



Honorable Mayor and Members of the Hermosa Beach City Council

AWARD OF CONSTRUCTION CONTRACT FOR CIP 421 ANNUAL SEWER IMPROVEMENTS–PHASE 2

CEQA: Determine the Annual Sewer Improvements–Phase 2 project is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301 (Existing Facilities). The proposed work is a minor alteration of existing public structures or facilities involving negligible or no expansion of existing use (Public Works Director Joe SanClemente)

Recommended Action:

Staff recommends City Council:

1. Appropriate additional funds from the City Sewer Fund to CIP 421 Annual Sewer Improvements–Phase 2 in the amount of \$776,731.20;
2. Award a construction contract for CIP 421 Annual Sewer Improvements–Phase 2 to GRBCON, Inc. in the amount of \$2,944,821 (**Attachment 1**);
3. Authorize the Director of Public Works to establish a 20 percent project contingency amount of \$588,964.20 and to approve contract change orders up to the amount of the approved contract contingency;
4. Adopt the attached resolution entitled “A Resolution of the City Council of the City of Hermosa Beach Approving the Construction of CIP 421 Annual Sewer Improvements Pursuant to Government Code Section 830.6 and Establishing a Project Payment Account” (**Attachment 2**);
5. Authorize the Mayor to execute the construction contract and the City Clerk to attest, subject to approval by the City Attorney; and
6. Authorize the Director of Public Works to file a Notice of Completion following final completion of the project.

Executive Summary:

Capital Improvement Program (CIP) Project 421 Annual Sewer Improvements–Phase 2 consists of the removal and replacement of nearly 4,800 linear feet of sewer and the repair and rehabilitation of various maintenance holes throughout the City. Staff received nine bids for the construction of the project and recommends City Council award a construction contract to the lowest responsible and responsive bidder, GRBCON, Inc.

Background:

CIP 421 Annual Sewer Improvements–Phase 2 consists of the second phase of sewer-related capital improvement projects first identified in the City’s 2017 Sewer Master Plan. It includes, but is not limited to, the removal and replacement of nearly 4,800 linear feet of sewer and the repair, rehabilitation, and new construction of various maintenance holes throughout the City. These repairs would address problematic sewer pipe reaches and aging maintenance holes throughout the City’s sewer system identified in the 2017 Sewer Master Plan, as well as other troublesome areas identified by the Public Works Department.

Phase 1 of CIP 421 was completed in April 2022 and included root removal, sewer lining installation, and point repairs of approximately 8,000 linear feet of sewer segments in five major areas of the City.

Past Council Actions

Meeting Date	Description
<u>August 10, 2021</u>	City Council awards the construction contract for CIP 421 Annual Sewer Improvements–Phase 1

Analysis:

On May 16, 2024, the City issued Notice Inviting Bids 24-004 inviting experienced contractors to submit a bid for the sewer project. The project was advertised for formal competitive bids in the local newspaper, on the City’s electronic bidding platform Planet Bids, and in relevant construction trade journals. On June 11, 2024, the City received a total of nine bids, which were opened and read aloud by the City Clerk. The bid results are provided in **Attachment 3** and summarized below.

BIDDER	BID AMOUNT
GRBCON, Inc.	\$2,944,821
MNR Construction, Inc.	\$3,137,130
Mike Prlich and Sons, Inc.	\$3,497,306
Dominguez General Engineering, Inc.	\$3,584,600
O’Duffy Bros, Inc.	\$4,216,725
PALP dba Excel Paving Company	\$4,288,665
Colich & Sons, LP	\$4,489,520
Ramona, Inc.	\$4,887,600
Gentry General Engineering, Inc.	\$5,216,410

Staff reviewed the bid documents for the lowest bidder (**Attachment 4**) and found GRBCON, Inc. (GRBCON) to be the lowest responsible and responsive bidder. GRBCON’s total bid amount is 20 percent higher than the Engineer’s Estimate of \$2,500,000.

Staff confirmed GRBCON's contractor license is active and in good standing with the Contractor's State License Board. Staff contacted references and confirmed competency through completion of recent projects of similar type of work within the past five years. Overall, staff finds GRBCON to be a qualified contractor to complete the proposed work for the project and recommends City Council award the construction contract to them.

The City's on-call engineering firms would be utilized to provide construction management and inspection services to oversee the work during construction. Staff anticipates construction to start as soon as August 2024 with an anticipated completion date in April 2025.

Environmental Analysis

The Project is exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Existing Facilities). The proposed work is a minor alteration of existing public structures or facilities involving negligible or no expansion of existing use. No exceptions to the CEQA exemption apply.

General Plan Consistency:

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

Public Safety Element

Goal 5. High quality police and fire protection services provided to residents and visitors.

Policy:

- **5.2 High level of response.** Achieve optimal utilization of allocated public safety resources and provide desired levels of response, staffing, and protection within the community.

Infrastructure Element

Goal 1. Infrastructure systems are functional, safe, and well maintained.

Policies:

- **1.1 Infrastructure systems plan.** Establish and adopt an integrated, holistic systems approach to guide infrastructure development, improvement, maintenance, and resilience.
- **1.2 Priority Investments.** Use City Council established priorities and the Capital Improvement Program (CIP) to identify and allocate funding for projects identified in the infrastructure plan.

Fiscal Impact:

CIP 421 Annual Sewer Improvements–Phase 2 is included in the FY2024–25 Adopted Budget, Sewer Fund. The lowest responsible and responsive bidder, GRBCON submitted its bid at \$2,944,821. Staff recommends establishing a 20 percent contingency of \$588,964.20 to cover any unforeseen conditions or additional work required during construction, for a total construction budget not to exceed \$3,533,785.20.

An additional appropriation of \$776,731.20 from the Sewer Fund to the project fund is necessary to cover the construction costs of CIP 421 with contingency and to cover cost of use of City’s on-call inspection and construction management services and design support. Sufficient funds are available in the Sewer Fund to cover the additional appropriation request.

Agreement Request			
Fund	Request Amount	FY 24–25 Budget Dept. Account #	Total Contract Amount
Sewer Fund	\$776,731.20	160-8421-4201	\$3,533,785.20

Attachments:

1. Draft Contract
2. Draft Resolution
3. Bid Opening Log
4. GRBCON’s Bid Documents
5. Contract Documents and Special Provisions
6. Project Plans

Respectfully Submitted by: Brandon Araujo, Senior Engineer

Concur: Andrew Nguyen, Associate Engineer

Concur: Lucho Rodriguez, City Engineer

Concur: Joe SanClemente, Public Works Director

Noted for Fiscal Impact: Viki Copeland, Administrative Services Director

Legal Review: Patrick Donegan, City Attorney

Approved: Suja Lowenthal, City Manager