



## City Council Staff Report

Date: May 21, 2014 CONSENT CALENDAR

Subject: AWARD OF CONTRACT FOR THE TRACT NO. 13257 SEWER IMPROVEMENTS - PHASE 3, CITY PROJECT 13-26

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

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### SUMMARY

Award of this contract will allow staff to proceed with this Community Development Block Grant (CDBG) and Measure J funded project to construct phase 3 of the sewer system within Tract No. 13257, located west of Gene Autry Trail and south of Via Escuela.

### RECOMMENDATION:

- 1) Approve Agreement No. \_\_\_\_\_ in the amount of \$324,482.00 with Tri-Star Contracting II, Inc., a California corporation, for Tract No. 13257 Sewer Improvements – Phase 3, City Project 13-26; and
- 2) Adopt Resolution No. \_\_\_\_\_, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE BUDGET FOR THE 2013/2014 FISCAL YEAR TO TRANSFER ADDITIONAL FUNDING FOR TRACT NO. 13257 SEWER IMPROVEMENTS – PHASE 3, (CITY PROJECT NO. 13-26)"; and
- 3) Authorize the City Manager to execute all necessary documents.

### STAFF ANALYSIS:

#### Background

The Public Works and Engineering Department had commenced the design and construction of a new sewer system to serve the low-to-moderate income neighborhood located west of Gene Autry Trail and south of Via Escuela (referred to as "Tract No. 13257"). Tract No. 13257 was developed during the 1980's when it was part of

unincorporated Riverside County. At that time, Riverside County did not require extension of public sewer to the tract, and all 87 homes in Tract No. 13257 have private septic systems, some of which have begun to fail. Some lower income property owners have had to request financial assistance from the City for pumping and servicing of their septic systems.

This CDBG project proposed to install approximately 3,800 feet of 8" vitrified clay pipe (VCP) public sewer line and 3,480 feet of 4" VCP sewer laterals. The costs for septic tank abandonments, for the on-site building sewer extensions, and the sewer connection fee (\$3,000 per unit) at the time a property is connected to the City's sewer system, were included in the project. Given the \$1,200,000 total estimated cost to provide public sewer to Tract No. 13257, this project was proposed as a multi-year CDBG phased project.

On March 17, 2010, the City Council approved the 2010/2011 CDBG Program, and awarded the Public Works and Engineering Department \$267,118 for the first phase of the project. On March 16, 2011, the City Council approved the 2011/2012 CDBG Program, and awarded the Department \$180,951 for the second phase of the project (this amount was reduced to \$160,855 as a result of a lower overall CDBG Program distribution to the City).

On July 20, 2011, the City Council approved the plans and authorized bidding for Phases 1 and 2 of the project. On August 23, 2011, the Procurement and Contracting Division received construction bids from five contractors. The low bid (G&M Construction) exceeded the total amount of CDBG funds available, therefore, it was not possible to award Phase 2 at that time. It was recommended that only a portion of Phase 2 sewer construction work (within Zachary Court) be added by Contract Change Order (CCO), using unexpended CDBG funds from prior years. The portion of work added by CCO included only the public sewer main and sewer laterals within Zachary Court. No septic tank abandonments, on-site building sewer extensions, or sewer connection fees were included, given the budget constraints.

On April 11, 2012, the City Council approved the 2012/2013 CDBG Program, and awarded the Public Works and Engineering Department \$145,689 for the remaining second phase of sewer system project. On November 7, 2012, the Procurement and Contracting Division received construction bids from ten contractors with Borden Excavating being the low bidder for construction. This phase only constructed the eight inch (8") mainline and capping off the 4" laterals at the property lines.

On March 20, 2013, the City Council approved the 2013/2014 CDBG Program, and awarded the Public Works and Engineering Department \$160,412 for phase 3 of the sewer system project. Since CDBG funds no longer funded private, on-site work, City Council approved Measure J funds in the amount totaling \$313,240 for on-site work for phase 2 and phase 3. This on-site work consists of residential connection to the mainline and abandonment of existing septic tanks on private property.

On March 29, 2014, phase 3 of the project was advertised for bids, and at 3:00 p.m. on May 1, 2014, the Procurement and Contracting Division received construction bids from the following contractors:

1. Tri-Star Contracting II, Inc., Desert Hot Springs, CA	\$421,497.00
2. Jones Brothers Construction Company, Coachella, CA	\$453,893.00
3. Golden Valley Construction, Inc., Palm Springs, CA	\$453,900.00
4. Genesis Construction, Hemet, CA	\$552,777.00
5. TBU, Inc., Beaumont , CA	\$638,800.00

The Engineer's Estimate for Phase 3 is \$480,000.

