



AGENDA REPORT

CITY OF SAN CLEMENTE

City Council Meeting

910 Calle Negocio
2nd Floor
San Clemente, California
www.san-clemente.org

Meeting Date: 6/6/2023

Agenda Item: 7F

Department: Utilities
Prepared By David Rebensdorf, Utilities Director

Subject:
ACCEPTANCE AND NOTICE OF COMPLETION FOR THE WATER RECLAMATION PLANT (WRP) ELECTRICAL SYSTEMS REPLACEMENT PHASE I PLANT MAIN DISTRIBUTION PANEL (PMD), PROJECT NO. 16205

Summary:
Construction was completed for the WRP PMD, which provides power to all equipment associated with the City’s wastewater treatment and recycled water production at the WRP. The PMD was constructed in the early 1990’s and was at the end of its useful life. Replacement of wiring to the PMD and a new main breaker panel were included as part of the project. The project was necessary to ensure continued uninterrupted electrical service to the WRP allowing the City to maintain regulatory compliance. The project was completed within the approved \$2,000,160 budget for a total cost of \$1,742,843.

Background:
On November 19, 2019, City Council awarded a construction contract to Global Power Group, Inc. for the WRP PMD replacement (Attachment 3). The project was designed by Linkture Consulting Engineers, and is the first phase for the rehabilitation and replacement of electrical systems within the WRP. Future phases will include replacement of wiring and motor control centers for various equipment within the WRP. The project took longer than anticipated due to supply chain issues during COVID and change order work to improve remote observation and control of the equipment, known as supervisory control and data acquisition (SCADA).

Final project costs are as follows:

Administration & Engineering Design	\$ 140,000
Construction Administration, Management & Inspection	97,509
Construction	<u>1,505,334</u>
Total Project Cost	\$ 1,742,843

- Council Options:**
- Accept the Notice of Completion and adopt Resolution No. 23-34 for the Water Reclamation Plant (WRP) Electrical Systems Replacement Phase I Plant Main Distribution Panel (PMD), Project No. 16205 and direct staff to conduct the actions included in the staff recommendation.
 - Continue the item with direction to provide additional information

Fiscal Impact:

Yes. The total estimated project expenditure of \$1,742,843 is within the project budget of \$2,000,160 from the Sewer Fund Depreciation Reserve.

Environmental Review/Analysis:

Staff recommends that the City Council determine this project to be categorically exempt from the California Environmental Quality Act (CEQA) under Class 2 (Replacement or Reconstruction, 14 CCR section 15302) of the State CEQA Guidelines.

Recommended Actions:

