board award the bid to Vinciguerra Construction and authorize the Director of Facility Services to execute the resulting Construction Contract.

ENVIRONMENTAL CLEARANCE: On November 20, 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 November 27, 2012.

FISCAL IMPACT: Staff recommends a total construction budget of \$4,802,000, which includes an approximate 9% contingency. The total estimated Project cost is \$13.8 million, which includes approximately \$6.1 million in connection fees to SMD 2 (\$0.9 million) and the City of Roseville (\$5.2 million).

A Project Funding Plan is provided as Attachment B. Current Project funding includes \$3.9 million in grant funds from the US Army Corp of Engineers and a \$900,000 General Fund contribution approved by the Board in June 2009. Per your Board's February 26, 2013 direction, staff has applied for a Clean Water State Revolving Fund (SRF) loan for the remaining \$9 million in Project costs. In order to meet our permit requirements from the CVRWQCB, staff recommends proceeding with construction prior to completing the SRF loan process which will take approximately 4 to 6 months. Construction costs incurred prior to completion of the loan (estimated at \$2.8 million) are not eligible for reimbursement through the SRF. In order to bridge the gap and provide complete Project funding, staff is working with the County Treasury to authorize 30 year financing for the interim Project costs.

JD:BZ:HK:LM

CC: COUNTY EXECUTIVE OFFICE

ATTACHMENT A: BID TABULATION SHEET

ATTACHMENT B: FUNDING PLAN

RESOLUTION

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BID TABULATION
SEWER MAINTENANCE DISTRICT 3 REGIONAL SEWER PROJECT
PROJECT NO. 40131

BID DATE: January 11, 2013

<u>CONTRACTOR</u>	<u>LOCATION</u>	<u>BID AMOUNT</u>
1. Vinciguerra Construction	Jackson, CA	\$4,404,793
2. RGW Construction	Livermore, CA	\$5,035,700
3. McGuire and Hester	Oakland, CA	\$5,263,500
4. Syblon Reid	Folsom, CA	\$5,346,500
5. Steve P. Rados, Inc.	Santa Ana, CA	\$5,623,000
6. Westcon Construction Corp	Newcastle, CA	\$5,639,400
7. Auburn Constructors	Sacramento, CA	\$5,830,300
8. Preston Pipelines	Milpitas, CA	\$6,350,000
9. Disney Construction	Burlingame, CA	\$7,546,000
Engineer's Estimate:		\$5,833,905

FUNDING PLAN
SEWER MAINTENANCE DISTRICT 3 REGIONAL SEWER PROJECT
PROJECT NO. 40131

<u>SOURCE</u>	<u>Funding</u>
1. US Army Corp of Engineers Grant (Requires a 25% Local Match)	\$ 3,900,000
2. County General Fund Contribution (Approved June 9, 2009)	\$ 900,000
3. County Treasury Loan (30 year term at 3.0% annual interest)	\$ 2,800,000
4. Clean Water State Revolving Fund (SRF) financial assistance (30 year term at 1.7% annual interest)	\$ 6,200,000
Total Project Cost:	\$13,800,000

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

In the matter of: AUTHORIZE THE DIRECTOR
OF FACILITY SERVICES, OR HIS DESIGNEE,
TO EXECUTE A CONTRACT WITH
VINCIGUERRA CONSTRUCTION FOR THE
SMD 3 REGIONAL SEWER PROJECT AND
ANY REQUIRED CHANGE ORDERS
CONSISTENT WITH THE COUNTY
PURCHASING MANUAL AND SECTION 20142
OF THE PUBLIC CONTRACT CODE IN
AMOUNT NOT TO EXCEED \$4,802,000,
WHICH INCLUDES THE CONTRACT AMOUNT
PLUS AN APPROXIMATE 9%
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, is authorized to execute a contract with Vinciguerra Construction for the SMD 3 Regional Sewer Project and any required change orders consistent with the County Purchasing Manual and Section 20142 of the Public Contract Code in amount not to exceed \$4,802,000, which includes the contract amount plus an approximate 9% contingency.

