



## AGENDA REPORT

**Meeting Date:** June 8, 2015

**Item Number:** E-16

**To:** Honorable Mayor & City Council

**From:** Mark Cuneo, City Engineer *MC*  
Anne Zaworski, Principal Civil Engineer

**Subject:** AWARD OF A CONTRACT TO THE LOWEST RESPONSIBLE BIDDER, CANYON SPRINGS ENTERPRISES DBA RSH CONSTRUCTION SERVICES, FOR THE PROJECT "REVERSE OSMOSIS (R.O.) WATER TREATMENT PLANT REHABILITATION" (JOB #10102) IN THE AMOUNT OF \$2,343,122;

APPROVAL OF THE PLANS AND SPECIFICATIONS THEREFORE;

APPROVAL OF ISSUANCE OF A PURCHASE ORDER IN THE AMOUNT OF \$2,593,122 TO CANYON SPRINGS ENTERPRISES DBA RSH CONSTRUCTION SERVICES FOR THE PROJECT; AND

APPROPRIATION OF \$442,552 FROM THE WATER FUND.

**Attachments:**

1. Agreement
2. Categorical Exemption
3. Location Map
4. Letter Dated May 19, 2015 From Environmental Construction Inc.
5. Public Contract Code Section 5100 et seq.

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### **RECOMMENDATION**

Staff recommends that the City Council move to award a contract to the lowest responsible bidder, Canyon Springs Enterprises dba RSH Construction Services for the Reverse Osmosis (R.O.) Water Treatment Plant Rehabilitation Project (Job #10102) in the amount of \$2,343,122; approve the plans and specifications for the Project, dated January 2015, which are adopted and approved with respect to design criteria; approve a construction contingency in the amount of \$250,000 and delegate the authority to

approve change orders to the Director of Capital Assets as authorized by the Municipal Code; approve the issuance of a purchase order to Canyon Springs Enterprises dba RSH Construction Services in the amount of \$2,593,122; and appropriate \$442,552 from the Water Fund to Capital Improvement Project No. 795, Water Treatment Plant.

## **INTRODUCTION**

The scope of work for this project includes several maintenance repairs and operational upgrades. Due to the corrosive nature of the chemicals utilized in the water treatment process, several areas of the plant, including pipes, pipe supports, electrical conduits, valves and floor and wall surface coatings have deteriorated and require rehabilitation or replacement. Additionally, staff has identified potential upgrades to the plant control system and components that will improve operational efficiency and safety and extend asset life. These improvements are all conducted within the existing Plant footprint, and include reconstruction/rerouting of the existing industrial waste line, the addition of baffle walls and an interior coating to the product water clearwell, new plant floor coatings and upgrading of existing coatings, new chemical dosing pump skids, addition of electric actuators to certain manual valves, addition of air gaps for existing brine box and Clean-in-Place tank/scavenger tank per Division of Drinking Water regulations, and the addition of new control hardware and associated programming to improve plant operability.

## **DISCUSSION**

On June 17, 2014, City Council approved an Agreement (282-14) with GHD to provide engineering design and construction support services for the Rehabilitation/Upgrading of the City of Beverly Hill's Reverse Osmosis Water Treatment Plant. GHD completed the design and bidding documents for the construction phase of this project in January 2015. The project was advertised and on February 24, 2015; seven bids were received and publicly read. After staff tabulated and reviewed all submitted bids; it became apparent that the Plant Coatings bid item as identified in the Contract Documents required more extensive clarification to ensure a fair and responsible bid response. On April 21, 2015; staff recommended and the City Council approved rejecting all bids, revising the Contract Documents to provide necessary clarification and re-advertising the project for public bid.

