



## AGENDA REPORT

**Meeting Date:** June 19, 2012  
**Item Number:** G-19  
**To:** Honorable Mayor & City Council  
**From:** Ara Maloyan, City Engineer   
Anne Garvey-Zaworski, Principal Civil Engineer   
**Subject:** AWARD OF A CONTRACT TO THE LOWEST RESPONSIBLE BIDDER, UNITED ENGINEERING AND CONSTRUCTION INC. FOR THE REHABILITATION OF RESERVOIR 4A IN THE AMOUNT OF \$1,315,700 AND APPROVAL OF THE PLANS AND SPECIFICATIONS THEREFOR; AND  
  
APPROVAL OF ISSUANCE OF A PURCHASE ORDER IN THE AMOUNT OF \$1,450,000 TO UNITED ENGINEERING AND CONSTRUCTION INC.  
  
**Attachments:** 1. Agreement  
2. Categorical Exemption

---

### RECOMMENDATION

Staff recommends that the City Council move to: 1) Award a construction contract to the lowest responsible bidder, United Engineering and Construction Inc. for the Rehabilitation of Reservoir 4A in the amount of \$1,315,700; 2) Approve plans and specifications for the Project dated May 2012, which are adopted and approved with respect to design criteria; 3) Approve a construction contingency of 10.2% in the amount of \$134,300 and delegate the authority to approve change orders to the Director of Public Works and Transportation Department as defined in the city's Purchasing Ordinance; and 4) Approve the issuance of a purchase order in the amount of \$1,450,000 to United Engineering and Construction Inc.

### INTRODUCTION

Water Reservoir 4A, constructed in 1954, is a partially buried reinforced concrete structure with a storage capacity of 2.2 MG providing domestic supply and fire protection to the westerly portion of Zone 8 of the City's water distribution system (area between Coldwater Cañon Drive and the west City limits). Reservoir 4A is divided into North and South basins, each of which can be operated independently.

This report is a request for City Council to award a contract to the lowest responsible bidder for the rehabilitation of Reservoir 4A. This rehabilitation project consists of structural repairs, application of 150 mil thick polyurethane internal lining, removal and replacement of a 7.5HP pump, pipes, fittings electrical conduit, new Motor Control Center (MCC), instrumentation and miscellaneous work required to upgrade the existing 2.2MG concrete reservoir. This project has a 3.5 month completion requirement.

## **DISCUSSION**

In December 2010, staff received a detailed Report prepared by KEC Engineers Inc evaluating Reservoir 4A's remaining useful life, including a seismic analysis of the existing structure and providing alternative recommendations for it's repair (Agreement # 171-10). By June 2011, KEC had prepared a full set of Contract Documents for the rehabilitation of Reservoir 4A to remediate ongoing reservoir leakage; rehabilitate the Tank to increase its remaining lifespan by at least fifteen (15) years; remove and replace the existing retaining wall, non-operational pump, pipes, fittings, electrical conduit and SCADA instrumentation; including replacing the existing manually-operated valves with motor-operated valves.

- In July 2011, six construction bids were received. However; due to clerical errors encountered in the three lower bids and a fluctuation of up to \$585,220 in the lump sum price assigned by all six bidders for the removal and replacement of the southern retaining wall; it was determined that rejection of all bids and a "revisit" of the rehabilitation of the existing retaining wall, was in the best interest of the city.
- In January 2012, the city entered into a Peer Review Agreement with Webb Associates of KEC's design documents for Reservoir 4A.

On May 10 and 11, a Notice Inviting Bids was published in the Beverly Hills Weekly, Courier and on the City's web site. Twenty sets of contract documents were issued to contractors.

On June 5, 2012, at 2:00 PM., three bids were received and publicly opened in the City Clerk's Office. They were read as follows:

<u>Contractor</u>	<u>Bid Amount</u>
United Engineering & Construction (UECI)	\$1,315,700
Zusser Company Inc.	\$1,468,850
Spieß Construction Company Inc.	\$1,576,350

KEC Engineer's engineering estimate was \$1,460,000.

These amounts were tabulated using unit prices which take precedence over the submitted total bid amounts. All documents submitted by all the bidders were in order, and the apparent low bidder is United Engineering and Construction Inc. Staff has checked and confirmed references for UECI who have recently completed public works

projects for the City of Alhambra, Caltrans and Los Angeles County Department of Public Works; and recommends that the lowest bid be accepted and awarded.

**NOTIFICATION**

Proposed rehabilitation of Reservoir 4A will be scheduled to commence around July 30, 2012 and KEC Inc. together with city staff will provide all construction-related project management and inspection services during the 14 week construction period.

Staff has included in the project specifications that residents adjacent to the project will be provided notice of construction letters, indicating the type of work and its impact on the area at least two weeks prior to commencement of project.

