



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Award of a Design-Build Contract for the Chilton/Kenneth Phase I Pipeline Replacement Project (RFP No. 3938).

1. Motion authorizing the City Manager, or his designee, to enter into and execute a design-build contract with J. De Sigio Construction, Inc. of Baldwin Park, CA, for the Chilton/Kenneth Phase I Pipeline Replacement Project (RFP No. 3938) in the amount of \$6,636,490 plus a ten (10) percent contingency of \$663,649.

COUNCIL ACTION

Item Type: Consent Calendar

Approved for _____ **July 30, 2024** _____ **calendar**

EXECUTIVE SUMMARY

The Glendale Water and Power (GWP) maintains and operates over 400 miles of pipeline throughout its distribution system. GWP regularly installs new water mains to replace ageing pipelines and improve system reliability. As part of this program, GWP has completed the Request for Proposal (RFP) process for the Chilton/Kenneth Phase I Pipeline Replacement Project. Staff now seeks to award a Design-Build Construction Contract to J. De Sigio Construction, Inc., for a not-to-exceed Contract Price of \$6,636,490, plus a ten percent contingency in the amount of \$663,649, as well as \$350,000 in internal inspection costs, project management costs, and field staff assistance costs.

RECOMMENDATION

Authorize the City Manager to enter into and execute a design-build contract with J. De Sigio Construction, Inc. for the Chilton/Kenneth Phase I Pipeline Replacement Project in the amount of \$6,636,490, plus a ten percent contingency of \$663,649.

ANALYSIS

On January 10, 2023, the City Council approved Resolution No. 23-01 authorizing the General Manager of GWP to prepare an RFP using the design-build alternative project delivery method for the Pipeline Management Program FY 2022-23 Phase I Project and directing the City Clerk to advertise for proposals.

The Chilton/Kenneth Phase I Pipeline Replacement Project (RFP No. 3938) consists of the design and construction of approximately 11,745 linear feet of new eight-inch ductile iron water pipeline to replace a 98 year-old, tuberculated, four-inch and six-inch cast iron pipe in various streets in the City (see Exhibit A).

On May 8, 2024, GWP advertised the RFP for the project. The Notice Inviting Proposals (NIP) was published in the Glendale Independent newspaper on May 9 and May 13, 2024. The RFP was also advertised on Bidnet Direct, a public contracts advertising company. Bidnet Direct advertises to a wide range of contractors, firms, and other public agencies, and allows for coordination and communication between those entities and the advertising agency, Glendale Water & Power. The NIP was also posted to the City's website.

The RFP stated the scope of the project and project performance criteria. The RFP also stated the minimum qualifications for Proposers. The criteria and basis of selection of the design-build entity (DBE) were as follows:

- 45% Price and fees (hourly personnel rates and billing unit charges). While price and fees are important, they will not be used as the sole determinant in the selection process.
- 15% Description of project approach and schedule. Demonstrate understanding of the project's nature and GWP's needs. Provide detailed plans on how to deliver the project timely and efficiently.
- 30% Demonstrated design-build experience on similar (scope and dollar amount) water projects that include installation of water pipelines. Proposer must submit information and references for only three of its most recently completed projects, for which Proposer acted as the design-build contractor. At least one project must be from a Municipal water provider.
- 10% Completeness and quality of the response.

On May 22, 2024, GWP utilized a "Mandatory Pre-Proposal Meeting" to further ensure clear communication with a committed, informed proposer pool. There were nine attendees that represented five Design-Build Entities (DBEs) at the meeting.

On June 5, 2024, four proposals were received from the four Design-Build entities of J. De Sigio Construction, Inc., Big Ben Engineering, Teichert Energy & Utilities and CEM Construction, Inc.

Staff evaluated the four proposals based on price, experience, project approach, schedule and quality of response. Of the four, one proposal (CEM Construction) did not meet the minimum requirements of the RFP; the three responsive proposals are tabulated below.

