



# AGENDA REPORT

## CITY OF SAN CLEMENTE

### CITY COUNCIL MEETING

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

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**Meeting Date:** July 17, 2024

Agenda Item: 11J

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**Submitted By:** Public Works

**Prepared By:** Dustin Burnside, Utilities Manager  
Julie Schmidt, Management Analyst II

**Subject:**

**CONSIDERATION OF A RESOLUTION AWARDING A CONSTRUCTION CONTRACT TO JENNETTE COMPANY, INC. FOR THE WATER RECLAMATION PLANT SOLIDS HANDLING BUILDING CENTRIFUGE CONVEYOR MODIFICATIONS, CIP PROJECT NO. 23203 FOR AN AMOUNT NOT TO EXCEED \$156,800, AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONSTRUCTION CONTRACT, APPROVING A 10% PROJECT CONTINGENCY, AND FINDING THE PROJECT CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

**Fiscal Impact:**

The estimated construction cost of \$185,000 to modify the centrifuge conveyor is to be funded from the Sewer Depreciation Fund, Water Reclamation Plant (WRP) Solids Handling Building Centrifuge Conveyor Improvements, Account No. 054-476-43420-000-23203, where there is a balance of \$241,464.

**Summary:**

As part of the wastewater treatment process, solids are separated from liquid in a Centrifuge through rapid rotation, resulting in non-liquid material referred to as “cake.” This material is then hauled to composting facilities for beneficial reuse. This is an important step in the process, as dewatering results in less tank space needed to store waste products. The critical Centrifuge Conveyor System is in need of modifications to prevent repetitive failures and to extend the useful life of the equipment.

Before the City Council is the award of a construction contract to Jennette Company, Inc. for the WRP Solids Handling Building Centrifuge Conveyor Modifications, for an amount not to exceed \$156,800, and approval of a 10% project contingency of \$15,700.

**Background:**

The Centrifuge Conveyor System in the Water Reclamation Plant Solids Handling Building, delivers dewatered sludge to storage containers to be used for additional processing and commercial composting. Regular and uninterrupted operation of this conveyor system is essential to avoid sludge storage issues. Repetitive failures of the conveyor system has been a challenge and modifications are needed to avoid future system failure and to extend its useful life. MBF Consulting, with input from City staff, identified the problem areas and designed the modifications necessary to eliminate future conveyor system failures.



City staff prepared a bid package for the modifications of the Centrifuge Conveyor System, notified local contractors, and advertised the project for competitive bidding on the PlanetBids website and in the SC Times. Four bids were received on February 6, 2024, ranging from \$156,800 to \$187,450, and the results are presented in the table below. The lowest responsive and responsible bidder was Jennette Company, Inc. of San Diego, California, at \$156,800. While local contractors were notified of the bid advertising, no local contractors submitted a bid.

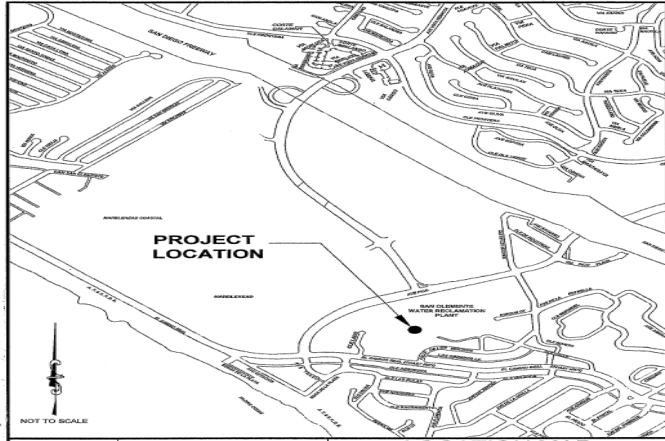
**Table 1. Bid Summary**

Company Name	Company Location	Bid Amount
Jennette Company, Inc.	San Diego, CA	\$156,800
Vicon Enterprise, Inc.	Anaheim, CA	\$160,000
Tharsos, Inc.	La Mesa, CA	\$179,200
O'Connell Engineering & Construction, Inc.	Winchester, CA	\$187,450

Staff recommends awarding the contract to the lowest responsive and responsible bidder, Jennette Company Inc., in the amount of \$156,800. Based on the lowest bid, the total estimated construction costs for this project are as follows:

**Table 2. Cost Summary**

Construction Management and Inspection	\$12,500
Construction	\$156,800
Contingency (10%)	\$15,700
<b>Total Estimated Construction Cost</b>	<b>\$185,000</b>



As required by state law and City policy, Jennette Company, Inc. will be required to provide Performance and Payment Bonds simultaneously with execution of the construction contract (Attachment 2) and will be required to provide a Warranty Bond upon completion of the Project. Project plans and specifications are on file in the City Clerk's office.

