



AGENDA REPORT

CITY OF SAN CLEMENTE

CITY COUNCIL MEETING

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

Meeting Date: May 21, 2024

Agenda Item: 11F

Submitted By: Public Works

Prepared By: Dustin Burnside, Utilities Manager

Subject:

CONSIDERATION OF A RESOLUTION AWARDING A CONSTRUCTION CONTRACT TO JENNETTE COMPANY, INC. FOR RESERVOIRS 5A AND 10 CHEMICAL LINES IMPROVEMENT, CIP PROJECT NO. 24404, IN AN AMOUNT NOT TO EXCEED \$149,845, AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT, AND FINDING THE PROJECT CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Fiscal Impact:

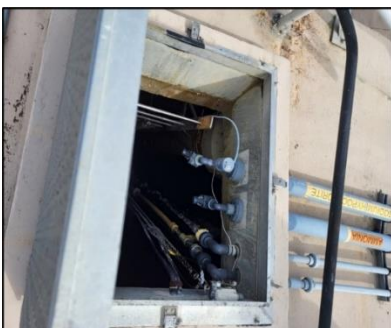
The estimated total project construction cost of \$149,845 is within the approved budget amount of \$150,000 from the Water Fund Depreciation Reserve, Account No. 052-466-43420-000-24404.

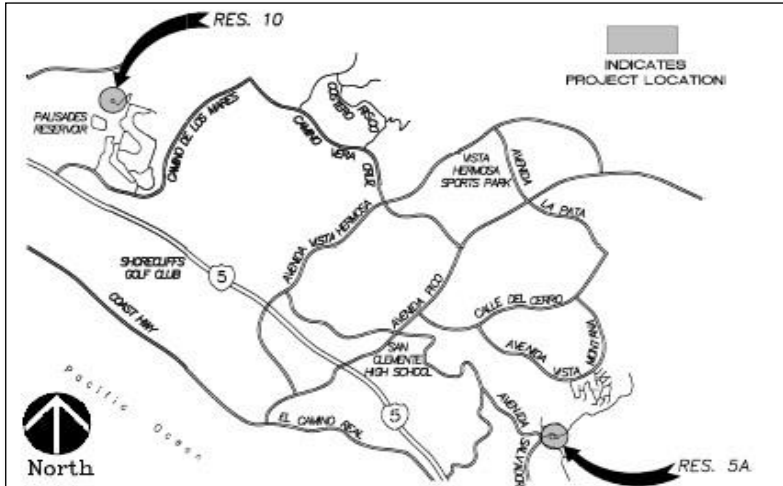
Summary:

The Reservoir 5A and 10 chemical lines are in need of replacement to allow continued delivery of safe and reliable water. Before the City Council is the award of a construction contract to Jennette Company, Inc. in an amount not to exceed \$130,300, plus a 15% construction contingency, for the Reservoir 5A and 10 Chemical Lines Improvement project.

Background:

As water travels through the distribution system, it slowly loses its disinfection residual depending on a number of factors, including temperature. During summer months, water system demands require an increase in water storage and an increase in disinfection residual to maintain water quality. Water storage reservoirs 5A and 10 have water quality control equipment in order to maintain adequate disinfection residuals for safe and reliable water delivery for the City of San Clemente. The Reservoir 5A and 10 chemical lines are in need of replacement, and the new installation will give staff the ability to make a quick repair in the event of a chemical leak, which the current chemical lines do not allow.





Staff prepared a bid package and advertised the project for competitive bidding on the PlanetBids website and in the San Clemente Times and bids were opened on April 22, 2024. The bids ranged from \$130,300 to \$221,000. While local contractors were notified of how to find and bid on City projects, there were no bids from contractors based in San Clemente. The lowest responsive and responsible bidder was Jennette Company, Inc. with a total bid amount of \$76,515. The bid package included a proposal for Reservoir 5A and an alternate proposal to add a project at Reservoir 10.

COMPANY NAME	COMPANY LOCATION	BID AMOUNT	BID ALTERNATE
Jennette Company, Inc	San Diego, CA	\$76,515	\$130,300
O’Connell Engineering & Construction, Inc.	Winchester, CA	\$95,150	\$148,935
Vicon Enterprise Inc	Anaheim, CA	\$120,500	\$221,000

Based on the lowest base bid from Jennette Company, Inc., including the bid alternate for a total amount of \$149,845, the total estimated project cost is summarized in the table below:

Reservoir 5A (Construction)	\$76,515
Reservoir 10 (Construction)	\$53,785
Construction Contingency (15%)	\$19,545
Total Estimated Construction Cost	\$149,845

As required by state law and City policy, the Contractor will be required to provide performance and payment bonds simultaneously with execution of the construction contract (Attachment 2). Project plans and specifications are on file in the City Clerk’s office.