The Contract Documents were modified to clarify the Plant Coatings bid item and on April 23 and May 1, 2015, a Notice Inviting Bids for the Reverse Osmosis (R.O.) Water Treatment Plant Rehabilitation Project (Job #10102/Bid #15-30) was published in the Beverly Hills Weekly and Beverly Hills Courier, respectively, and on the City's web site. Bid documents were provided to five plan rooms and thirty contractors. On May 14, 2015; five bids were received and publicly read. The bid results are as follows:

1) Environmental Construction, Inc.	\$2,283,105
2) Canyon Springs Enterprises dba RSH Construction Services	\$2,343,122
3) United Engineering, Inc.	\$2,391,800
4) Filanc, Inc.	\$2,425,000
5) PPC Construction, Inc.	\$2,455,590

Engineer's Estimate: \$2,219,000

Staff tabulated and reviewed all submitted bids to determine the lowest responsible bidder. On May 19, staff received a letter from Environmental Construction, Inc. (ECI), the apparent low bidder, requesting that the City allow them to withdraw their bid (in accordance with Public Contract Code section 5100 et seq) due to a clerical error they discovered after they submitted their bid (Attachment #4 and #5). ECI inadvertently inserted \$5,000 in Bid Item #11 instead of \$50,000. Upon consultation with the City Attorney's office, staff is recommending that ECI be allowed to withdraw its bid proposal and the contract be awarded to Canyon Springs Enterprises dba RSH Construction Services.

References were checked for the Canyon Springs Enterprises dba RSH Construction Services (RSH). In the last five years, RSH has satisfactorily completed several potable water projects for the cities of Anaheim, Indio and Riverside and the water districts/agencies of Desert Water and San Bernardino Valley Municipal including a new 4,500-square-foot water treatment plant and 839-square-foot chemical building in Mesa Verde for Riverside County Economic Development Agency.

The work under this "R.O. Water Treatment Plant Rehabilitation" contract is scheduled to be completed within **252 calendar days (approx. 8.5 months)**. The notice to proceed with construction will be issued as soon as the attached Agreement is fully executed by the City. Consequently, construction should start in July 2015 and be completed by April 2016. The Contract Documents require that the work be staged to allow start-up/commissioning of the rehabilitated Plant to occur in mid-January 2016.

**FISCAL IMPACT**

A construction contingency allowance in the amount of \$250,000 has been included in the total purchase order amount of \$2,593,122. Funds in the amount of \$2,150,570 are currently available in Capital Improvement Project No. 795, Water Treatment Plant. Funds in the amount of \$442,552 are to be appropriated from the Water Fund to Capital Improvement Project No. 795 to provide the necessary funds for this project.

Don Rhoads  
Approved By



David Lightner  
Approved By



# **Attachment 1**

**AGREEMENT**

THIS AGREEMENT, made and entered into this **8th** day of **June, 2015** by and between the CITY OF BEVERLY HILLS, a municipal corporation, hereinafter referred to as "City", and

CANYON SPRINGS ENTERPRISES dba RSH CONSTRUCTION SERVICES  
3883 WENTWORTH DRIVE, HEMET CA. 92545

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 Addenda, each of which documents are made a part of this Contract as though fully set forth herein:

**REVERSE OSMOSIS WATER TREATMENT PLANT REHABILITATION PROJECT, WITHIN THE CITY OF BEVERLY HILLS, CALIFORNIA (JOB #10102)**

2. In consideration of such work City agrees to pay Contractor and Contractor agrees to accept the sum of **TWO MILLION, THREE HUNDRED AND FORTY-THREE THOUSAND, ONE HUNDRED AND TWENTY-TWO DOLLARS (2,343,122.00)** 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

\_\_\_\_\_  
Julian A Gold, Mayor

APPROVED AS TO CONTENT:

CONTRACTOR: Canyon Springs Enterprises dba RSH  
Construction Services

\_\_\_\_\_  
MAHDI ALUZRI, Interim City Manager

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

\_\_\_\_\_  
DAVID LIGHTNER, Director of Capital Assets/Deputy City  
Manager

APPROVED AS TO FORM:

FUNDS AVAILABLE:

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

\_\_\_\_\_  
Don Rhoads, Director of Administrative Services/Chief  
Financial Officer

# **Attachment 2**



www.beverlyhills.org

**CITY OF BEVERLY HILLS**

**Categorical Exemption**

NAME OF PROJECT R.O. Water Treatment Plant Rehab project

LOCATION 345 N. Foothill Road

TYPE OF BUSINESS (IF COMMERCIAL) Potable Water Treatment Plant

PROJECT DESCRIPTION Upgrade existing infrastructure within the plant to extend asset life, improve operability, and enhance plant reliability.