**Council Options:**

- Adopt Resolution No. 24-119 (Attachment 1), awarding a construction contract to Jennette Company, Inc. for the WRP Solids Handling Building Centrifuge Conveyor Modifications, authorizing the City Manager to execute a construction contract for an amount not to exceed \$156,800, approving a 10% project contingency of \$15,700, and finding the project categorically exempt from the California Environmental Quality Act (CEQA).
- Modify and adopt Resolution No. 24-119.
- Continue the item and direct staff to provide additional information.
- Do not adopt Resolution No. 24-119 and put the project on hold.

**Environmental Review/Analysis:**

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 involves repairs to existing City facilities which consists of modifications of existing conveyor systems at the same site with the same purpose and capacity, 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. 24-119, which will:

1. Award the WRP Solids Handling Building Centrifuge Conveyor Modifications, CIP Project No. 23203, construction contract to Jennette Company, Inc. as the lowest responsive and responsible bidder.
2. Authorize the City Manager to execute a contract with Jennette Company, Inc., providing for WRP Solids Handling Building Centrifuge Conveyor Modifications in an amount not to exceed \$156,800, in a form substantially similar to Contract No. C24-119 (Attachment 2).

3. Approve a 10% project contingency of \$15,700.

***Attachments:***

1. Resolution 24-119
2. Contract No. C24-43

***Notification:***

All bidders.

RESOLUTION NO. 24-119

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AWARDED A CONSTRUCTION CONTRACT TO JENNETTE COMPANY, INC. FOR THE WATER RECLAMATION PLANT SOLIDS HANDLING BUILDING CENTRIFUGE CONVEYOR MODIFICATIONS, CIP PROJECT NO. 23203 FOR AN AMOUNT NOT TO EXCEED \$156,800, PLUS A 10% PROJECT CONTINGENCY, AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONSTRUCTION CONTRACT, AND FINDING THE PROJECT CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT UNDER CLASS 1 (EXISTING FACILITIES, 14 CCR SECTION 15301) OF THE STATE CEQA GUIDELINES

WHEREAS, the Centrifuge Conveyor System at the Water Reclamation Plant (WRP) Solids Handling Building delivers dry sludge for disposal and requires modifications due to frequent break downs; and

WHEREAS, this project modifies and reconstructs the Solids Handling Building Centrifuge Conveyor system; and

WHEREAS, the City conducted formal competitive bidding for the Water Reclamation Plant Solids Handling Building Centrifuge Conveyor System Modifications, CIP Project 23203 (Project); and

WHEREAS, on February 6, 2024, the City received four (4) responsive bids ranging from \$156,800 to \$187,450 for the Project; and

WHEREAS, Jennette Company, Inc. was the lowest responsive and responsible bidder with a bid of \$156,800.

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

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

SECTION 2. That based upon substantial evidence in the record as a whole, 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 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.

SECTION 3. That the Construction Contract for the Water Reclamation Plant

Solids Handling Building Centrifuge Conveyor Modifications, CIP Project No. 23203, is hereby awarded to Jennette Company, Inc.

SECTION 4. That the City Manager is authorized and directed to execute a construction contract for the Water Reclamation Plant Solids Handling Building Centrifuge Conveyor Modifications, CIP Project No. 23203 with Jennette Company, Inc. in an amount not to exceed \$156,800, in a form substantially similar to that presented to City Council on July 17, 2024;

SECTION 5. That a 10% project contingency of \$15,700 is hereby approved.

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 \_\_\_\_\_, 2024.

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. 24-119 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:

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Elizabeth A. Mitchell, City Attorney

**SECTION 00500  
CONTRACT**

THIS CONSTRUCTION CONTRACT FOR WATER RECLAMATION PLANT SOLIDS HANDLING BUILDING CENTRIFUGE CONVEYOR MODIFICATIONS, PROJECT NO. 23203 (“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., a California corporation 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:

**WATER RECLAMATION PLANT SOLIDS HANDLING BUILDING CENTRIFUGE CONVEYOR MODIFICATIONS, PROJECT NO. 23203**

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 60 calendar 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 Fifty Six Thousand Eight Hundred Dollars (\$156,800). 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. Approved additional work shall not exceed the 10% project contingency of \$15,700.

**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  
Designation of Subcontractors  
Information Required of Bidders  
Non-Collusion Declaration 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 Office 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**, this Contract has been duly executed by the above-named parties, on the day and year above written.

**CITY OF SAN CLEMENTE**

By: \_\_\_\_\_  
Andy Hall, City Manager

Dated: \_\_\_\_\_, 2024

**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.  
("CONTRACTOR")

By: \_\_\_\_\_  
Brian Jennette, Chief Executive  
Officer, Chief Financial Officer,  
Secretary

Dated: \_\_\_\_\_, 2024

**END OF CONTRACT**