



**Board of Directors
January 16, 2019**

SUBJECT:

Approve and Authorize Agreement with J.R. Filanc Construction Company, Incorporated (\$2,066,377) for Design/Build Construction Services under Specification No. 1350S, the Temecula Valley Regional Water Reclamation Facility Air Line Replacement Project, and Additional Appropriation of \$2,629,480

BACKGROUND:

During recent excavation performed as part of the Temecula Valley Regional Water Reclamation Facility (TVRWRF) expansion project, the Plant 2 process air pipeline was exposed and found to be severely corroded. Air conveyed by this pipeline is critical to the operation of the facility. This proposed project will replace the Plant 2 air line. A general project site location map is attached as Exhibit A.

Staff is advancing the project using a design/build (D/B) alternative delivery method to expedite implementation. The new air line must be installed by October 2019, to support the TVRWRF Blower Electrification Project implementation by June 2020 as required to comply with SCAQMD Rule 1110.2. The design/build project delivery method and pre-procurement of the valves authorized by the Board on November 7, 2018 will support meeting this schedule.

On June 28, 2018, the Board approved and authorized an award of contract with KEH & Associated (now Gannet Fleming) in the amount of \$97,740 to develop preliminary design plans and performance specifications for design/build project delivery.

On November 5, 2018, staff issued a request for proposals (RFP) to five design/build teams for services to provide the final design and construct the TVRWRF Air Line Replacement Project. On December 20, 2018, two teams submitted proposals including J.R. Filanc Construction Company Incorporated and SCW Contracting Corporation as shown on the attached summary of bids (Exhibit B). J.R. Filanc Construction Company Incorporated submitted the lowest bid in the amount of \$2,066,377 (Exhibit C). This bid was reviewed and found to be responsive with the contract documents. J.R. Filanc Construction Company has previously performed similar work for the District in a satisfactory manner as well as similar design-build work for other local agencies.

The engineer's estimate for this project was \$1,400,000. Staff performed a detailed review of bids received relative to the engineer's estimate and determined that the discrepancy is primarily a result of two contributing factors. The engineer's estimate did not reflect an increase in steel material costs (\$330,000) impacted by market conditions and tariffs nor did

the estimate include costs for the site civil work (\$194,000). Based on analysis, staff determined that bids received are fair and commensurate with project requirements.

Staff anticipates field investigations to be performed in support of the design effort, including geotechnical, site survey, and potholing of existing utilities. The field investigations will be conducted using on-call consultants. Staff estimates a cost of \$20,000 for the effort to complete the field investigations in support of the project.

The total project cost through project closeout is estimated at \$2,755,320, per the attached project cost estimate (Exhibit D). Staff recommends additional appropriation in the amount of \$2,629,480 to fund project expenses and associated engineering labor costs through the closeout phase of the project.

FINANCIAL IMPACT:

This project will be financed from the Sewer Capital Replacement and System Betterment Reserve Fund.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Achieve the safe, reliable and cost-effective collection and treatment of wastewater and beneficial use of biosolids, and a water supply portfolio that achieves an optimum balance of water resources.

ENVIRONMENTAL IMPACT:

This project is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15301, which provides exemption for the operation, repair, maintenance, or minor alteration of existing facilities, involving negligible or no expansion of an existing use, of publicly owned utilities used to provide public utility services.

RECOMMENDATION:

Approve and authorize the following:

1. Execution by the General Manager, or his designee, of EMWD's standard form of contract with J.R. Filanc Construction Company for design/build services for the TVRWRF Air Line Replacement Project in the amount of \$2,066,377;
2. Administrative award and execution by the General Manager, or his designee, of the District's standard form of contract with the necessary consultants, contractors, and suppliers for the completion of the project; and

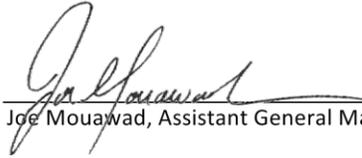
3. Additional appropriation of \$2,629,480, to fund project through the close out phase which brings the total estimated project cost to \$2,755,320.

SUBMITTED BY:



Paul D. Jones II, P.E., General Manager

1/13/2019



Joe Mouawad, Assistant General Manager

1/8/2019

Attachment(s):

Exhibit A - Location Map

Exhibit B - Summary of Bids

Exhibit C - DB Proposal

Exhibit D - Cost Estimate

Presentation

01/16/19 Board Meeting

Staff Contact: Erik Jorgensen