

City of Sacramento

Legislation Text

File #: 2019-00448, **Version:** 1

Title:

Contract: McKinley Water Vault [Published for 10-day Review 04/11/2019]

File ID: 2019-00448

Location: District 3

Recommendation:

Adopt a Resolution: 1) approving the construction plans and specifications for the McKinley Water Vault Project; 2) awarding the contract to W.M. Lyles Co. for a guaranteed maximum price of \$24,945,000; 3) authorizing the removal of five trees in McKinley Park, to be replaced with 63 trees; and 4) authorizing related budget transfers.

Contact: James Yorita, Project Manager (916) 808-1911; Brett Grant, Supervising Engineer (916) 808-1413; Dan Sherry, Engineering & Water Resources Division Manager, (916) 808-1419; Department of Utilities

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Contract
- 3-Justification for City Tree Removal
- 4-Resolution

Description/Analysis

Issue Detail: Staff recommends Council award a construction contract to W.M. Lyles Co. to construct a below ground concrete vault for temporary storage of combined wastewater and rainfall runoff. Included with this project is a below ground odor control structure, pump station, public restroom, and multiple enhancements in McKinley Park. Diversion pipeline work will be constructed in 33rd Street between McKinley Blvd and H Street. The project will reduce surface flooding in the Combined Sewer System (CSS) during heavy storm events by diverting surcharge flows into the storage structure. The storage structure will drain back into the CSS pipes as the system flows recede.

Policy Considerations: City Council approval is required to award construction contracts of \$100,000 or more. The action requested conforms with City Code Chapter 3.60, Article I, III, and IV, which provides for award when an alternative competitive process is used. Adding offline storage in the CSS is consistent with the criteria set forth in the Department of Utilities' Combined System Long Term Control Plan to ensure a reliable and safe CSS.

The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action.

Economic Impacts: This project is expected to create 99.78 total jobs (57.37 direct jobs and 42.41 jobs through indirect and induced activities) and create \$15,401,916 in total economic output (\$9,707,945 of direct output and another \$5,693,971 of output through indirect and induced activities).

The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

Environmental Considerations: On October 9, 2018, the City Council certified (Resolution No. 2018-0401) the Environmental Impact Report (EIR) and adopted the Mitigation Monitoring Program (MMP) that evaluated the physical effects on the environment from development of the McKinley Water Vault project. The EIR and MMP were prepared and acted upon in compliance with the California Environmental Quality Act (CEQA). The current action would approve a contract that would implement the development of the project and would not create or cause effects not included in the EIR. None of the circumstances set forth in CEQA Guidelines Section 15162 are present and the EIR and MMP are adequate to identify potential effects and mitigation measures for the project. No further environmental review is necessary.

Sustainability: The proposed project is consistent with the 2035 General Plan as it improves infrastructure reliability and supports the City's Long-Term Control Plan to rehabilitate the CSS to reduce flooding and outflows.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: On August 28, 2018, Council approved the suspension of

competitive bidding for the McKinley Water Vault project in favor of an alternative procurement process, as it is in the City’s best interest to select a contractor based on qualifications, performance-based criteria, customer/public care and pricing. A best value competitive process was used to select a contractor for the McKinley Water Vault project. A Request for Qualifications (RFQ) was advertised on September 7, 2018. Submittal of Qualifications packages were received from eight contractors. Six of the eight were pre-qualified to receive the Request for Bid Proposal (RFBP). Five contractors, W.M. Lyles Co., Flatiron, Kiewit Infrastructure West Co., C. Overaa & Co., and Gateway Pacific Contractors, Inc., submitted bid proposals, in response to the RFBP on February 14, 2019. The proposals were reviewed and scored, and two contractors were interviewed. The contractor with the highest score was W.M. Lyles Co.

W.M. Lyles Co. submitted a guaranteed maximum price of \$24,945,000. The Engineer’s construction cost estimate was \$28,000,000.

Financial Considerations: The total estimated cost for the project including planning, design, and construction is \$32 million. Currently, \$13.8 million has been allocated to the project. Staff estimates an additional \$18.2 million is needed to complete the project which is funded from the CSS Program (X14010000).