Staff Recommendation

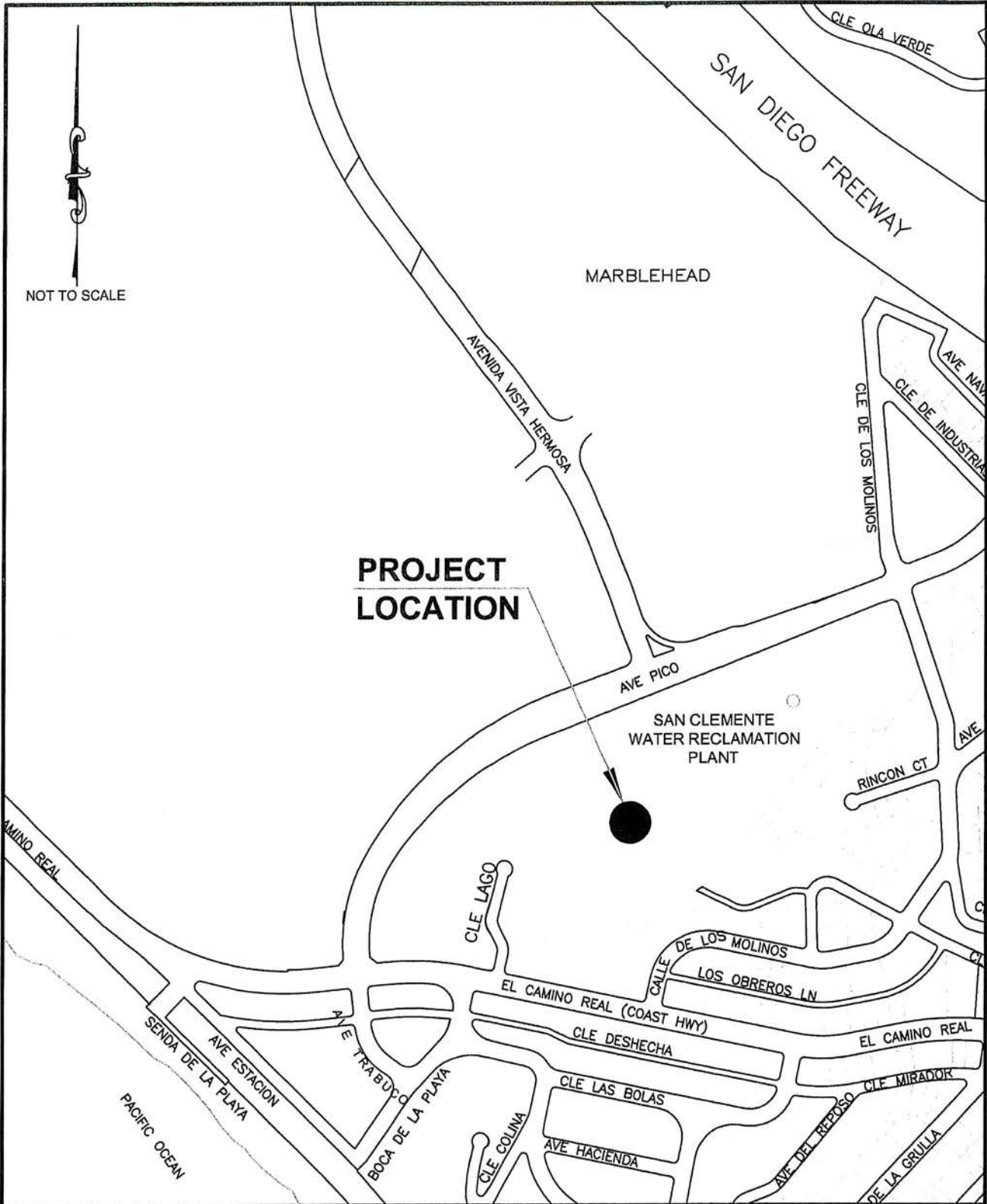
1. Adopt Resolution No. 23-34 entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, ACCEPTING AS COMPLETE THE WATER RECLAMATION PLANT (WRP) ELECTRICAL SYSTEMS REPLACEMENT PHASE I PLANT MAIN DISTRIBUTION PANEL (PMD), PROJECT NO. 16205, AND AUTHORIZING THE CITY CLERK TO FILE THE NOTICE OF COMPLETION WITH THE COUNTY CLERK RECORDER."
2. Accept the Water Reclamation Plant (WRP) Electrical Systems Replacement Phase I Plant Main Distribution Panel (PMD), Project No. 16205 from the contractor, Global Power Group, Inc.;
3. Authorize the Utilities Director to execute, and City Clerk to record, the Notice of Completion for WRP Electrical Systems Replacement Phase I PMD, Project No. 16205;
4. Authorize the City Clerk to release the Payment Bond 35 days from the recordation of the Notice of Completion upon verification with the Utilities Department that no liens have been levied against the Contractor, Global Power Group, Inc.; and,
5. Authorize the City Clerk to release the Performance Bond upon receipt of a Warranty Bond in the amount of 25% of the construction cost.

Attachments:

1. Location Map
2. Notice of Completion
3. Agenda Report dated November 19, 2019 without attachments
4. Resolution No. 23-34

Notification:

None.



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City of San Clemente
 910 Calle Negocio, Suite 100
 San Clemente, CA 92673
 Tel (949) 361-6100
 Fax (949) 361-8316

LOCATION MAP
Water Reclamation Plant
Electrical Systems Replacement, Phase I
P.N. 16205

Recording Requested By:
City of San Clemente

When Recorded, Mail To:
City Clerk
City of San Clemente
910 Calle Negocio, Suite #100
San Clemente, CA 92672

Recorded for the benefit of the City of San Clemente and exempt from recording fees pursuant to Government Code Section 27383.

Space above this line is for Recorder's Use Only

NOTICE OF COMPLETION

Notice is hereby given by the City of San Clemente, a Municipal Corporation, that a public work of improvement has been completed as follows:

1. *Project title or description of work:* Water Reclamation Plant (WRP) Electrical Systems Replacement Phase I Plant Main Distribution Panel (PMD), Project No. 16205
2. *Street address or legal description of the project site:* City of San Clemente Water Reclamation Plant, 380 Avenida Pico, San Clemente, CA 92672.
3. *Date of Completion:* February 6, 2023
4. *Name of owner:* City of San Clemente.
5. *Interest or estate of owner:* Fee.
6. *Address of owner:* 910 Calle Negocio, San Clemente, CA 92673
7. *Name and address of contractor:* Global Power Group, Inc., 12060 Woodside Avenue, Lakeside, CA 92040.

I am the Utilities Director for the City of San Clemente, a Municipal Corporation, the owner of the indicated interest or estate in the property described above. I make this verification on behalf of the City of San Clemente. I have read this Notice of Completion and know its contents. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____ in San Clemente, California.

