



Legislation Text

File #: 24-115, **Version:** 1

Report Prepared by: Joe Cardoso P.L.S., City Surveyor, Engineering Department

SUBJECT: Award Bid to Redstone Construction, Inc., a California Corporation, for the Canal Watermain 14th - 15th (PG&E), Project Number CP210055, in the Amount of \$673,929.50

REPORT IN BRIEF

Considers awarding a Construction Contract to the Lowest Responsive Bidder, Redstone Construction, Inc., a California Corporation, in the amount of \$673,929.50 for the Canal Watermain 14th - 15th (PG&E) Project.

RECOMMENDATION

City Council - Adopt a motion:

- A. Awarding the Canal Watermain 14th - 15th (PG&E) Project, Project No. CP210055 to the Lowest Responsive Bidder, Redstone Construction, Inc., a California Corporation, in the amount of \$673,929.50; and,
- B. Authorizing the City Manager or Deputy City Manager to execute the necessary documents and to approve change orders not to exceed 20% of the total contract; and,
- C. Authorizing the Finance Officer to make necessary budget adjustments.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to conditions other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Article XI, Section 1109 - Contracts on Public Works, and Merced Municipal Code Chapter 3.04, Article IV - Public Works Contracts.

CITY COUNCIL PRIORITIES

As provided for in the 2023-24 Adopted Budget.

DISCUSSION

On December 19, 2022, City Council entered into a settlement agreement with PG&E (attachment #3) to reimburse the City of Merced for design and construction of a 16-inch water main and reconstruction of a portion of roadway, curb, gutter, sidewalk, and ADA access ramps on Canal Street, between 14th Street and 15th Street, and approved the use pooled cash in the amount up to \$1,000,000 for design and construction until reimbursement is received from PG&E.

After the design kick-off meeting with PG&E and North Star Engineering Group, it was suggested by PG&E to make a minor modification to the tasks of the original agreement which would include the following in brief:

- The City to include in its construction contract the excavation of all soils from the removal and installation of the new watermain and place on PG&E site for PG&E to properly discard at PG&E's expense.
- PG&E shall sample the soils in the new and existing watermain location at its own expense within 90 days of receiving North Star's 100% plans and provide copies of the analytical results to the City.

On April 3, 2023, City Council approved the First Amendment to the Settlement Agreement (attachment #4) with the revisions stated above.

Under the direction of City Staff, NorthStar Engineering prepared plans and specifications for the project. The project was advertised, and bids were opened on January 11, 2024, with the following results:

1	Redstone Construction, Inc.	\$ 673,929.50
2	Kroeker, Inc.	\$ 707,028.00
3	United Pavement Maintenance	\$ 796,479.05
4	DPI, Inc.	\$ 922,761.15
5	Rolfe Construction, Inc.	\$ 1,302,312.00

The engineer's estimate for construction was \$900,000 to \$1,500,000.

The following is the proposed budget for the project:

Construction	\$ 673,929.50
Contingency 20%	\$ 134,785.90
Engineering, Testing & Inspection	\$ 45,000.00
TOTAL:	\$ 853,715.40

Staff is requesting a 20% contingency for this project to allow for the flexibility of unknow conditions and to give PG&E the flexibility to request additional work if needed.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed. This project is being funded by PG&E and is reimbursable. There is sufficient funding within Fund 5005 and Fund 6001, Project No. CP210055 - Canal

Watermain to cover the expenses prior to reimbursement from PG&E.

ATTACHMENTS

1. Redstone Construction Contract
2. Bid Results
3. Settlement Agreement with PG&E
4. First Amendment to Settlement Agreement with PG&E
5. Location Map