



**CITY OF GLENDALE, CALIFORNIA
REPORT TO THE CITY COUNCIL**

AGENDA ITEM

Report: Award of a Design-Build Contract for Pipeline Management Program FY 2020-21, Phase 1 Project (RFP No. 3866)

1. Motion authorizing the Interim City Manager, or his designee, to enter into and execute a design-build contract with W.A. Rasic Construction Company, Inc. of Long Beach, CA, for the Pipeline Management Program FY 2020-21, Phase I Project (RFP No. 3866) in the amount of \$4,114,285.00 plus a fifteen percent (15%) contingency in the amount of \$617,142.75.
2. Resolution of Appropriation for \$700,000

COUNCIL ACTION

Item Type: Consent Calendar

Approved for October 27, 2020 **calendar**

ADMINISTRATIVE ACTION

Submitted by:

Stephen M. Zurn, General Manager - Glendale Water and Power

Prepared by:

Michael E. De Ghetto, Chief Assistant General Manager - Water

Reviewed by:

Michele Flynn, Director of Finance

Michael J. Garcia, City Attorney

Approved by:

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

RECOMMENDATION

Glendale Water & Power (GWP) staff respectfully recommends that the City Council authorize the Interim City Manager, or his designee, to enter into and execute a design-build contract with W.A. Rasic Construction Company, Inc. of Long Beach, CA, for the Pipeline Management Program FY 2020-21, Phase 1 Project (RFP No. 3866) in the amount of \$4,114,285.00, plus a fifteen percent (15%) contingency in the amount of \$617,142.75, and approve a Resolution of Appropriation to transfer \$700,000 from Net position, Water Surplus Fund, Glendale Water & Power Account (27900-5910-GWP-0000-P0000-T0000-F0000) to Construction, Water Depreciation Fund, Glendale Water & Power, Projects, Water Capital – Trans & Dist. (52100-5930-GWP-0020-P0000-T0000-F4300-0000-0000 – MUNIS PL String W30095-CONSTRUCT-4310) for the WS Pipeline Management Program.

BACKGROUND/ANALYSIS

On July 28 2020, the City Council approved Resolution 20-116 authorizing the General Manager of GWP, or his designee, to prepare a Request for Proposals (RFP) using the design-build alternative project delivery method for the Pipeline Management Program FY 2020-21, Phase I Project (RFP No. 3866), and directing the City Clerk to advertise for proposals.

The Pipeline Management Program FY 2020-21, Phase I Project consists of the design and construction of approximately 11,282 feet of new eight-inch ductile iron water pipeline to replace 75 to 99-year-old four-inch and six-inch cast iron pipe, in various streets in the City (see Exhibit A).

On July 31, 2020, GWP advertised the Request for Proposal (RFP No. 3866) for the Design-Build of the Pipeline Management Program FY 2020-21, Phase I Project. The Notice Inviting Proposals (NIP) was published by the City Clerk in the Glendale Independent newspaper on August 3, 2020. The NIP was also advertised on eBidboard, a construction services company. In turn, eBidboard sent the NIP to several project posting sites that do not require a subscription including:

- Avis Contractor School
- Bid America
- Blueprint Express
- Construction Data Corp
- Contractor's Information Network
- Daily Construction
- F.W. Dodge

The NIP was also posted on the City's website.

The RFP set forth the scope of the project and project performance criteria, as well as the minimum qualifications for Proposers. The criteria and basis of selection of the design-build entity 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 August 18, 2020, GWP held a mandatory Pre-Proposal Meeting to further ensure clear communication with a committed, informed proposer pool. To comply with COVID-19 protocols and to minimize personal physical interactions, the meeting was conducted via a telephone conference call. There were ten attendees that represented interested Design-Build entities at the meeting.

On September 8, 2020, the due date for Proposal submissions, two proposals were received by GWP. The proposals were from the two Design-Build companies of W.A. Rasic Construction Company, Inc. (Rasic), and J. De Sigio Construction, Inc. (JDC).

Staff evaluated the proposals based on price, experience, project approach, schedule and quality of response. The result of the evaluations found that both companies submitted strong, complete, and responsive Proposals and that both companies were highly qualified and would be able to competently do the work. In addition, both companies received nearly identical rating scores with Rasic receiving a score of 86.8 and JDC a score of 86.6. out of possible maximum of 100 points.

JDC has completed many recent water projects for GWP and has performed exceptionally well on all of them. They have had zero to very minimal dollar amounts in change orders for their work and they work closely with the residents to minimize inconveniences and disruptions to them. In addition, the Glendale Public Works Department has been very pleased with JDC's quality of trench resurfacing and at closely following all their Excavation Permit requirements.