APPLICANT'S NAME City of BH Public Works Services PHONE 310-285-2467

APPLICANT'S ADDRESS 345 N. Foothill Road

CITY Beverly Hills, CA 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 (d) (15301) and Class 2 (c) (15302)**

COMMENTS Class 1 includes the rehabilitation of deteriorated structures—in this case, the water treatment plant—to meet current standards. Class 2 includes the reconstruction of existing utility systems and/or facilities involving negligible expansion of capacity.

REVIEWED BY *Cynthia de la Jove* Date *February 2, 2015*

# **Attachment 3**



Project Site

N SANTA MONICA BLVD.

CIVIC CENTER DR.

BEVERLY BLVD.

ALDEN DR.

N FOOTHILL RD.

MAPLE DR.

W THIRD ST.

N REXFORD DR.

CIVIC

CENTER DR.

N BURTON WAY

S BURTON WAY

N ROPED DR.

DAYTON WY.

# **Attachment 4**

# ENVIRONMENTAL CONSTRUCTION, INC.

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General Engineering Contractors  
21550 Oxnard Street, Suite 1050  
Woodland Hills, CA 91367

May 19, 2015

City of Beverly Hills  
Anne Garvey-Zaworski P.E.  
Principal Civil Engineer  
345 N. Foothill Road  
Beverly Hills, CA. 90210

RE: REVERSE OSMOSIS WATER TREATMENT PLANT REHABILITATION REBID # 15-30

Dear Ms. Zaworski

Environmental Construction Inc. hereby requests a relief from its bid for the above noted project, due to clerical errors. This request is in accordance with Section 5103 of the Public Contract Code.

The clerical error occurred in recording the amount for bid Item # 11. This amount was recorded as \$5,000 in lieu of the correct amount of \$50,000.

Please review and approve our request to withdraw the subject bid proposal. I am available at (818) 449-8920 to provide you with additional information.

Best Regards,



Fred Soroudi  
President

# **Attachment 5**

## CALIFORNIA PUBLIC CONTRACT CODE

5100. (a) "Public entity" means the state, Regents of the University of California, a county, city and county, city, district, public authority, public agency, and any other political subdivision or public corporation in the state.

(b) "Bid" means any proposal submitted to a public entity in competitive bidding for the construction, alteration, repair, or improvement of any structure, building, road or other improvement of any kind.

5101. (a) A bidder shall not be relieved of the bid unless by consent of the awarding authority nor shall any change be made in the bid because of mistake, but the bidder may bring an action against the public entity in a court of competent jurisdiction in the county in which the bids were opened for the recovery of the amount forfeited, without interest or costs. If the plaintiff fails to recover judgment, the plaintiff shall pay all costs incurred by the public entity in the suit, including a reasonable attorney's fee to be fixed by the court.

(b) If an awarding authority for the state consents to relieve a bidder of a bid because of mistake, the authority shall prepare a report in writing to document the facts establishing the existence of each element required by Section 5103. The report shall be available for inspection as a public record. In the case of the University of California or a California State University, the report shall be filed with the regents and the trustees, respectively, and shall be available as a public record.

5102. The complaint shall be filed, and summons served on the director of the department or the chief of the division or other head of the public entity under which the work is to be performed or an appearance made, within 90 days after the opening of the bid; otherwise, the action shall be dismissed.

5103. The bidder shall establish to the satisfaction of the court that:

(a) A mistake was made.

(b) He or she gave the public entity written notice within five working days, excluding Saturdays, Sundays, and state holidays, after the opening of the bids of the mistake, specifying in the notice in detail how the mistake occurred.

(c) The mistake made the bid materially different than he or she intended it to be.

(d) The mistake was made in filling out the bid and not due to error in judgment or to carelessness in inspecting the site of the work, or in reading the plans or specifications.

5104. Other than the notice to the public entity, no claim is required to be filed before bringing the action.