David Rebensdorf, Utilities Director
City of San Clemente



AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: November 19, 2019

Agenda Item 6M

Approvals:

City Manager GM

Dept. Head DR

Attorney _____

Finance DR

Department: Utilities
Prepared By: David Rebensdorf, Utilities Director DR

Subject: **CONSTRUCTION CONTRACT AWARD TO GLOBAL POWER GROUP, INC. FOR THE WATER RECLAMATION PLANT (WRP) ELECTRICAL SYSTEMS REPLACEMENT PHASE I PLANT MAIN DISTRIBUTION PANEL (PMD) PROJECT NO. 16205.**

Fiscal Impact: Yes. The project was budgeted for \$1,500,000 and a supplemental appropriation in the amount of \$500,160 is recommended from the Sewer Fund Depreciation Reserve to complete this project. There is available fund balance within the Sewer Fund Depreciation Reserve for this proposed expenditure. The estimated total project cost is \$2,000,160.

Summary: Staff recommends approval of a construction contract with Global Power Group, Inc. for a total amount of \$1,405,160.64 for the WRP Electrical Systems Replacement Phase I PMD.

Background: The WRP PMD provides power to all equipment associated with the City's sewage treatment and recycled water production at the WRP. The PMD was constructed in the early 1990's and is in need of replacement since it is at the end of its useful life and parts are no longer available. Linkture Consulting Engineers designed the replacement of the PMD. During design, the project scope was expanded to include: replacement of exterior conductors providing power to the PMD due to testing that showed issues with the wiring and a new main breaker panel was added outside the PMD building for power shut down to the PMD in case of a major emergency to meet current codes. The project was previously advertised and bids were rejected by the City Council on 9/3/19 to ensure a General Engineering Contractor was capable of performing the electrical work due to the critical nature of the construction. In addition, there were technical conflicts between the bid documents and instrumentation equipment that was not brought to the City's attention until after the bids were opened. The bids received ranged from \$1.55 to \$2.315 million.

Discussion: Linkture Consulting Engineers revised the bid documents to address the anomalies and City staff re-advertised the project on Planet Bids. The City opened public bids for the revised project on October 10, 2019 and received seven bids varying from \$1.4 to \$2.67 million. Global Power Group, Inc. submitted the lowest bid for \$1,405,160. A copy of the bid summary is attached and the lowest bid was below the \$1.68 million Engineer's estimate. Following the bid opening on October 10, 2019, staff received a bid protest from the third lowest bidder, Pacific International Electric Company, Inc. stating that the first and second lowest bidders did not include the Addendum No.1 acknowledgement page with their bids. Addendum No. 1 replaced the bid set plans

Volume II of III due to missing pages on the Planet Bids website. Staff reviewed Global Power Group, Inc.'s bid and found they acknowledged Addendum No. 1 as a line item within their signed bid proposal and acknowledged receipt of Addendum No.1 on Planet Bids. In consultation with the City Attorney, City staff recommends the City Council waive this minor irregularity since the deviation does not affect the amount of the bid or otherwise make the bid materially different than intended. As a threshold matter, the City has broad discretion to determine responsiveness and to demand strict compliance with its solicitation requirements. (See *Menefee v. County of Fresno* (1985) 163 Cal.App.3d 1175; *Ghilotti Construction Co. v. City of Richmond* (1996) 45 Cal.App.4th 897; *Konica Business Machines v. Regents of the University of California* (1998) 206 Cal.App.3d 449.) A bid is responsive if it promises to do what the bidding instructions demand. (*Williams v. Clovis Unified Sch. Dist.* (2007) 146 Cal.App.4th 757; *Valley Crest Landscape Inc. v. City of Davis* (1996) 41 Cal.App.4th 1432, 1438.) Responsiveness should be determined from the face of the bid. (*Great W. Contractors, Inc. v. Irvine Unified Sch. Dist.* (2010) 187 Cal.App.4th 1425.) However, a bid may be responsive even if there is a discrepancy in the bid, as long as the discrepancy is inconsequential, that is, the discrepancy must not affect the amount of the bid or give a bidder an advantage over others. (*Ghilotti Constr. Co. v. City of Richmond* (1996) 45 Cal.App.4th 897; *Bay Cities Paving & Grading, Inc. v. San Leandro* (2014) 223 Cal.App.4th 1181.) A deviation must be capable of facilitating corruption or extravagance, or likely to affect the amount of bids or the response of potential bidders. These considerations must be evaluated from a practical rather than hypothetical standpoint, with reference to the factual circumstances of the case. (*Ghilotti Constr. Co. v. City of Richmond* (1996) 45 Cal.App.4th 897, 908-09, internal citations omitted.)