The proposal submitted by Rasic, in the amount of \$4,114,285.00, is \$273,715 (equivalent to 6.2%) lower than that of JDC, which was in the amount of \$4,388,000.00. Both proposals were slightly above the engineer's estimate between \$3,700,000 and \$4,000,000. While GWP has never worked with Rasic, Rasic appears to be well qualified to do the work.

The proposal price form provided in RFP No. 3866 separates the proposed work of the project into seven distinct schedules (a Base Proposal and six Proposal Alternates) to provide flexibility to add pipe segments (Proposal Alternates) needed to stay within the project budget and use the entire budgeted amount.

Schedule A is the Base Proposal and Schedules B, C, D, E, F and G are Proposal Alternate items of proposed work.

RFP No. 3866 provides for the City to award a design-build contract to a proposer based on the Base Proposal amount, plus any combination (or none) of the Proposal Alternates. The Proposal amount of \$4,114,285.00 submitted by Rasic represents the total of all the Schedules of work (i.e. Schedules A through G).

After reviewing the costs submitted by Rasic for each of the Proposal Alternates, and based on project priorities, staff recommends to include all Proposal Alternates (i.e. Schedules B through G) in the awarded contract. Staff recommends that Council award the design-build contract to the design-build entity (DBE), Rasic in the amount of \$4,114,285.00.

In addition, Staff recommends a reserve of fifteen percent (15%) or \$617,142.75 for contingencies for this project. This amount is based on previous experience and is commensurate with the nature and condition of the project. It will also 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 verified with the State of California Contractor's License Board that Rasic has a license that is current, active and in good standing.

The design of this project is anticipated to begin in December 2020, and the construction is scheduled for completion by April 2022 barring unforeseen circumstances or adverse weather conditions.

This project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA).

FISCAL IMPACT

The cost of the design-build contract for the Pipeline Management Program FY 2020-21, Phase I Project (RFP No. 3866) is \$4,114,285.00, plus a fifteen percent (15%) contingency in the amount of \$617,142.75 for a total contract amount of \$4,731,427.75.

Funds for the project are currently available in the following accounts and amounts:

Account Name	Account No.	Estimated Amount
Pipeline Management Program	52100-5930-GWP-0020-P0000-T0000-F4300-0000-0000-W30095-CONSTRUCT-4310	\$3,500,000
System Optimization	43110-5930-GWP-0020-P0000-T0000-F4300-0000-0000-31013-CNTRCTSRVS-4310	\$ 550,000
Total Available Funding		\$4,050,000

An additional \$681,427.75 is needed for the Project. Therefore, Staff respectfully requests Council’s approval to transfer \$700,000 from Net position, Water Surplus Fund, Glendale Water & Power Account (27900-5910-GWP-0000-P0000-T0000-F0000) to Construction, Water Depreciation Fund, Glendale Water & Power, Projects, Water Capital – Trans & Dist. (52100-5930-GWP-0020-P0000-T0000-F4300-0000-0000 – MUNIS PL String W30095-CONSTRUCT-4310) for the WS Pipeline Management Program.

ALTERNATIVES

Alternative 1: The City Council may choose to authorize the Interim City Manager, or his designee, to enter into a design-build contract with W.A. Rasic Construction Company, Inc., and adopt the Resolution of Appropriation as recommended herein.

Alternative 2: The City Council may choose to not award the design-build contract or adopt the Resolution of Appropriation as recommended herein, which will result in postponement of the Pipeline Management Program FY 2020-21, Phase I Project.

Alternative 3: The City Council may consider any other alternative not proposed by staff.

CAMPAIGN DISCLOSURE

In accordance with the City Campaign Finance Ordinance No. 5744, the following are 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 ten percent interest in the company proposed for contract in this agenda item report:

Officers of **W.A. Rasic Construction Company, Inc.:**

Full Name	Title	Business Address	City	State	Zip
Peter L. Rasic	CEO/President	4150 Long Beach Blvd.	Long Beach	CA	90807
N/A	COO				
N/A	CFO				

Ownership Interest in more than ten percent in **W.A. Rasic Construction Company, Inc.**:

Full Name	Title	Business Address	City	State	Zip
Franky A. Rasic		4150 Long Beach Blvd.	Long Beach	CA	90807
Walter A. Rasic, Jr.		4150 Long Beach Blvd.	Long Beach	CA	90807

EXHIBIT(S)

Exhibit A: Pipeline Management Program FY 2020-21, Phase 1 Project Location Map