



City Council Staff Report

Date: September 4, 2013 CONSENT CALENDAR

Subject: APPROVAL OF A NOTICE TO PROCEED FOR VEOLIA WEST OPERATING SERVICES, INC., FOR THE 2013 SEWER COLLECTION SYSTEM REPAIRS, CITY PROJECT 12-03

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

SUMMARY

Approval of this item will authorize Veolia West Operating Services, Inc., ("Veolia") to proceed with the 2013 Sewer Collection System Repairs.

RECOMMENDATION:

1. Authorize the Director of Public Works/City Engineer to issue a Notice to Proceed for Veolia West Operating Services, Inc., in the amount of \$419,647 for the 2013 Sewer Collection System Repairs, City Project No. 12-03.

STAFF ANALYSIS:

The City has approximately 230 miles of sewer mainline in the collection system that transports sewerage to the Wastewater Treatment Plant. The City's contract with Veolia includes monitoring the collection system network. Veolia routinely video tapes, records, and rates the sewer mainlines. Ratings of 4 and over are in need of repair. The project proposed includes only sewer mainline rated at 4 and above.

Per agreement with the City, Veolia is allocated is allocated \$2,500 per month to pay for minor individual repairs to the sewer collection system. When the needed repair exceeds these costs, a capital improvement project is initiated. Veolia proposes to perform these major repairs to keep the system safe and operable. This proposal includes Removal and Replacement of damaged pipe, Cured-in-place Pipe (CIPP) Point Repair, CIPP Lining, Slurry and Plug, Traffic Control, Record Drawings, Construction Management Services, and General Liability Insurance.

Due to ongoing slurry seal and overlay projects throughout the City, Veolia did not include certain locations in the bid that were in conflict with the City's roadway projects. This work will be included in a future project.

Two preselected contractors in the Coachella Valley responded to their request for invitation to bid with the following bids:

1. G & M Construction, Palm Springs, CA; Bid Amount: \$290,550
2. Tri-Star Contracting II, Inc., Desert Hot Springs, CA; Bid Amount \$324,205

The estimated construction cost per Veolia was \$280,000. The winning bid of \$290,550 by G & M Construction is being used for this proposal.

Veolia has submitted a proposal to the City for the construction phase of this project which includes the following items.

- | | |
|--|------------------------------------|
| 1. Professional Construction Services | \$326,869 (Includes 12.5% mark-up) |
| 2. Record Drawings (Mylars) | \$ 19,406 (Includes 12.5% mark-up) |
| 3. Veolia Construction Management Services | \$ 70,570 |
| 4. General Liability Insurance | <u>\$ 2,801 *</u> |

Total: \$419,647 (rounding)

*Note: With any capital project undertaken at the WWTP, Veolia operates as the general contractor under its own contractor's license. As the general contractor, Veolia is responsible for ensuring all construction is performed in accordance with State and federal rules and regulations, and is liable for all risks and damages that may occur. Accordingly, Veolia obtains general liability insurance for each project, which is passed as a direct cost to the City at a rate of 0.66% of the overall cost of the project.

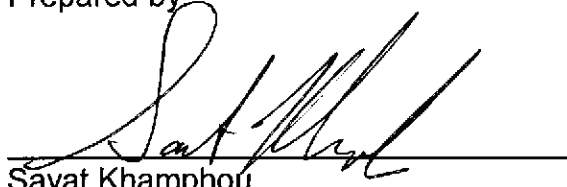
In accordance with Section 5.3 (f) of the Amended and Restated Wastewater Services Agreement between the City and Veolia, Veolia is entitled to make a first proposal to do any Capital Project related to the wastewater treatment plant. The Agreement provides for a mark-up and profit margin varying between 12.5% and 16%. For this project, Veolia has proposed a 12.5% mark-up (the lowest mark-up available by contract) which is not applied to Veolia's own labor rates and general liability insurance cost.

FISCAL IMPACT:

Sufficient funds are available in account No. 420-6800-57030 (Sewer System Repairs) and account number 420-6800-50000 (Unscheduled Capital Projects).

SUBMITTED:

Prepared by:



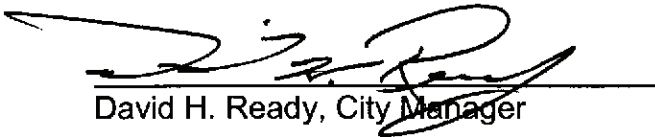
Savat Khamphou
Assistant Director of Public Works

Recommended by:



David J. Barakian
Director of Public Works/City Engineer

Approved by:



David H. Ready, City Manager

Attachment:

Veolia's 2013 Collection System Repairs Proposal

PROJECT DATA INPUT

Job No.	Project Name	Location	Revision	Date	JCE Model
1006568	Sewer Collections System Project	Palm Springs WWTF	0	07/26/13	V1.8 PS

Project Name:	Sewer Collections System Project
Job Number:	1006568
Location:	Palm Springs WWTF
Project Manager:	Michelle McLey
Proposal Manager:	Fadi Alabbas
Date:	7/26/2013
Revision:	0