Council Options:

- Adopt Resolution No. 24-75, awarding the construction contract to Jennette Company, Inc., for the Reservoir 5A and 10 Chemical Lines Improvement, authorizing the City Manager to execute a construction contract for an amount not to exceed \$130,300, authorizing a 15%

construction contingency of \$19,545, and finding the project categorically exempt from CEQA under Class 1 (Existing Facilities, 14 CCR section 15301) of the State CEQA Guidelines.

- Modify and adopt Resolution No. 24-75.
- Continue the item and direct staff to provide additional information.
- Do not award the contract or replace Reservoir 5A and 10 chemical lines.

Environmental Review/Analysis:

This project is categorically exempt from the California Environmental Quality Act (CEQA) under Class 1 (Existing Facilities, 14 CCR section 15301) of the State CEQA Guidelines because it consists of repairs to existing City facilities, involves negligible or no expansion of existing or former use and there is no possibility of a direct or reasonably foreseeable indirect effect on the environment.

Recommended Actions:

Staff Recommendation

Staff recommends that the City Council adopt Resolution No. 24-75, which will:

1. Find the Reservoir 5A and 10 Chemical Lines Improvement, CIP Project No. 24404, categorically exempt from the California Environmental Quality Act (CEQA) under Class 1 (Existing Facilities, 14 CCR section 15301) of the State CEQA Guidelines;
2. Award the Reservoir 5A and 10 Chemical Lines Improvement, CIP Project No. 24404, contract to Jennette Company, Inc., including the bid alternate;
3. Authorize the City Manager to execute a contract with Jennette Company, Inc. in an amount not to exceed \$130,300, in a form substantially similar to Contract No. C24-24 (Attachment 2) for the Reservoir 5A and 10 Chemical Lines Improvement, CIP Project No. 24404; and
4. Approve a 15% construction contingency of \$19,545 for this project.

Attachment:

1. Resolution No. 24-75
2. Contract No. C24-24
3. CEQA Notice of Exemption Form

Notification:

All Bidders

RESOLUTION NO. 24-75

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AWARDED A CONSTRUCTION CONTRACT TO JENNETTE COMPANY, INC. FOR THE RESERVOIR 5A AND 10 CHEMICAL LINES IMPROVEMENT IN AN AMOUNT NOT TO EXCEED \$130,300, PLUS A 15% PROJECT CONTINGENCY, AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT AND FINDING THE PROJECT CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY (CEQA) UNDER CLASS 1 (EXISTING FACILITIES, 14 CCR SECTION 15301) OF THE STATE CEQA GUIDELINES

WHEREAS, the City of San Clemente operates water reservoirs for water storage and maintains chemical disinfection equipment at three of these reservoirs; and

WHEREAS, the City conducted formal competitive bidding for the Reservoir 5A and 10 Chemical Lines Improvement Project No. 24404 (Project); and

WHEREAS, on April 22, 2024, the City received 3 bids ranging from \$130,300 to \$221,000 for the Project; and

WHEREAS, Jennette Company, Inc. was the lowest responsive and responsible bidder with a bid of \$130,300.

NOW, THEREFORE, The City Council of the City of San Clemente does hereby find, determine and resolve as follows:

Section 1. That the above recitals are true and correct and incorporated herein as findings.

Section 2. That based on substantial evidence in the record as a whole, this project is categorically exempt from the California Environmental Quality Act (CEQA) under Class 1 (Existing Facilities, 14 CCR section 15301) of the State CEQA Guidelines because it consists of repair of existing public facilities involving no expansion of an existing use.

Section 3. That the Construction Contract for the Reservoir 5A and 10 Chemical Lines Improvement, Project No. 24404 is awarded to Jennette Company, Inc.

Section 4. That the City Manager is authorized and directed to execute a construction contract for the Reservoir 5A and 10 Chemical Lines Improvement, CIP Project No. 24404 with Jennette Company in an amount not to exceed \$130,300, plus a 15% project contingency of \$19,545, in a form substantially similar to that presented to the City Council on May 21, 2024.

Section 5. 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. 24-75 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:

Elizabeth A. Mitchell, City Attorney

**SECTION 00500
CONTRACT**

THIS CONTRACT is made this _____ day of _____, 2024, in the County of Orange, State of California, by and between the City of San Clemente hereinafter called City, and Jennette Company, Inc., hereinafter called Contractor. City and the Contractor for the considerations stated herein agree as follows:

ARTICLE 1. SCOPE OF WORK. The Contractor shall perform all Work within the time stipulated the contract and shall provide all labor, materials, equipment, tools, utility services, and transportation to complete all of the Work required in strict compliance with the Contract Documents as specified in Article 5 below for the following Project:

RESERVOIRS 5A AND 10 CHEMICAL LINES IMPROVEMENTS, PN 24404

The Contractor and its surety shall be liable to City for any damages arising as a result of the Contractor's failure to comply with this obligation.

