

STAFF REPORT

City Council Business Item

DATE: March 6, 2023

TO: Honorable Mayor and Council Members

FROM: Brendan Byrd, Director of Public Works/City Engineer

THROUGH: Merritt Perry, City Manager

SUBJECT: **Authorization to Award the Contract for the Wastewater Treatment Plant Percolation Pond Rehabilitation Project 2023**

STAFF RECOMMENDATION:

Authorize the City Manager to award the Annual Wastewater Treatment Plant Percolation Pond Project to Wallace Structures and establish a maximum contract amount of \$114,000.

EXECUTIVE SUMMARY:

The Percolation Pond Rehabilitation Project is an annual maintenance activity at the Wastewater Treatment Plant (WWTP), which includes the removal of depleted material, rehabilitation of the pond subgrade, and placement of clean imported permeable drain rock. This annual project is critical for the performance of the City’s treatment facility, given the regulatory mandate that the City not discharge directly treated effluent to surface water in between May 15 – September 30.

Bids for the Wastewater Treatment Plant Annual Percolation Pond Rehabilitation Project 2023 were opened on February 9, 2023. Three bids were received and the bid results are shown in the table below. As shown in the table, the apparent low bidder is Wallace Structures, and their bid was found to be responsive and responsible, and they confirmed that they are capable of meeting the project regulatory deadline of May 15th.

Bid Schedule	Bidders		
	Wallace Structures	William Gray Construction	Wendt Construction
Total Base Bid	\$107,650	\$113,400	\$118,000

It is customary in contract administration to include a contingency amount with the authorized contract amount, in order to accommodate unforeseen conditions or changes that may become apparent during the course of construction. Staff feels that due to the well-defined nature of this project, an appropriate contingency factor is 5% of the contract amount.

If approved, staff will immediately work towards contracting, bonding, and insurance with Wallace Structures, and staff anticipated a work-commencement timeline of approximately mid-April, depending on weather and the conditions of the river.

FINANCIAL IMPACT:

The City budgets for this annual maintenance activity in the annual operating budget for Wastewater Treatment (Department 6600, Fund 550). There is currently \$110,000 budgeted for this project, which would cover the cost of the project unless unforeseen change orders are required. If change orders are necessary which increase the project cost to the not to exceed amount, the division's general contracting budget can be used to supplement the additional costs.

Staff recommends that Council authorize the City Manager to enter into a contract with Wallace Structures in the amount of \$107,650.00, and establish contingency funds for the contract in the amount of roughly 5% of the base bid amount resulting in an authorized not to exceed amount for the project of \$114,000.00.

RECOMMENDED COUNCIL ACTION:

1. Receive staff presentation and review Council questions with staff
2. Open Public Comment
3. Close Public Comment
4. Motion to award the contract to Wallace Structures for \$107,650.00 and establish a maximum contract amount of \$114,000.00, and authorize City Manager to execute the contract and other related documents. Voice vote.

ATTACHMENTS:

- Attachment A – Draft Notice of Potential Award

March 6th, 2023

Sent via E-mail

Wallace Structures
PO Box 525
Hydesville, CA 95547

Re: **NOTICE OF POTENTIAL AWARD**
Wastewater Treatment Plant Percolation Pond Rehabilitation Project

Dear Eric Wallace:

I am pleased to inform you of the intent to recommend that the City Council or its authorized designee award the Contract for the above-referenced Project (“Project”) to Wallace Structures, (“Contractor”) for the Contract Price of \$107,650.00 based on Contractor’s Bid Proposal submitted on February 9, 2023.

A copy of the Contract accompanies this Notice. Contractor must execute 2 copies of the enclosed Contract and return the wet-inked copies to my attention, accompanied by the required Payment Bond, Performance Bond, and insurance certificates and endorsements, no later than ten days from the date of this Notice of Potential Award, above.

Failure to execute and return the enclosed Contract and required bonds and insurance documentation within the specified time could result in forfeiture of Contractor’s bid security. This Notice of Potential Award does not bind the City to award the Contract. The City, acting through its City Council or authorized designee, reserves the right to reject any or all bids, and the right to decline to award the Contract, notwithstanding any staff recommendation.

Please acknowledge receipt of this Notice of Potential Award by signing the attached Acknowledgement of Notice of Potential Award, as indicated, and transmitting the Acknowledgement to my office via email at bgray@ci.fortuna.ca.us. Do not hesitate to contact me if you have any questions in this regard.

Sincerely,

Buffy Gray

Buffy Gray
Deputy City Clerk

Enclosure

Acknowledgement of Notice of Potential Award

On behalf of < _____ > (“Contractor”), I acknowledge receipt of the Notice of Potential Award for the Wastewater Treatment Plant Percolation Pond Rehabilitation Project:

s/ _____

Name: _____

Title: _____

Date: _____