

# HEBER PUBLIC UTILITY DISTRICT REPORT TO BOARD OF DIRECTORS

**MEETING DATE:** April 21, 2022

**FROM:** Laura Fischer, General Manager

**SUBJECT:** Authorize the General Manager to Execute a Construction Contract with Pyramid Construction in an amount not to exceed \$105,536 to Construct 14,2100 sq. ft. of asphalt at the Water Treatment Plant

**ISSUE:**  
Shall the Board of Directors authorize the General Manager to execute a construction contract with Pyramid Construction to construct asphalt at the Water Treatment Plant in an amount not to exceed \$105,536?

**GENERAL MANAGER’S RECOMMENDATION:**  
It is recommended that the Board of Directors authorize the General Manager to execute a construction contract with Pyramid Construction for the construction of asphalt paving at the Water Treatment Plant in the amount not to exceed \$105,536.

**FISCAL IMPACT:**  
Construction Cost Not to Exceed: \$105,536.

Project Budget and Funding Source Tables:

Water Treatment Plant Paving Project-ICAPCD-AB 617		
	Application	Pyramid Construction Bid
<b>Supplies, Equipment, and Materials</b>		
<b>Labor and Construction</b>	\$81,925	\$105,536
<b>Non-Construction Costs</b>	\$5,000	\$5,000
<b>Contingency</b>		\$10,554
<b>Total project cost</b>	<b>\$86,925</b>	<b>\$121,090</b>
<b>PROJECT FUNDING AFTER BID AND APCD INCREASE IN GRANT AMOUNT</b>		
<b>APCD AB 617 URBAN GREENING - Modified 4/6/2022</b>		90,817
<b>HPUD Remaining Balance</b>		<b>30,273</b>
<b>Total Project Cost After Bid with Contingencies</b>		<b>121,090</b>

**DISCUSSION:**  
In prior agenda item on the Board agenda for tonight, the Board considered approval of a modification to the Reserve Resolution to include the updated grant award and HPUD matching funds to complete the asphalt project at the Water treatment Plant.

The bids were opened on March 8, 2022 and the lowest responsive and responsible bidder was Pyramid Construction with a bid of \$105,536.

The bid result of \$105,536 is significantly higher than the engineer's probable cost estimate prepared in November 2021. This is due to increase in cost of oil, fuel and the slower supply chain for products, materials, and services.

As this amount increased the cost of the project significantly staff prepared a request for the AB 617 Commission asking that they increase the grant amount. The AB 617 commission met on April 6<sup>th</sup>, and staff presented our request, which was granted.

The Commission increased funding by \$29,374.00.

**CONCLUSION:**

Staff recommends that the Board authorize the General Manager to execute a construction contract Pyramid Construction to construct asphalt paving at the Water Treatment Plant in an amount not to exceed \$105,536.

**ALTERNATIVES:**

- 1) Do not award the construction contract to Pyramid Construction for asphalt paving.
- 2) Direct staff to re-advertise the project, which will postpone the construction of the paving project.
- 3) Provide alternate direction to staff regarding the AB 617 grant asphalt paving project at the water treatment plant.

Respectfully Submitted,

Laura Fischer,  
General Manager

Attachments: Bid Tabulation Form  
Bid Result Letter  
Email from APCD Re Approval of Request for Additional Funding



THE  
HOLT  
GROUP, INC.

1601 N. Imperial Ave.  
El Centro, CA 92243  
760.337.3883  
760.337.5997 (fax)

■ Municipal Design ■ Infrastructure Engineering ■ Construction Management ■

**BID TABULATION FORM**

HEBER PUBLIC UTILITY DISTRICT  
WATER TREATMENT PLANT PARKING LOT PROJECT  
THG PROJECT NUMBER 744.001E

MARCH 08, 2022

**BID OPENING:**

DATE: March 08, 2022      TIME: 2:00 P.M.  
LOCATION: Heber Public Utility District Office  
1078 Dogwood Road, Suite 103  
Heber, CA 92249

ENGINEER'S OPINION OF PROBABLE COST:      \$ 85,000.00

<u>NO.</u>	<u>ENTITY</u>	<u>BASE BID</u>
1.	Pyramid Construction & Aggregates	\$ <u>108,791.00</u>
2.	Master's Construction	\$ <u>No Bid</u>
3.	Rove Engineering	\$ <u>No Bid</u>
4.	SLA Paving	\$ <u>127,600.00</u>
5.	_____	\$ _____

*Juny Marmolejo, THG.*  
*Adriana Amezcua*  
*3/8/2022*

The Holt Group, Inc.  
Engineering Department



■ Municipal Design ■ Infrastructure Engineering ■ Construction Management ■

March 9, 2022

Ms. Laura Fischer  
General Manager  
Heber Public Utility District  
1078 Dogwood Road, Suite 103  
Heber CA, 92249

RE: Heber Public Utility District – Water Treatment Parking Lot Project  
THG No. 744.001  
Bid Document Review

Dear Ms. Fischer,

The Holt Group, Inc. has reviewed the construction bids for the Water Treatment Plant Parking Lot project (Project). There were two bids submitted from the four known prospective bidders. Attached is The Holt Group's Evaluation of Bid Conformance that includes the bid amounts.