ARTICLE 2. TIME FOR COMPLETION. The Work shall be commenced on the date stated in City's Notice to Proceed. The Contractor shall complete all Work required by the Contract Documents within thirty (30) working days from the commencement date stated in the Notice to Proceed. By its signature hereunder, Contractor agrees the time for completion set forth above is adequate and reasonable to complete the Work.

ARTICLE 3. CONTRACT PRICE. City shall pay to the Contractor as full compensation for the performance of the Contract, subject to any additions or deductions as provided in the Contract Documents, and including all applicable taxes and costs, the sum of One Hundred Thirty Thousand Three Hundred Dollars (\$130,300). Payment shall be made as set forth in the General Conditions.

At any time during the term of the Contract, City may, pursuant to the terms and provisions of the Contract Documents, request that the Contractor perform additional work. Contractor shall not perform, nor be compensated for, additional work without written authorization from the City pursuant to the terms and provisions of the Contract Documents.

ARTICLE 4. LIQUIDATED DAMAGES/EARLY COMPLETION INCENTIVE. In accordance with Government Code section 53069.85, it is agreed that the Contractor will pay City the sum of \$1,000 for each and every calendar day of delay beyond the time prescribed in the Contract Documents for finishing the Work, as Liquidated Damages and not as a penalty or forfeiture. In the event that Liquidated Damages are not paid, the Contractor agrees City may deduct that amount from any money due or that may become due the Contractor under the Contract. This Article does not exclude recovery of other damages specified in the Contract Documents.

ARTICLE 5. COMPONENT PARTS OF THE CONTRACT. The "Contract Documents" include the following:

- Notice Inviting Bids
- Instructions to Bidders
- Bid Form
- Contractor's Certificate Regarding Workers' Compensation
- Bid Bond

Non-Collusion Declaration Form
Contractor Information and Experience Form
List of Subcontractors Form
Iran Contracting Act Certification
Public Works Contractor Registration Certification
Contract
Performance Bond
Payment Bond
General Conditions
Special Conditions
Technical Specifications
Addenda
Plans and Drawings
Approved and fully executed change orders
Any other documents contained in or incorporated into the Contract

The Contactor shall complete the Work in strict accordance with all of the Contract Documents.

All of the Contract Documents are intended to be complementary. Work required by one of the Contract Documents and not by others shall be done as if required by all. This Contract shall supersede any prior agreement of the parties.

ARTICLE 6. PROVISIONS REQUIRED BY LAW. Each and every provision of law required to be included in these Contract Documents shall be deemed to be included in these Contract Documents. The Contractor shall comply with all requirements of applicable federal, state and local laws, rules and regulations, including, but not limited to, the provisions of the California Labor Code and California Public Contract Code which are applicable to this Project.

ARTICLE 7. INDEMNIFICATION. Contractor shall provide indemnification as set forth in the General Conditions.

ARTICLE 8. PREVAILING WAGES. Contractor shall be required to pay the prevailing rate of wages in accordance with the Labor Code which such rates shall be made available at City Clerk, City of San Clemente or may be obtained online at <http://www.dir.ca.gov/dlsr>. and which must be posted at the job site.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed effective as of the day and year first written above.

CITY OF SAN CLEMENTE

By: _____
Andy Hall, City Manager

Dated: _____, 20____

ATTEST:

CITY CLERK of the City of
San Clemente, California

APPROVED AS TO FORM:

Elizabeth A. Mitchell, City Attorney

**APPROVED AS TO AVAILABILITY
OF FUNDING:**

Finance Authorization

**Jennette Company Inc., a
California corporation
("CONTRACTOR")**

By: _____
Brian Jennette, Chief Executive
Officer, Secretary, Chief Financial
Officer

Dated: _____, 2024

END OF CONTRACT

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk

County of: _____

From: (Public Agency): _____

(Address)

Project Title: _____

Project Applicant: _____

Project Location - Specific:

Project Location - City: _____ Project Location - County: _____

Description of Nature, Purpose and Beneficiaries of Project:

Name of Public Agency Approving Project: _____

Name of Person or Agency Carrying Out Project: _____

Exempt Status: **(check one):**

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: _____
- Statutory Exemptions. State code number: _____

Reasons why project is exempt:

Lead Agency

Contact Person: _____ Area Code/Telephone/Extension: _____

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ Date: _____ Title: _____

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____