

# HEBER PUBLIC UTILITY DISTRICT

## REPORT TO BOARD OF DIRECTORS

**MEETING DATE:** April 16, 2015

**FROM:** Laura Fischer, General Manager

**SUBJECT:** Award the Construction Contract for the Correll Basin Improvement Project.

**ISSUE:**

Shall the Board of Directors Award the Construction Contract for the Correll Basin Improvement Project?

**GENERAL MANAGER'S RECOMMENDATION:**

It is recommended that the Board of Directors award the construction contract for the Correll Basin Improvement Project to Granite Construction Company for an amount of \$171,771.00.

**FISCAL IMPACT:**

Not to exceed \$171,771.

The funding for this project is proposed as follows:

\$50,000 The County of Imperial has approved a contribution toward the project.

\$50,000 HPUD has a Parks Fund account of \$82,000, however only \$50,000 of this fund has been committed toward the project.

**\$71,771 Total Not Budgeted** – Available in Parks Fund Balance and from additional revenues above budgeted amount in FY 2014-2015.

At the HPUD Board Meeting on September 18<sup>th</sup> the Board approved the expenditure of up to \$50,000 to make the necessary improvements to the Correll Basin. The County of Imperial has also committed \$50,000 towards the project.

The Engineer's Opinion of Probably Cost was \$123,473.00. So we anticipated that the project would need about \$25,000 of additional funds to complete the project. The total amount needed is \$71,771.

The Board of Directors will need to commit an additional \$71,771 of Park Funds to complete this project.

**BACKGROUND:**

The Holt Group prepared the plans and they were submitted to the County for their review and approval in November 2014. In March, the County completed the approval of the plans and HPUD and The Holt Group staff quickly got the project out to bid.

We held a pre-bid conference and the bids were opened on April 9, 2015. Granite Construction was the lowest bidder. We received four bids which ranged from \$313,889 to \$171,771. See the attached bid tabulation form.

**DISCUSSION:**

As you may recall there was a Parks account set aside for Correll Basin when the development was completed. This amount has grown to the current balance of \$82,039. However, this amount was to be used to build a 'park' at the site. The current Correll Basin Improvement Project does not include a park facility or public improvements; it is only to improve the retention basin so that it functions. In September 2014 the HPUD Board authorized the expenditure of up to \$50,000 of the Park Set Aside fund, which has a balance of \$82,039. The remaining funds, \$32,039, have not been committed.

The FY 2014-15 property tax revenue budget was \$350,000 to date HPUD has received \$439,691, which is \$89,691.44 over expected revenue in the FY 2014-15 Parks Fund Budget. These additional revenues are available to commit towards the Correll Basin Project.

**CONCLUSION:**

As the qualified bidder with the lowest bid is Granite Construction Company, staff recommends awarding the construction contract to Granite in an amount not to exceed \$171,771 and modifying the budget to expend an additional \$71,771 from the Parks Fund Balance toward project completion.

**ALTERNATIVES:**

- 1) Do not award the contract to Granite Construction Company, which will result in a delay in the project and an increase in project costs as we will have to re-bid.
- 2) Do not authorize the expenditure of additional funds from the Parks Fund Balance and provide alternate direction to staff regarding funding of the Correll Basin Improvement Project.
- 3) Provide alternate direction to staff regarding the construction of the Correll Basin Improvement Project.

Respectfully Submitted,

Laura Fischer,  
General Manager

Attachment: Bid Tabulation Form



4. Granite Construction Company \$ 171,771.00  
2095 Highway 111  
El Centro, CA 92243  
Phone: (760) 337-3030  
FAX: (760) 353-0437  
Contact: Marc Pipkin, Estimator
5. Cora Constructors, Inc. \$ 193,496.00  
75-140 St. Charles Place, Ste A  
Palm Desert, CA 92211  
Contact: Ray Armendariz, Asst. Cost  
Estimator  
Email: [ray@coraconstructors.com](mailto:ray@coraconstructors.com)  
Off: 760.674.3201  
Fax: 760.674.3202  
Direct: 760.636.1838