The lowest bidder was Pyramid Construction and Aggregates, Inc (Pyramid). Pyramid's bid amount was written in as \$108,791.00. However, the tabulated amount was \$105,536.00, which is the bid amount to be used for bidding purposes. The Holt Group's review found Pyramid's bid to include all required bid information and is deemed to be the lowest responsive and responsible bidder. An item of note, the second lowest bidder (SLA Paving, Inc) submitted a responsive and responsible bid package.

It is The Holt Group's understanding that the project budget was \$85,000.00 as estimated in May of 2021. Given the rise in construction costs over the last year, the bid amount of \$108,791.00 seems to be comparable to an approximate 25 percent rise in construction cost over the last year. It is unknown if the cost is within HPUD's budget.

The Holt Group, Inc. recommends for Heber Public Utility District to consider award of the Project to Pyramid if funding is available.

Please feel free to contact me with any questions or concerns.

Respectfully,

Juny Marmolejo  
Juny Marmolejo, Project Engineer

Cc: Adriana Amezcua, HPUD – Finance Manager  
James G. "Jack" Holt, PE, The Holt Group, Inc. - Principal Engineer  
Alexis Dial, The Holt Group, Inc. – Project Engineer  
Jeorge Galvan, The Holt Group, Inc. – Principal Planner

HPUD - Water Treatment Plant Parking Lot  
 THG No. 744.001  
 Bid Opening 03-08-2022 AT 2:00 PM at HPUD Office  
 Bids' Cost Evaluation  
 Date: March 09, 2022  
 Reviewed by: Juny Marmolejo, The Holt Group, Inc.

ENGINEERS OPINION OF PROBABLE CONSTRUCTION COST					Pyramid Construction & Aggregates		SLA Paving	
Base Bid								
No.	Description	Unit	Unit Quantity	Cost	Unit Cost	Cost	Unit Cost	Cost
1	Mobilization of the Project	Lump Sum	1.00		\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
2	Removal of Ex. Material, Install of Aggregate Base and AC Pavement	S.Y.D.	1600.00		\$ 62.21	\$ 99,536.00	\$ 76.00	\$ 121,600.00
<b>Totals</b>				<b>\$85,000.00</b>	<b>\$ 105,536.00</b>		<b>\$ 127,600.00</b>	
					Pyramid Construction & Aggregates		SLA Paving	

**HPUD - Water Treatment Plant Parking Lot Project**  
**THG No. 744.001E**  
**Bid Opening March 08, 2022 at 2:00 PM at HPUD Office**  
**Evaluation of Bids for Conformance**  
**Date: March 09, 2022**  
**Reviewed by: Juny Marmolejo - The Holt Group, Inc.**

Bidders	Pyramid Construction	SLA Paving
Bidder State License No.	866533	919453
Bid Amount	\$105,536.00	\$127,600.00
Received by Bid Date and Time, Signed and Sealed	YES	YES
Bid Form Submittal 0410	YES	YES
Addendum Acknowledgement	YES	YES
Basis of Bid - Schedule of Values Completed 0410	YES	YES
Submittal of Non Collusion Affidavit 0420	YES	YES
Submittal of Bid Bond 0430	YES	YES
Submittal of Compliance Statement / Certification of Non-Segregated Facilities 0440	YES	YES
Submittal of Certification Regarding Debarment 0450	YES	YES
Submittal of Certification for Contracts, Grants and Loans 0460	YES	YES
Submittal of Certification Regarding Worker's Compensation	YES	YES
Submittal of Tabulation of Subcontractors 0480	YES	YES
Percentage of Subcontractor Participation (To be 85% or less per Section Supplementary Conditions 6.06 of 00800-4)	0.1%	53.0%
Submittal of Bidders Qualifications Statement 0490	Not Applicable	Not Applicable
Bidders Qualification Met	Not Applicable	Not Applicable
Submittal of Subcontractor Qualification Statement 0495	Not Applicable	Not Applicable
Submittal of Tabulation of Major Material Suppliers 0500	YES	YES
Submittal of DBE Program Forms 4500-3 & 4500-4	Not Applicable	Not Applicable
Good Faith Effort Met	Not Applicable	Not Applicable
General Contractor in Good Standing of Contractor License in CA	YES	YES
Sub-Contractors in Good Standing of Contractor License in CA	YES	YES
General Contractor Status with Department of Industrial Relations	YES	YES
Sub-Contractors Status with Department of Industrial Relations	YES	YES
General Contractor/Sub- Contractor listed on State of California	NO	NO
Earthwork		Radco Inc Non-DBE CA License No. 859138
Geotechnical Testing	Landmark Consultants, Inc DBE Status: Not Applicable License No. - Not Applicable	
Surveying and Staking	BJ Engineering and Surveying DBE Status: Not Applicable License No. - Not Applicable	