**ENVIRONMENTAL ASSESSMENT**

A categorical exemption was issued by city's Community Development staff for this rehabilitation project on June 4, 2012.

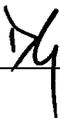
**FISCAL IMPACT**

A contingency allowance in the amount of \$134,300 consisting of 10.2% of the total contract amount has been included in the total purchase order amount of \$1,450,000. Any change orders that require expenditures from this allowance shall be made only upon written request in accordance with City Ordinance No. 06-O-2504.

Funds are provided as follows:

FUND	PROJECT NUMBER	SUB-PROJECT NUMBER	FUNDING SOURCE	AMOUNT
80	796	35-80-0796-85040	Reservoir Replacement Water Tanks	\$1,450,000

  
\_\_\_\_\_  
Scott Miller  
Finance Approval

  
\_\_\_\_\_  
David Gustavson  
Approved By

# **Attachment 1**

**AGREEMENT**

THIS AGREEMENT, made and entered into this 19<sup>th</sup> day of June, 2012, by and between the CITY OF BEVERLY HILLS, a municipal corporation, hereinafter referred to as "City", and

**United Engineering and Construction Inc., 336 N. Central Avenue, Suite 10A, Glendale, CA.91203**

hereinafter referred to as "Contractor";

WITNESSETH

In this consideration of their covenants the parties hereto agree as follows:

1. Contractor shall furnish all labor, materials and equipment necessary to perform the following work in the City of Beverly Hills, California, strictly in accordance with the Notice to Bidders, Proposal form, Plans and Specifications for such improvement, Standard Contractual Requirements and inclusive of Addendums, each of which documents are made a part of this Contract as though fully set forth herein:

**STRUCTURAL REPAIR, APPLICATION OF 150 MIL THICK POLYURETHANE FOR  
INTERNAL LINING OF RESERVOIR 4A, REMOVAL AND REPLACEMENT OF A 7.5 HP PUMP, PIPES, FITTINGS, ELECTRICAL  
CONDUIT, MOTOR CONTROL CENTER INSTRUMENTATION AND  
MISCELLANEOUS WORK FOR UPGRADING RESERVOIR 4A**

2. In consideration of such work City agrees to pay Contractor and Contractor agrees to accept the sum of **One Million, Three Hundred and Fifteen Thousand and Seven Hundred Dollars (\$1,315,700)** in the manner provided in subject Plans and Specifications and subject to adjustment provided therein.

3. Concurrently with the execution of this Contract, Contractor shall file with the City the bonds and certificates of insurance specified in said Standard Contractual Requirements.

4. This Contract shall not be assigned without the written permission of the City Council.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written.

ATTEST:

CITY OF BEVERLY HILLS,  
A municipal corporation

\_\_\_\_\_  
BYRON POPE, City Clerk

\_\_\_\_\_  
WILLIAM W. BRIEN, M.D., Mayor

APPROVED AS TO CONTENT:

CONTRACTOR:

\_\_\_\_\_  
JEFFREY KOLIN, City Manager

\_\_\_\_\_  
KARL KIRKMAN, Risk Manager

\_\_\_\_\_  
DAVID D. GUSTAVSON, Director  
Of Public Works & Transportation

APPROVED AS TO FORM:

FUNDS AVAILABLE:

\_\_\_\_\_  
LAURENCE WIENER, City Attorney

\_\_\_\_\_  
SCOTT MILLER, Director of Administrative Services/Chief  
Financial Officer

EXHIBIT "C"

# **Attachment 2**



BeverlyHills.org

CITY OF BEVERLY HILLS
COMMUNITY DEVELOPMENT DEPARTMENT- PLANNING DIVISION
455 North Rexford Drive
Beverly Hills, CA 90210-4817
(310) 285-1123
FAX: (310) 858-5966

Categorical Exemption

Name of Project Reservoir 4A Rehabilitation

Location 1135 Miradero Road, Beverly Hills, CA 90210

Type of Business (if commercial)

Project Description Rehabilitate the interior of the existing Tank to increase its remaining lifespan by at least fifteen (15) years; remove and replace the existing non-operational pump, pipes, fittings, electrical conduit and SCADA instrumentation; including replacing the existing manually-operated valves with motor-operated valves.

Applicant's Name Department of Public Works and Transportation Phone (310) 285-2467

Applicant's Address 345 Foothill Road

City Beverly Hills Zip 90210

If different, provide:

Agent's Name Phone

Agent's Address

City Zip

The undersigned, having received this project for processing, has reviewed it for environmental impact and concluded that the project qualifies for a categorical exemption under the procedures adopted by the City of Beverly Hills and no further environmental assessment is necessary.

Applicable Exemption Class Class 1 (b)

Comments Project is for the repair and maintenance of an existing facility for public utility services.

Reviewed by Margaretta Melton Date 06/04/2012