

# HEBER PUBLIC UTILITY DISTRICT REPORT TO BOARD OF DIRECTORS

**MEETING DATE:** November 19, 2015

**FROM:** Laura Fischer, General Manager

**SUBJECT:** Adopt Resolution 2015-17 to Award the Construction Contract for the Water Treatment Plant Improvement Project to Pacific Hydrotech Corporation

**ISSUE:** Shall the Board Adopt Resolution 2014-17 to award the construction contract for the Water Treatment Plant Improvement project to Pacific Hydrotech Corporation?

**General Manager’s Recommendation:**

Adopt Resolution 2014-17 to award the construction contract for the Water Treatment Plant Project to Pacific Hydrotech Corporation in the amount of \$8,099,000.

**FISCAL IMPACT:**

The Pacific Hydrotech Corporation bid was in the amount of \$8,099,000. Total project cost is estimated at \$9,500,000.

As of the date this was posted, we have not received the modified Finance Agreement from the State Water Board. HPU D cannot adopt this Resolution to award the construction contract unless the modified Finance Agreement has been received from the State and approved by staff and our legal counsel.

The modified Finance Agreement will include the following:

Grant (forgivable loan)	\$5,000,000
30 Year Loan with Zero Percent Interest	<u>\$4,500,000</u>
<b>Total Project Cost</b>	<b>\$9,500,000</b>

The Table Below Shows Project Cost By Activity

ITEM DESCRIPTION	BUDGET AMOUNT
Construction costs	\$ 8,099,000.00
Site preparation costs	\$ 68,474.00
Architectial/engineering, design. And planning costs	\$ 247,215.00
Engineering and administrative costs during construction	\$ 558,629.00
Other construction costs	\$ 76,947.00
Other planning/design costs	\$ 50,000.00
Legal fees	\$ 15,000.00
Construction contingency	\$ 384,735.00
<b>TOTAL BUDGET</b>	<b>\$ 9,500,000.00</b>

**BACKGROUND:**

The HPUD advertised the project for construction bids in August of 2015. The District received three bids.

- 1) Spiess Construction Co., Inc. @ \$7,997,500
- 2) Pacific Hydrotech Corporation @ \$8,129,000
- 3) PCL Construction @ \$9,492,500

**DISCUSSION:**

The lowest bid from Spiess Construction Co. was deemed ‘non-responsive’ as they did not submit completed DBE requirements with the bid packet as stipulated in the bidder instructions. The good faith efforts requirements of the specifications of the bid documents require that completed good faith efforts forms must be submitted with each bid or proposal. Forms 6100-3 submitted with the bid were untimely, and were missing material information including price and signature.

The two lowest bids were within \$132,000 of each other, thus the costs were determined to be reliable. The HPUD General Manager, contract engineer, and legal counsel held a conference call with Ms. Barbara August, Disadvantaged Business Enterprise Expert with the State Water Board, to discuss the issue of the non-responsive bid. She stated that the missing information on forms 6100-3 were cause for rejection. Additionally, staff submitted a letter to the State Water Board requesting their concurrence with this decision. Approval was received in the form of an e-mail from Ms. Uyen Trinh-Le, Senior Sanitary Engineer with the State Water Board Drinking Water Division stating... “We have reviewed the information provided and agree with Heber PUD’s determination that Spiess, the lowest bidder, is deemed non-responsive. We approve your request to reject Spiess’ bid and to award the contract to Pacific Hydrotech Corporation.”

After talking with the State Water Board, HPUD legal counsel sent a letter to Spiess Construction Company, Inc., asking them if they have information regarding the non-responsive decision to please submit them to HPUD. They submitted a letter, which states “...all of the information that is required to be submitted with our bid package was submitted with the bid package in time for the bid opening on Friday, September 10<sup>th</sup>. The problem was not all of the forms were filled out as they should have been.” There was no new information provided to HPUD and as such, our decision to reject the bid from Speiss Construction Company was upheld.

**CONCLUSION:**

Upon receipt of the modified Finance Agreement stating the terms as presented in the Fiscal Impact section of this report, it is recommended that the Heber Public Utility District Board of Directors adopt Resolution 2015-17 awarding the construction contract for the water treatment plant improvement project to Pacific Hydrotech Corporation in the amount of \$8,099,000.

ALTERNATIVES:

- 1) Do not adopt Resolution Number 2015-17 and do not award the contract to Pacific Hydrotech Corporation. This action will cause a delay in the project schedule.
- 2) Provide alternative direction to staff.

Respectfully Submitted,

Laura Fischer, General Manager

Attachments:       Resolution 2015-17  
                          Letter to Water Board Requesting Confirmation of Bid Rejection

**RESOLUTION 2015-17**

**A RESOLUTION OF THE HEBER PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS AWARDING THE CONSTRUCTION CONTRACT FOR THE WATER TREATMENT PLANT IMPROVEMENT PROJECT TO PACIFIC HYDROTECH CORPORATION**

**WHEREAS**, the Heber Public Utility District received a Citation for Non-Compliance from the State of California Department of Public Health Citation No. 05-14-13C-001, which was issued on January 4, 2013; and

**WHEREAS**, the Heber Public Utility District has identified and wishes to implement a construction project to satisfy compliance with the aforementioned Citation involving improvements to the Water Treatment Plant, hereafter "Project;" and

**WHEREAS**, the Heber Public Utility District's Application for project funding through the Clean Water State Revolving Fund (CWSRF) for Planning, Design, and Construction of the Water Treatment Plant Improvement Project has been approved in the amount of **\$9,500,000**; and

**WHEREAS**, the Heber Public Utility District has duly advertised for construction services which have resulted in bid proposals received on September 10, 2015; and

**WHEREAS**, the Heber Public Utility District and the California State Water Resources Control Board Division of Financial Assistance have determined that the lowest bidder was non-responsive; and

**WHEREAS**, the Heber Public Utility District wishes to award the construction services contract to the lowest responsive bidder, which is Pacific Hydrotech Corporation in the amount of \$8,099,000; and

**NOW, THEREFORE BE IT RESOVLED BY THE BOARD OF DIRECTORS OF THE HEBER PUBLIC UTILITY DISTRICT**, that the above statements are true and correct, and hereby award the Water Treatment Plant Improvement Project construction services to Pacific Hydrotech Corporation in the amount of \$8,099,000.

**PASSED, APPROVED, AND ADOPTED** at a regular meeting of the Board of Directors of the Heber Public Utility District conducted on the 19<sup>th</sup> day of November 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Eduardo Valdez-Belmonte, President  
Heber Public Utility District

I, Raquel Carrillo, Secretary of the Board of the Heber Public Utility District, DO HEREBY CERTIFY that the foregoing resolution was duly passed, approved, and adopted by the Heber Public Utility District Board of Directors at a regular meeting thereof held on the 19<sup>th</sup> day of November 2015.

ATTEST:

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Raquel Carrillo, Secretary of the Board,  
Heber Public Utility District