With the foregoing in mind, the failure to provide a signed addendum as part of the bid is not a material bid error requiring the City to reject the bids as nonresponsive. The failure to include a signed addendum is further rendered immaterial based on Global Power Group, Inc., providing receipt and acknowledgement of the addendum on its bid form and on Planet Bids. Accordingly, staff recommends the City Council reject the bid protest submitted by Pacific International Electric Company, Inc., as meritless, waive the immaterial bid error in the bid submitted by Global Power Group, Inc., and award the contract for the project to Global Power Group, Inc., as the lowest responsible bidder submitting a responsive bid.

Staff contacted Global Power Group, Inc.'s references and they received good reviews as to their performance for similar projects.

The project cost is estimated at \$2,000,160 and exceeds the project budget of \$1,500,000. The cost increase is due to an expansion of the scope of work to replace wiring and a new breaker panel to meet current code requirements as previously described. Based on the bid, a detailed project cost estimate is shown below:

Engineering Design & Admin	\$ 140,000
Construction Management and Inspection (estimated)	165,000
Construction	1,405,160
Construction Contingency (20%)	<u>290,000</u>
Total Estimated Project Cost	\$ 2,000,160

As required by City Policy and State Law, Global Power Group, Inc., will be required to provide performance and payment bonds simultaneously with execution of the construction contract. A warranty bond will also be required prior to City Council acceptance of the project.

Recommended

Action: STAFF RECOMMENDS THAT the City Council:

1. Approve the plans and specifications for the Water Reclamation Plant Electrical Systems Replacement Phase I Plant Main Distribution Panel, Project No. 16205;
2. Reject the bid protest submitted by Pacific International Electric Company, Inc., as meritless, waive the immaterial bid error in the bid submitted by Global Power Group, Inc., and award the contract for the project to Global Power Group, Inc., as the lowest responsible bidder submitting a responsive bid;
3. Approve a supplemental appropriation in the amount of \$500,160 from the Sewer Fund Depreciation Reserve to Account No. 054-476-45300-000-16205; and
4. Approve and Authorize the City Manager to execute, Contract _____, by and between the City of San Clemente and Global Power Group Inc., for \$1,405,160.64 providing for the Water Reclamation Plant Electrical Systems Replacement Phase I Plant Main Distribution Panel, Project No. 16205.

- Attachments:**
1. Location Map
 2. Bidder's List
 3. Agenda Report 9/3/19 rejecting bids
 4. Agreement for Construction of Public Works with Global Power Group, Inc.
 5. Bid Proposal for Project No. 16205 – Global Power Group, Inc.
 6. Plans & Specifications for Project No. 16205

Notification: None

RESOLUTION NO. 23-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, ACCEPTING AS COMPLETE THE WATER RECLAMATION PLANT (WRP) ELECTRICAL SYSTEMS REPLACEMENT PHASE I PLANT MAIN DISTRIBUTION PANEL (PMD), PROJECT NO. 16205, AND AUTHORIZING THE CITY CLERK TO FILE THE NOTICE OF COMPLETION WITH THE COUNTY CLERK RECORDER

WHEREAS, on November 19, 2019, the City Council authorized a construction contract with Global Power Group, Inc. for the Water Reclamation Plant Electrical Systems Replacement Phase I Plant Main Distribution Panel, Project 16205; and

WHEREAS, the work consisted of removal of an existing main Water Reclamation Plant switchboard electrical panel and wiring and replacement with a new switchboard electrical panel and wiring; and

WHEREAS, Global Power Group, Inc. has completed the work to the satisfaction of the Utilities Director.

NOW, THEREFORE, the City Council of the City of San Clemente does hereby resolve as follows:

Section 1. That the above recitations are true and correct.

Section 2. That the City Council accepts as complete the Water Reclamation Plant Electrical Systems Replacement Phase I Plant Main Distribution Panel (Project No. 16205).

Section 3. That the City Council authorizes the Utilities Director to execute and the City Clerk to record a Notice of Completion for the project.

Section 4. That the City Council authorizes the City Clerk to release the payment bond for this project 35 days from the recordation of the Notice of Completion upon verification with the Utilities Department that no liens have been levied against Global Power Group, Inc.

Section 5. That the City Council authorizes the City Clerk to release the performance bond for this project upon receipt of a Warranty Bond in the amount of 25% of the total construction cost.

Section 6. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED this _____ day of _____, _____.

ATTEST:

City Clerk of the City of
San Clemente, California

Mayor of the City of San
Clemente, California

STATE OF CALIFORNIA)
 COUNTY OF ORANGE) §
 CITY OF SAN CLEMENTE)

I, LAURA CAMPAGNOLO, City Clerk of the City of San Clemente, California, do hereby certify that Resolution No. _____ was adopted at a regular meeting of the City Council of the City of San Clemente held on the _____ day of _____, _____, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this _____ day of _____, _____.

 CITY CLERK of the City of
 San Clemente, California

Approved as to form:

 City Attorney