File #: 1692-2018, **Version:** 1

To: Honorable Mayor and Members of City Council

From: Phil Brun, Utilities Director

Prepared By: Michael J. Hether, Senior Civil Engineer

TITLE:
Replacement of the Hillcrest and Silverado Water Pump Stations

RECOMMENDED ACTION:
Adopt a resolution authorizing the Utilities Director to negotiate and execute a Design-Build Agreement with Myers and Sons Construction, LLC in an amount not to exceed $3,273,600, for design and construction services for replacement of the Hillcrest and Silverado pump stations; approving the transfer of appropriations from water fund capital improvements reserve to fund the project and temporary operations; and determining that the actions authorized by this resolution are exempt from CEQA.

DISCUSSION:
The 2017 Atlas Fire (fire) began as one of fourteen large fires that burned simultaneously across eight Northern California counties. The fire began near Atlas Peak Road and stretched from Lake Berryessa to the City of Napa, portions of which included the City's service area in the Silverado Country Club and surrounding areas. The fire caused extensive damage to private and public property, including the destruction of two City-owned potable water pump stations that served customers in the Silverado Country Club community. In order to restore the water system back to pre-disaster conditions, City staff informed the California State Office of Emergency Management Systems (Cal-OES) and Federal Emergency Management Agency (FEMA) that both pump stations require full replacement.

In order to procure the most competitive bid price and uphold the City's commitment to restoring the pump stations as soon as possible, City staff determined that the most efficient means to deliver the project would be through a design-build approach. Consequently, both pump stations are intended to be designed and constructed as one project utilizing a design-build project delivery method.

City staff determined it is prudent to harden each pump station by replacing both structures with non-combustible materials. Since FEMA funding only covers in-kind replacement, City staff directed all prospective Design-Build Contractors to submit a cost to replace each pump station in-kind (Alternative A), as well as a cost to construct each pump station structure with non-combustible materials (Alternative B); while the Request for Proposal (RFP) documents included a request for costs on two alternatives, the final selection for recommendation is based on Alternative B (i.e. structures built with non-combustible materials).

On March 7, 2019, the City posted an advertisement soliciting proposals from prospective design-build Contractors (Attachment 2). On May 9, 2019, the City received proposals from Myers & Sons Construction, LLC, Mountain Cascade, Inc., and GSE, Inc. (Attachments 3-5). All proposals met the expectations outlined in the City's RFP. The project team conducted individual reviews and ratings of each proposal then conducted interviews with each Design-Build Contractor to determine the best overall value to the City (Attachment 6). Based on the project team's assessment and interviews, the proposal considered the best overall value to the City was submitted by Myers & Sons Construction, LLC, in the amount of $2,728,000; among the proposals submitted, Myers & Sons Construction, LLC, ranked highest in the categories of Design-Build Team experience, relative cost comparison, and overall Design-Build project delivery experience with potable water pump stations.

City staff recommends selection of Myers & Sons Construction, LLC, for Design-Build services for the Hillcrest and Silverado Highlands Pump Station replacements. It is further recommended that City Council authorize the Utilities Director to negotiate and execute a Design-Build Agreement in a form acceptable to the City Attorney.

FINANCIAL IMPACTS:

The proposal submitted by Myers & Sons Construction, LLC, represents the best overall value to the City in the amount of $2,728,000. A twenty percent contingency is appropriate for the projects of this magnitude and complexity. The total contract plus contingency is $3,273,600 ($2,728,000 + $545,600.) The City is also incurring reimbursable costs of $250,000 for temporary operations through completion of the projects. Consequently, the total funding required for the projects is $3,523,600 ($3,273,600 + $250,000).

Since the damage to the City's water system occurred during the Atlas Fire, the City is eligible to receive reimbursement for 93.5% of costs (75% from FEMA and 18.5% from Cal-OES) under disaster declaration FEMA-4344-DR-CA. Capital improvement budget accounts have been established for each repair location and the costs will be tracked individually by account. Project expenditure totals will reflect temporary operations, design, construction and administrative costs for each project.

The City has received obligations for the two pump stations based on cost estimates from FEMA and OES prepared after the disaster. FEMA subtracts funds provided by insurance from the costs. In March 2018, the City's insurance provider increased the payment for the estimated damage originally prepared in December 2017. The FEMA obligations reflect the revised insurance payments.

City staff has expressed concern to FEMA and OES over the low cost estimates provided during the project scoping process and will repetitively notify the State's Public Assistance (PA) Officer of the difference in cost between the project worksheets and actual construction. According to FEMA's PA program procedures and cost estimating format, large projects are approved on estimated cost but paid on actual costs. The costs above the amounts obligated by FEMA will be paid from the Water Fund CIP Reserve balance with the expectation of reimbursement from FEMA when all Fire projects are completed.

In order to construct the projects and provide funding to meet ongoing temporary operations, a transfer from the Water Fund Capital Improvement Reserve Account is needed to supplement insurance funds as follows:

SOURCES

$104,392	Water Non-Recurring Unassigned Fund Balance; Insurance revenue received in FY2017/18 for Pump Station at Hillcrest (53900-25399)
$1,749,408	Water CIP Reserve Account (53000-25002)
$1,853,800	Subtotal Pump Station at Hillcrest
$153,801	Water Non-Recurring Unassigned Fund Balance; Insurance revenue received in FY2017/18 (53900-25399)
$1,515,999	Water CIP Reserve Account (53000-25002)
$1,669,800	Subtotal Pump Station at Silverado
$3,523,600	**Total**

USES

$1,853,800	Pump Station at Hillcrest (53942-57601/DR17FR01-57601)
$1,669,800	Pump Station at Silverado (53942-57601/DR17FR02-57601)
$3,523,600	**Total**

CEQA:
City staff recommends that the City Council determine that the Recommended Action is exempt from CEQA pursuant to CEQA Guidelines Section 15301(b), which exempts the repair and maintenance of existing publicly-owned utilities.

DOCUMENTS ATTACHED:
ATCH 1 - Resolution
ATCH 2 - Request for Proposal for Design-Build Services
ATCH 3 - Myers & Sons Construction, LLC Proposal
ATCH 4 - Mountain Cascade, Inc. Proposal
ATCH 5 - GSE, Inc. Proposal
ATCH 6 - Proposal Evaluation & Cost Summary

NOTIFICATION:
None