The lowest, responsive bidder is Tri-Star Contracting II, Inc., a California Corporation, from Desert Hot Springs, California, whose principal officers are: Bryan Willis, President; and Ted Krehbiel, Chief Financial Officer.

Because there is insufficient CDBG funds to cover the entire cost of the project, staff is recommending not to award bid schedule B (\$64,066.00), the mainline segment of Jason Court, and remove the on-site work of 9 properties (\$32,949.00) that would connect to the Jason Court sewer mainline. Residences will be notified that their property will be deferred to a future date when funding is available. In order for the work to be done on Jason Court this contract, an additional \$40,000 that is currently not available, would be necessary.

Staff is recommending award of \$324,482.00 to Tri-Star Contract II, Inc.

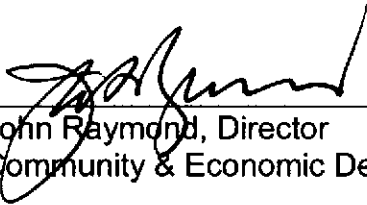
FISCAL IMPACT:

There is \$160,412 in CDBG funds currently available for Phase 3 off-site, public improvements. An additional \$31,453 from unexpended CDBG funds from prior years (other projects never completed by the recipients or where costs were below awarded amounts) is also available. It is being recommended that the City Council adopt a Budget Amendment to officially transfer these unexpended funds to use specifically for this project. Upon transfer of unexpended funds to this project, sufficient funds will be available in account 137-4815-63583.

Sufficient funds are available in the Measure J account 260-4500-59459 for on-site, private improvements, including funding the connection fee of \$3,000 per property.


In order to complete Phase 4 in a future year, it will be necessary for the City to allocate additional Measure J funds. CDBG funds for phase 4 in the 2014/2015 year were not awarded for this project.

SUBMITTED:



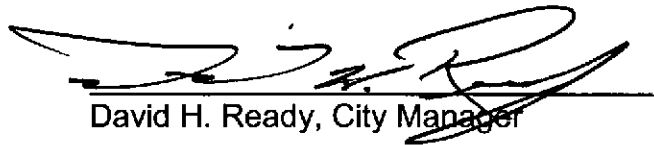
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John Raymond, Director  
Community & Economic Development



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David J. Barakian  
Director of Public Works/City Engineer



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David H. Ready, City Manager

Attachments:

1. Resolution
2. Agreement

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE BUDGET FOR THE 2013/2014 FISCAL YEAR TO TRANSFER ADDITIONAL FUNDING FOR TRACT NO. 13257 SEWER IMPROVEMENTS – PHASE 3, (CITY PROJECT NO. 13-26)

WHEREAS, Resolution No. 23341 approving the Budget for the Fiscal Year 2013-2014 was adopted on May 15, 2013; and

WHEREAS the City Manager has recommended, and the City Council desires to approve, certain amendments to the budget for Fiscal Year 2013-14.

NOW THEREFORE THE CITY COUNCIL DETERMINES, RESOLVES AND APPROVES AS FOLLOWS:

SECTION 1. The Director of Finance is authorized to record inter-fund cash transfers as required in accordance with this Resolution, and Resolution No. 23341, adopting the Budget for Fiscal Year 2013-14 is hereby amended as follows:

SOURCE(S):

Fund	Activity	Account	Amount
137 Community Development Block Grant	4813	50000 Unscheduled Capital Project	\$31,453

ADDITION(S):

Fund	Activity	Account	Amount
137 Community Development Block Grant	4815	63583 PS Arnico Tract Sewer	\$31,453

PURPOSE: Fund additional improvements for the CDBG funded Arnico Tract Sewer project.

PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS 21ST DAY OF May, 2014.

\_\_\_\_\_  
DAVID H. READY, CITY MANAGER

ATTEST:

\_\_\_\_\_  
JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PALM SPRINGS )

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. \_\_\_\_\_ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on May 21, 2014, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
JAMES THOMPSON, CITY CLERK  
City of Palm Springs, California

## AGREEMENT

**THIS AGREEMENT** made this \_\_\_\_\_ day of \_\_\_\_\_ in the year 2014, by and between the City of Palm Springs, a charter city, organized and existing in the County of Riverside, under and by virtue of the laws of the State of California, hereinafter designated as the City, and

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hereinafter designated as the Contractor.

The City and the Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

### ARTICLE 1 -- THE WORK

The Contractor shall complete the Work as specified or indicated under the Bid Schedule(s) of the City's Contract Documents entitled:

#### TRACT 13257 SEWER IMPROVEMENTS – PHASE 3 CITY PROJECT 13-26

The Work is generally described as follows:

Installation of eight-inch VCP sewer mains, manholes, four-inch VCP sewer laterals, on-site sewer connections, on-site private septic tank abandonments, trenching and excavations for sewer installation, trench backfill and pavement replacement, on-site and off-site restoration, and all related and associated work.