## Heber Public Utility District

1078 Dogwood Rd., Ste. 103 · P.O. Box "H"  
Heber, CA 92249-0470  
Telephone (760) 482-2440 \* Fax (760) 353-9951

March 28, 2022

Imperial County Air Pollution Control District  
150 South 9<sup>th</sup> Street  
El Centro, California 92243

### **RE: Increase Funding Request for the Water Treatment Plant Paving Project**

Dear Imperial County Air Pollution Control District:

The Heber Public Utility District (HPUD) would like to thank the Imperial County Air Pollution Control District (ICAPCD) for funding the Water Treatment Plant Paving Project. The HPUD Board of Directors have approved the Agreement and have submitted the Request for Proposals for construction of the project.

The project would pave approximately 14,210 square footage of unpaved access road at the Water Treatment Plant. Paving this area will greatly reduce the windblown and activity-related fugitive dust emissions that are created seven days a week. There will also be an added benefit of those same dust particles from entering HPUD's water treatment system. Overall, this project would greatly reduce particulate matter emissions such as PM10 and PM 2.5.

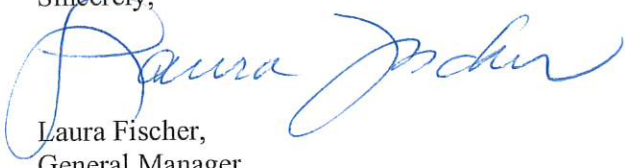
Unfortunately, the bids received by HPUD came back significantly higher than our engineer's probable cost estimate. The lowest bidder was Pyramid Construction at \$121,090.00, which includes all costs. HPUD was awarded the grant at \$61,443.75 and our engineers probable cost estimate was \$85,000.00. The lowest bid came in at a 43 percent higher than our probable cost estimate. This is a trend that our engineers are seeing industry wide, specifically in costs of goods, such as fuel and oil.

The cost of the project is valid for 60 days, and it expires on May 7, 2022. Our engineers have expressed concern that if this bid is not awarded by the expiration date, we can expect an increase of total project costs. HPUD does not have the money in the budget or in our reserves to fund the gap that exists from the current grant award to the lowest bid amount.

HPUD would like to respectfully request an increase in the grant amount from \$61,443 to \$90,817. This is an increase of \$29,374.00 to the Heber Public Utility District Water Treatment Plant Paving Project. This increase will cover the additional unexpected increase in construction costs.

Should you require more information or have any questions, you may contact me at (760) 482-2440 or via email at [lfischer@heber.ca.gov](mailto:lfischer@heber.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Laura Fischer". The signature is fluid and cursive, with the first name "Laura" being larger and more prominent than the last name "Fischer".

Laura Fischer,  
General Manager

Attachment: Updated Project Budget



# Heber Public Utility District- Updated Project Budget

## Water Treatment Plant Paving Project-ICAPCD-AB 617

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Original Grant Award	\$61,443
Lowest Bid Amount	\$121,090
HPUD Match- 25%	\$30,273
Requested Grant Award	\$90,817
Original Grant Award	\$61,443
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Total Grant Award Increase Request	\$29,374
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**From:** [Marco Perrone](#)  
**To:** [L Fischer](#); [M Cardenas](#)  
**Cc:** [Belen Leon](#)  
**Subject:** Paving Project: "Water Treatment Plant Paving Project" Approved Funding Agreement  
**Date:** Wednesday, April 13, 2022 9:59:59 AM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[3-BOS Approved Funding Agreement ICAPCD Paving Water Treatment Plant Paving.pdf](#)

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Good Morning Ms. Fischer,

We have good news. The funding agreement for the paving project: "Water Treatment Plant Paving Project" has been taken to the APCD Board and was approved on the March 22, 2022 Meeting. You may find attached signed funding agreement. You may start the project at your earliest convenience, for project timeline please refer to section 7 in funding agreement.

Please keep us updated as to when you plan to start construction and project status. We would like to take some pictures of before and after.

If you would like to pick up an original stamped copy, let me know and I'll have that available.

If you have any questions or concerns, let me know as well.

Best Regards and Thank You

*Marco Luigi Perrone*

*Administrative Analyst II*

*150 South 9th Street*

*El Centro, CA 92243*

Phone: (442) 265-1800

Fax: (442) 265-1799



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