Reallocation of existing resources will be required to encumber this contract and to provide the additional funding needed to complete the project. The 2019 Wastewater Bonds are scheduled to be issued on April 10, 2019, prior to the award of this agreement on April 23, 2019. Bonds are being issued in the amount of \$27.1 million with an anticipated premium of \$4.9 million for a total of \$32 million in project funding. The bond funding will be allocated to projects in the Wastewater CIP, replacing budget and reimbursing expenses in the Wastewater Fund (Fund 6006), per Resolution 2016-0307. Staff is recommending the following budget transfers in the amount of \$18,196,540 to provide sufficient funding for this project.

Program No.	Fund	Project Name	Amount
890020	6006	Wastewater Fund Reserve	(\$4,402,000)
X14000500	6006	Base CIP Program	(65,801)
X14002300	6006	Pocket AD 2 Sewer Improvements	(2,891,935)
X14120300	6006	Sewer Repairs Program	(1,156,403)
X14130400	6006	Wastewater Flow Meter Program	(566,559)
X14130700	6006	Wastewater Collection Pipe Lining	(182,341)
X14130800	6006	Wastewater Collection Pipe Bursting	(114,767)
X14130900	6006	Wastewater Sump Rehab/Repair Program	(1,198,155)
X14131200	6006	CWTP Rehab/Repair Program	(357,152)
X14131500	6006	Facility Electrical Rehab Program	(450,329)

X14131600	6006	Wastewater Plant Reg Improvements	(216,677)
Program No.	Fund	Project Name	Amount
X14160500	6006	Separated Pipe Rehab/Replace Program	(1,916,564)
X14170100	6006	Combined Collection System R&R	(1,687,498)
X14170500	6006	CSS Sump/Treatment Facilities	(244,000)
Z14170100	6006	DOU IT Program	(2,746,360)
X14010000	6006	Combined Sewer System Program	\$18,196,540

Local Business Enterprise (LBE): W.M. Lyles Co. is not an LBE but has partnered with eight LBEs for this project to exceed the minimum LBE participation requirement. Brightview Landscape Development Inc. will provide landscaping services, Cemex will furnish cast-in-place concrete, Fox Loomis Inc. will provide dewatering services, DK Enterprises Inc. will provide waterproofing services, Pace Supply Corp. will furnish piping materials, Forterra Inc. will furnish RCP pipe, Teichert Aggregates will furnish aggregates, and Sac Valley Electric Inc. will provide electrical and instrumentation services.

The agreement requires compliance with the recently approved Community Workforce and Training Agreement (CWTA) which will require local hiring and allow for targeted employment opportunities for Sacramento residents.

Background: The CSS collects and conveys both sanitary sewer and storm drain flows in a single system. It serves 7,500 acres of the City including the Downtown, East Sacramento, River Park, Land Park, Curtis Park, and Oak Park neighborhoods.

CSS flows during storms can exceed system capacity. When this happens, outflows can result where mixed stormwater and untreated wastewater leave the underground system and surface onto nearby low-lying streets or onto other properties.

In June 1990, the Regional Water Quality Control Board (RWQCB) issued a Cease and Desist Order (CDO) requiring the City to eliminate CSS outflows and untreated discharges to the Sacramento River. After numerous studies and benefit/cost analyses, the City Council adopted the 1995 Combined Sewer System Improvement Plan (CSSIP) that met the requirements of the CDO, the EPA’s Combined Sewer Overflow Control Policy, and the City’s adopted goals for the CSS. That same year, the RWQCB approved the Improvement Plan, rescinded the CDO, and issued an NPDES permit that mandated implementation of the Improvement Plan.

The 1995 CSSIP anticipated increasing the pumping capacities of Sumps 1/1A and 2/2A; converting Pioneer Reservoir to a primary treatment facility; installing a relief sewer system in the downtown area; and constructing local or regional underground storage facilities.

Many of the initial 1995 planned improvements have been completed, others are in design or under study as part of an on-going process to improve the CSS. The recently updated CSSIP identifies 28 projects throughout the service area that include a mix of large regional storage vaults and large diameter inline storage/conveyance pipes, including the McKinley Water Vault.