### ARTICLE 2 -- COMMENCEMENT AND COMPLETION

The Work to be performed under this Contract shall commence on the date specified in the Notice to Proceed by the City, and the Work shall be fully completed within the time specified in the Notice to Proceed.

The City and the Contractor recognize that time is of the essence of this Agreement, and that the City will suffer financial loss if the Work is not completed within the time specified in Article 2, herein, plus any extensions thereof allowed in accordance with applicable provisions of the Standard Specifications, as modified herein. They also recognize the delays, expense, and difficulties involved in proving in a legal proceeding the actual loss suffered by the City if the Work is not completed on time. Accordingly, instead of requiring any such proof, the City and the Contractor agree that as liquidated damages or delay (but not as a penalty), the Contractor shall pay the City the sum of \$700.00 for each calendar day that expires after the time specified in Article 2, herein.

### **ARTICLE 3 -- CONTRACT PRICE**

The City shall pay the Contractor for the completion of the Work, in accordance with the Contract Documents, in current funds the Contract Price(s) named in the Contractor's Bid and Bid Schedule(s).

### **ARTICLE 4 -- THE CONTRACT DOCUMENTS**

The Contract Documents consist of the Notice Inviting Bids, Instructions to Bidders, the accepted Bid and Bid Schedule(s), List of Subcontractors, Non-collusion Affidavit, Bidder's General Information, Bid Security or Bid Bond, this Agreement, Worker's Compensation Certificate, Performance Bond, Payment Bond, Standard Specifications, Special Provisions, the Drawings, Addenda numbers \_\_\_\_\_ to \_\_\_\_\_, inclusive, and all Change Orders and Work Change Directives which may be delivered or issued after the Effective Date of the Agreement and are not attached hereto.

### **ARTICLE 5 -- PAYMENT PROCEDURES**

The Contractor shall submit Applications for Payment in accordance with the Standard Specifications as amended by the Special Provisions. Applications for Payment will be processed by the Engineer or the City as provided in the Contract Documents.

### **ARTICLE 6 -- NOTICES**

Whenever any provision of the Contract Documents requires the giving of a written Notice, it shall be deemed to have been validly given if delivered in person to the individual or to a member of the firm or to an officer of the corporation for whom it is intended, or if delivered at or sent by registered or certified mail, postage prepaid, to the last business address known to the giver of the Notice.

### **ARTICLE 7 -- MISCELLANEOUS**

Terms used in this Agreement which are defined in the Standard Specifications and the Special Provisions will have the meanings indicated in said Standard Specifications and the Special Provisions. No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically, but without limitation, monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.



The City and the Contractor each binds itself, its partners, successors, assigns, and legal representatives, to the other party hereto, its partners, successors, assigns, and legal representatives, in respect of all covenants, agreements, and obligations contained in the Contract Documents.

**IN WITNESS WHEREOF**, the City and the Contractor have caused this Agreement to be executed the day and year first above written.

**ATTEST: CITY OF PALM SPRINGS,  
CALIFORNIA**

**APPROVED BY THE CITY COUNCIL:**

By \_\_\_\_\_  
City Clerk

Date \_\_\_\_\_

**APPROVED AS TO FORM:**

Agreement No. \_\_\_\_\_

By \_\_\_\_\_  
City Attorney

Date \_\_\_\_\_

**CONTENTS APPROVED:**

By \_\_\_\_\_  
City Engineer

Date \_\_\_\_\_

By \_\_\_\_\_  
City Manager

Date \_\_\_\_\_

Corporations require two notarized signatures: One signature must be from Chairman of Board, President, or any Vice President. The second signature must be from the Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.

**CONTRACTOR:** Name: \_\_\_\_\_ Check one:  Individual  Partnership  Corporation  
Address: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Signature (notarized)

By: \_\_\_\_\_  
Signature (notarized)

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

(This Agreement must be signed in the above space by one of the following: Chairman of the Board, President or any Vice President)

This Agreement must be signed in the above space by one of the following: Secretary, Chief Financial Officer or any Assistant Treasurer)

State of \_\_\_\_\_  
County of \_\_\_\_\_ ss

State of \_\_\_\_\_  
County of \_\_\_\_\_ ss

On \_\_\_\_\_  
before me, \_\_\_\_\_  
personally appeared \_\_\_\_\_

On \_\_\_\_\_  
before me, \_\_\_\_\_  
personally appeared \_\_\_\_\_

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

WITNESS my hand and official seal.

Notary Signature:

Notary Signature:

\_\_\_\_\_

\_\_\_\_\_

Notary Seal:

Notary Seal: