

# City of Hesperia

## STAFF REPORT



**DATE:** October 17, 2017

**TO:** Chair and Board Members, Hesperia Water District

**FROM:** Nils Bentsen, City Manager

**BY:** Michael Blay, Director of Development Services  
David R. Burkett, Project Construction Manager

**SUBJECT:** Award Contract for Recycled Water System – Phase 1A, C.O. No. 8087

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### RECOMMENDED ACTION

It is recommended that the Board of Directors of the Hesperia Water District award a contract for Recycled Water System – Phase 1A (C.O. No. 8087) to the lowest responsive and responsible bidder, Christensen Brothers General Engineering, Inc. in the amount of \$5,734,596; approve an additional 10% contingency in the amount of \$573,460 for a total construction budget of \$6,308,056; approve the design of the project represented by the plans and specifications; and authorize the City Manager to execute the contract.

### BACKGROUND

The Victor Valley Wastewater Reclamation Authority (VWVRA) has completed construction on the Hesperia Sub-regional Water Reclamation Plant and is currently proceeding with testing and start-up procedures. The Sub-regional Plant will be capable of supplying up to one million gallons (MG) per day of reclaimed water, which can be used for irrigation purposes. In order to utilize this resource, the District must build a distribution system to convey the reclaimed water to potential users. Using the District's Recycled Water Master Plan as a guide, staff has defined an alignment for the first phase of the distribution system. The primary user under this first phase will be the Hesperia Golf Course, but many other users can be served as well, including parks, schools, and the Hesperia Civic Center Complex.

The first phase of the recycled water system will include approximately 10 miles of "purple" distribution pipe, a storage reservoir, and a booster station necessary to provide the required pressures to operate large irrigation systems. This phase was separated into two sub-phases as the distribution system (Phase 1A) was designed in-house by City engineering staff while the 2.5 MG water tank and pump station (Phase 1B) is being designed by an engineering consultant.

On June 20, 2017, the City Council and Board of Directors of the Hesperia Water District adopted the Fiscal Year 2017-18 Capital Improvement Program (CIP) Budget that included funding for the Recycled Water System Project (C.O. No. 8087).

### ISSUES/ANALYSIS

The project was advertised for bids beginning on July 27, 2017 and was placed on the City's new online bidding platform (PUBLIC|PURCHASE) where more than 9,000 contractors were

notified about the project. Bids were received, opened online, and publicly read on September 21, 2017 from the following bidders:

Christensen Brothers General Eng., Inc.	Apple Valley, CA	\$5,734,596
Apple Valley Construction	Apple Valley, CA	5,983,333
Borden Excavating, Inc.	Calimesa, CA	6,222,555
Downing Construction, Inc.	Redlands, CA	6,365,353
USS Cal Builders, Inc.	Stanton, CA	6,652,185
Mamco, Inc.	Perris, CA	6,888,888
Kerns, Inc.	Hesperia, CA	6,956,980
Weka, Inc.	Highland, CA	7,134,465
Ferreira Coastal Construction Company	Chino, CA	7,236,970
H&H General Contractors, Inc.	Highland, CA	7,597,069
Sully-Miller Contracting Company	Brea, CA	7,772,000
Norstar Plumbing & Engineering	Alta Loma, CA	8,094,473
Vido Artukovich & Sons, Inc.	South El Monte, CA	8,148,496
Boudreau Pipeline Corp.	Corona, CA	8,392,752
TBU, Inc.	Beaumont, CA	8,627,845
High Desert Underground, Inc.	Apple Valley, CA	10,263,945
JPI Development Group, Inc.	Murrieta, CA	10,351,950
Colich & Sons, L.P.	Gardena, CA	10,919,880

Staff has determined that Christensen Brothers General Engineering, Inc. (CBGE) is the lowest responsive/responsible bidder and recommends the award of this contract to CBGE. The bids were thoroughly reviewed and staff conducted due diligence, including reference checks. CBGE has successfully completed several capital improvement projects in the past of a similar nature for the City of Hesperia and has been able to do so at very competitive prices.

The project's estimated costs are as follows:

Construction Contract	\$5,734,596
Construction Contingency	573,460
Contract Inspection Services	300,000
Geotechnical Engineering Services	289,782
Environmental Monitoring Services	125,000
Labor Compliance Services	65,784
Engineering Support Services	75,000
Administrative Costs*	36,378

**Total Estimated Costs for Ph. 1A = \$7,200,000**

\*Administrative costs include the costs for legal advertising, printing of plans and specifications, postage costs, permit fees to regulatory agencies, etc.

The design for Phase 1B of the project is expected to be complete in December 2017 and will be released for bids at that time. The estimated construction costs for Phase 1B are estimated to be \$5.0 to \$6.0 million.

## **FISCAL IMPACT**

The funds for this project are available in the adopted FY 2017-18 Capital Improvement Program (CIP) Budget. As the Council may recall, this project is being funded by two state grants and a State Revolving Fund loan, as well as from Hesperia's Fund 701 – Water Capital. Funding amounts are as follows:

Funding Source	Account Number	Amount
Water Capital – Local Share	701-29-800-8087-7500	\$ 843,402
Proposition 84 Grant	701-29-800-8087-8000	2,000,000
Proposition 1 Grant	701-29-800-8087-8026	4,727,337
State Revolving Fund Loan	701-29-800-8087-8560	9,946,413
Total Funding Amount =		<u>\$17,517,152</u>

## **ALTERNATIVE(S)**

1. Do not award a contract
2. Provide alternative direction to staff

## **ATTACHMENT(S)**

1. None