Proposer	Proposal Amount	Overall Proposal Score (Of a Possible 100)
Teichert Energy & Utilities	\$10,671,436	62.0
Big Ben Engineering	\$ 8,226,500	73.0
J. De Sigio Construction, Inc.	\$ 6,636,490	95.0
Engineer's Estimate:	\$6,800,000 - \$7,900,000	

The evaluation of the Qualifications Section of the Proposal submitted by CEM Construction determined that this Design-Build Entity was not qualified to perform the work presented in the RFP issued by the City. Their Proposal is considered to be non-responsive and disqualified and therefore was not considered for any further evaluation. CEM Construction failed to submit the required example project history in which they worked as a paired Design-Build Entity on the same project and that project being of a municipal water system project of similar size and nature to that described in the RFP. CEM Construction also failed to submit a complete proposal with all requested prices and information properly. Finally, their proposal bond documentation was incomplete and did not meet the requirements of the proposal bond documentation as specified in the RFP.

J. De Sigio Construction, Inc. scored high on project understanding, proposed schedule, and has provided exceptional customer service to City residents during construction on five recent design-build projects in Glendale, and as well as submitting all the required documents to provide the City a complete and thorough proposal.

In addition, Staff recommends a reserve of ten percent or \$663,649 for contingencies for this project. This amount is based on previous experience and is commensurate with the nature of the project. This will allow GWP to account for any incidental work or unforeseen field conditions that could be encountered during construction and the resulting field changes that may be necessary.

Staff has verified with the State of California Contractor's License Board that J. De Sigio Construction, Inc. has a license that is current, active and in good standing.

STAKEHOLDERS/OUTREACH

GWP conducts public outreach to residents and stakeholders at various stages of each project it manages. The outreach for this project is outlined below:

- Council Meeting authorizing the RFP process for this project.
- Council meeting (for the consideration of this Report) authorizing the award of a contract for this project.
- GWP Website Updates.
- Direct mail to affected customers and businesses a few weeks prior to commencement of work in their area.
- Project signboards, temporarily installed at each entrance to the active project area.
- Door hangers within a few days of planned work and shutdowns.
- Individual phone calls as needed to schedule night work if businesses may be impacted during shutdowns.
- “No Parking” signs as needed when work progresses within a specific area.
- Knocking on the doors of residences when water service is switched from the old service to the new service at each property.
- Ad-hoc communication related to placing road plates over trenches for access into and out of driveways.
- Coordination with trash pick-up days to ensure access for waste hauling.

FISCAL IMPACT

The Chilton/Kenneth Phase I Pipeline Replacement Project will cost approximately \$7,600,000, inclusive of internal staffing costs, which is available in the FY 2024-25 budget. No new appropriation is being requested at this time. The City Council approved funding is outlined below:

Existing Appropriation		
Amount	Account String	Funding Source
\$7,600,000	GL: 52100-5930-GWP-0020-P0000 PL: GWP01065AN	Water Depreciation Fund

ENVIRONMENTAL REVIEW (CEQA/NEPA)

This project is categorically Exempt under the provisions of the California Environmental Quality Act (CEQA) pursuant to the California Code of Regulations, Title 14, Sections 15301 and 15302, repair, maintenance, or minor alterations of existing utility facilities, and replacement or reconstruction of existing utility systems or facilities.

CAMPAIGN DISCLOSURE

In accordance with the City Campaign Finance Ordinance No. 5744, attached to this Report are disclosures which contain the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than 10% interest or more in the companies who submitted proposals. Attached as Exhibit B is the Campaign Finance Disclosure for

J. De Sigio Construction, Inc.; attached as Exhibit C is the Campaign Finance Disclosure for Big Ben Engineering, and attached as Exhibit D is the Campaign Finance Disclosure for Teichert Energy & Utilities.

ALTERNATIVES TO STAFF RECOMMENDATION

Alternative 1: Choose not to award the contract as recommended herein. This will result in postponement of the Chilton/Kenneth Phase I Pipeline Replacement Project, increasing the risk of service outages due to pipeline and service line breaks and will maintain an unimproved level of performance of the water system for fighting fires in this area, and require the current level of energy use for pumping water through this area.

Alternative 2: Consider any other alternative not proposed by staff.

ADMINISTRATIVE ACTION

Submitted by:

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Prepared by:

Chisom Obegolu, P.E., Assistant General Manager - Water

Approved by:

Roubik R. Golanian, P.E., City Manager

EXHIBITS/ATTACHMENTS

Exhibit A: Chilton/Kenneth Phase I Pipeline Replacement Project Location Map

Exhibit B: Campaign Finance Disclosure for J. De Sigio Construction, Inc.

Exhibit C: Campaign Finance Disclosure for Big Ben Engineering

Exhibit D: Campaign Finance Disclosure for Teichert Energy & Utilities