



# AGENDA REPORT

## CITY OF SAN CLEMENTE

### CITY COUNCIL MEETING

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

Meeting Date: July 17, 2024

Agenda Item: 11H

**Submitted By:** Public Works

**Prepared By:** Shawn Ryan, Senior Civil Engineer

**Subject:**

**CONSIDERATION OF A RESOLUTION AWARDING A CONSTRUCTION CONTRACT TO M.P. ENVIRONMENTAL SERVICES, INC. FOR THE DIGESTER NO. 2 CLEANING, RESIDUAL DISPOSAL AND INSPECTION, CIP PROJECT NO. 21203, IN AN AMOUNT NOT TO EXCEED \$887,340, 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 construction cost of \$991,074 is within the approved budget amount of \$1,133,890 from the Sewer Fund Depreciation Reserve, Account Number 054-476-43420-000-21203.

**Summary:**

Before the City Council is the award of a construction contract to M.P. Environmental Services, Inc. in an amount not to exceed \$887,340, plus a 10% construction contingency in the amount of \$88,734, for the Digester No. 2 Cleaning, Residual Disposal and Inspection Project.

Digester No. 2 is one of two anaerobic digester units at the Water Reclamation Plant that require periodic cleaning. Digesters process the sludge for volume reduction before sludge is hauled away to landfills for disposal.

**Background:**



Digester No. 2 is one of two anaerobic digester units at the Water Reclamation Plant. The digesters biologically process wastewater sludge received from the physical and mechanical treatment processes to reduce the volume of waste requiring landfill disposal. Digester No. 2 has accumulated a significant amount of residual waste since it was last cleaned over 10 years ago. Periodic cleaning and inspection ensures high wastewater treatment efficiency and assurance against failure of internal digester components. This project also includes the cleaning and inspection of the Water Reclamation Plants Sludge Holding Tank No. 1.

On March 19, 2024, staff published a notice inviting bids in the SC Times and published a bid solicitation on Planet Bids.

Bids were opened on April 8, 2024, and the results are presented in Table 1 below. Bids range

from \$887,340 to \$893,780. Staff notified all local qualified businesses of the project; however, there were no bidders based in San Clemente. The lowest responsive and responsible bidder is M.P. Environmental Services, Inc. of Bakersfield, California with a total bid amount of \$887,340.

**Table 1. Bidder's Summary**

<b>Company Name</b>	<b>Company Location</b>	<b>Amount</b>
M.P. Environmental Services	Bakersfield, CA	887,340.00
Kay Construction Company	Santee, CA	893,780.00

Based on the lowest responsive and responsible bidder, a summary of the estimated expenditures is provided in Table 2. Below:

**Table 2. Expenditure Summary**

Construction Management and Inspection	\$15,000
Construction	\$887,340
Contingency (10%)	\$88,734
<b>Total Estimated Construction Cost</b>	<b>\$991,074</b>

As required by City policy and state law, 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. 24-117, awarding the construction contract to M.P. Environmental Services, Inc, authorizing the City Manager to execute a construction contract an amount not to exceed \$887,340, authorizing a 10% construction contingency of \$88,734, 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. 24-117.
- Continue the item with direction to provide additional information.
- Do not award the contract or perform the work on Digester No. 2.

**Environmental Review/Analysis:**

This project is exempt from the California Environmental Quality Act under Class 1 (Existing Facilities, 14 CCR 15301) of the state CEQA Guidelines.

**Recommended Actions:**

Staff recommends that the City Council adopt Resolution No. 24-117 which will:

1. Find the Digester No. 2 Cleaning, Residual Disposal and Inspection, CIP Project No. 21203 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 Digester No. 2 Cleaning, Residual Disposal and Inspection, CIP Project No. 21203, contract to M.P. Environmental Services, Inc;
3. Authorize the City Manager to execute a contract with M.P. Environmental Services, Inc., in an amount not to exceed \$887,340 in a form substantially similar to Contract No. C24-40 (Attachment 2) for the Digester No. 2 Cleaning, Residual Disposal and Inspection, CIP Project No. 21203; and
4. Approve a 10% construction contingency of \$88,734 .

***Attachment:***

1. Resolution No. 24-117
2. Contract No. C24-40 (without attachments)

***Notification:***

All bidders.

RESOLUTION NO. 24-117

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AWARDED A CONSTRUCTION CONTRACT TO M.P. ENVIRONMENTAL SERVICES, INC. TO PERFORM DIGESTER No. 2 CLEANING, RESIDUAL DISPOSAL AND INSPECTION IN AN AMOUNT NOT TO EXCEED \$887,340, PLUS A 10% PROJECT CONTINGENCY, AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT AND FINDING THE PROJECT CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) UNDER CLASS 1 (EXISTING FACILITIES, 14 CCR SECTION 15301) OF THE STATE CEQA GUIDELINES

WHEREAS, the City conducted formal competitive bidding for the Digester No. 2 Cleaning, Residual Disposal and Inspection, CIP Project No. 21203 (Project);

WHEREAS, on April 8, 2024, the City received 2 bids ranging from \$887,340 to \$893,780 for the Project; and

WHEREAS, the M.P. Environmental Services, Inc. was the lowest responsive and responsible bidder with a bid of \$887,340.

NOW, THEREFORE, the City Council of the City of San Clemente hereby finds, determines and resolves as follows:

SECTION 1. That the above recitations are true and correct and incorporated herein.

SECTION 2. That the 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 and there is no possibility of a direct or reasonably foreseeable indirect substantial impact on the environment.

SECTION 3. That the Construction Contract Agreement for the Digester No. 2 Cleaning, Residual Disposal and Inspection, CIP Project No. 21203 is awarded to M.P. Environmental Services, Inc.

SECTION 4. That the City Manager is authorized and directed to execute a construction contract for the Digester No. 2 Cleaning, Residual Disposal and Inspection, CIP Project No. 21203 with M.P. Environmental Services, Inc. in an amount not to exceed \$887,340, plus a 10% project contingency of \$88,730, in a form substantially similar to that presented to the City Council on July 17, 2024.

SECTION 5. That a 10% contingency of \$88,730 is approved for the Digester No. 2 Cleaning, Residual Disposal and Inspection, CIP Project No. 21203.

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 July, 2024.

\_\_\_\_\_  
Mayor of the City of  
San Clemente, California

ATTEST:

\_\_\_\_\_  
CITY CLERK 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. 24-117 was adopted at a regular meeting of the City Council of the City of San Clemente held on \_\_\_\_\_ day of July 2024, 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

**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 M.P. Environmental Services, Inc., a California corporation, hereinafter called Contractor. The 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 in 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:

Digester #2 Structural and Mechanical Rehabilitation

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 sixty-five (65) 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 **Eight Hundred Eighty-Seven Thousand, Three Hundred and Forty Dollars (\$887,340)**. 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 prior 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

SECTION 00500  
CONTRACT

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 Contractor 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 the Office of the City Clerk or may be obtained online at <http://www.dir.ca.gov/dlsr>. and which must be posted at the job site.

IN WITNESS WHEREOF, this Contract has been duly executed by the above-named parties, on the day and year above written.

[SIGNATURES ON FOLLOWING PAGE]

**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

M.P. Environmental Services,  
Inc., a California corporation  
("CONTRACTOR")

By: \_\_\_\_\_  
(Dawn Calderwood, CEO/Secretary)

Dated: \_\_\_\_\_, 20\_\_\_\_

By: \_\_\_\_\_  
(Rex Calderwood, CFO)

Dated: \_\_\_\_\_, 20\_\_\_\_

**END OF CONTRACT**