Master
Job Cost Estimate Model
Version 1.8 City of Palm Springs
Password (1111)

MULTIPLIERS

	CONTINGENCY	MARK UP		
Construction Subcontractors:	0.0%	12.5%	Estimate Total \$	419,647
Engineering Consultants:	0.0%	12.5%	Mark Up \$	38,475
Intercompany Services:	0.0%	12.5%		
Material & Equipment:	0.0%	12.5%		
Labor:	0.0%	0.0%		
Travel and Living:	0.0%	0.0%		
Taxes Bonds Other:	0.0%	0.0%		
Site Costs:	0.0%	0.0%		
TOTAL:	\$	\$	38,475	

10 - CONSTRUCTION & PROFESSIONAL SERVICES

Description	Direct Cost	Contingency	Mark up	Total	% of Sell
100 Demolition Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
101 Site Remediation Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
102 Earthwork Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
103 CM/Concrete Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
104 General/Building Subcontractors	\$ 290,550	\$ -	\$ 36,319	\$ 326,869	77.9%
105 Mechanical Installation Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
106 Electrical Installation Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
107 Field Erected Tanks Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
108 Miscellaneous Installation Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
150 Professional Services	\$ 17,250	\$ -	\$ 2,156	\$ 19,406	4.6%
160 Intercompany Services	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL:	\$ 307,800	\$ -	\$ 38,475	\$ 346,275	82.5%

20 - MATERIAL & EQUIPMENT

Description	Direct Cost	Contingency	Mark up	Total	% of Sell
200 Mechanical Equipment	\$ -	\$ -	\$ -	\$ -	0.0%
210 Electrical Equipment	\$ -	\$ -	\$ -	\$ -	0.0%
220 Intercompany Equipment	\$ -	\$ -	\$ -	\$ -	0.0%
230 Other Equipment	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL:	\$ -	\$ -	\$ -	\$ -	0.0%

30 - LABOR

Description	Direct Cost	Contingency	Mark up	Total	% of Sell
300 Project Management	\$ 12,119	\$ -	\$ -	\$ 12,119	2.9%
305 Senior Project Management	\$ -	\$ -	\$ -	\$ -	0.0%
310 Principal	\$ 9,621	\$ -	\$ -	\$ 9,621	2.3%
320 Administration	\$ -	\$ -	\$ -	\$ -	0.0%
330 Construction Manager	\$ 48,830	\$ -	\$ -	\$ 48,830	11.6%
340 Assistant Project Manager	\$ -	\$ -	\$ -	\$ -	0.0%
350 Sr. Construction Manager	\$ -	\$ -	\$ -	\$ -	0.0%
360 Project Engineer	\$ -	\$ -	\$ -	\$ -	0.0%
370 x	\$ -	\$ -	\$ -	\$ -	0.0%
380 Labor - Commissions	\$ -	\$ -	\$ -	\$ -	0.0%
390 Operations Labor	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL:	\$ 70,570	\$ -	\$ -	\$ 70,570	16.8%

40 - TRAVEL & LIVING / CONCUR

Description	Direct Cost	Contingency	Mark up	Total	% of Sell
400 Travel & Living	\$ -	\$ -	\$ -	\$ -	0.0%
400 Travel & Living Other	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL:	\$ -	\$ -	\$ -	\$ -	0.0%

41 - (CM) TRAVEL & LIVING / CONCUR

Description	Direct Cost	Contingency	Mark up	Total	% of Sell
410 Travel & Living	\$ -	\$ -	\$ -	\$ -	0.0%
410 Travel & Living Other	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL:	\$ -	\$ -	\$ -	\$ -	0.0%

50 - TAXES-BONDS-OTHER

Description	Direct Cost	Contingency	Mark up	Total	% of Sell
500 Freight	\$ -	\$ -	\$ -	\$ -	0.0%
500 Surety Bonds	\$ -	\$ -	\$ -	\$ -	0.0%
500 Bid Bonds	\$ -	\$ -	\$ -	\$ -	0.0%
500 Builders Risk Insurance	\$ -	\$ -	\$ -	\$ -	0.0%
500 General Liability Insurance	\$ 2,801.42	\$ -	\$ -	\$ 2,801	0.7%
500 Sales & Use Tax	\$ -	\$ -	\$ -	\$ -	0.0%
500 License/Permit Fees	\$ -	\$ -	\$ -	\$ -	0.0%
500 Southern California Edison installation	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL:	\$ 2,801	\$ -	\$ -	\$ 2,801	0.7%

60 - SITE COSTS

Cost Code / Phase	Description	Direct Cost	Contingency	Mark up	Total	% of Sell
600	General Site Costs	\$ -	\$ -	\$ -	\$ -	0.0%
600	CM Living Expenses	\$ -	\$ -	\$ -	\$ -	0.0%
610	Fleet Vehicle	\$ -	\$ -	\$ -	\$ -	0.0%
620	Start-up Costs	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL:		\$ -	\$ -	\$ -	\$ -	0.0%

TOTALS

Cost	Contingency	Gross Mark Up	Sell	
\$ 381,171.85	\$ -	\$ 38,475.00	\$ 419,646.85	100.0%