



1/13/2025

Consideration to Authorize the General Manager to Execute On-call Emergency and General Construction Services Contracts with Basile Construction, Inc. and Palm Engineering, Inc.

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Background

1. The Authority maintains on-call contracts with local general contractors for emergency and general construction services.
2. Current on-call contracts with Ortiz and El Cajon Grading will expire in June 2025 (no annual renewals left).
3. Ortiz verbally notified the Authority that they can no longer perform work due to constrained resources.
4. RFQ for on-call emergency and general construction services contract advertised on September 13, 2024. SOQs were due on October 4, 2024.



Background

1. Basile Construction, Inc. and Palm Engineering, Inc. submitted responses to the RFQ. Both firms are exceptionally experienced and qualified, and have a good work history with the Authority.
2. RFQ indicates the potential for a one-year contract with an additional four (4) one-year options; however, only a one (1) year authorization is requested at this time.
3. Terms allow the Authority to request emergency work requested at any time with a guaranteed 24-hour response time.
4. Miscellaneous on-call work would require quotes to be submitted for the specific scope of work and would be awarded to the lowest bidder.
5. Task Orders would be issued for work in accordance with the Authority policy for Purchasing Procedures. The current policy indicates that work in excess of \$75,000 requires Board approval.
6. There is no guarantee of any work.



Fiscal Impact

1. Staff estimates the annual need for contractor support for emergency work could be in the range of \$0 to \$100,000 annually. Work in support of emergency services, such as water main repairs, would be charged to account no. 10-50-500-5424 (Materials & Services Maintenance – Mains).
2. Miscellaneous work that supports development projects has no fiscal impact to the Authority as those are processed at full cost recovery to the Authority.
3. Rates for labor will be subject to prevailing wage, in accordance with Authority and Department of Industrial Relations policies. Rates for equipment are established by Caltrans, and rates for materials are based on current market conditions.



Fiscal Impact

Sample cost for emergency water main repair using current rates:

- Labor rates established by DIR – subject to prevailing wage
- Equipment rates established by Caltrans
- Material rates based on current market conditions

Time, Materials and Equipment Report

SAMPLE

Pay Application #001

General Contractor: Contractor A

<DATE>

Scope of Work: Emergency Water Main Break Repair 2100 X Street

| ACCOUNTING FOR TIME, MATERIALS, AND EQUIPMENT | | | | | |
|---|--------------------|------|------|--------|-----------------|
| LABOR | | Unit | Qty | Rate | Total |
| 1 | Foreman | HR | 8.00 | 110.00 | 880.00 |
| 2 | Equipment Operator | HR | 8.00 | 93.47 | 747.76 |
| 3 | Equipment Operator | HR | 8.00 | 93.47 | 747.76 |
| 4 | Pipelayer | HR | 8.00 | 90.29 | 722.32 |
| 5 | Pipelayer | HR | 8.00 | 90.29 | 722.32 |
| 6 | Laborer class. 3 | HR | 8.00 | 94.40 | 755.20 |
| 7 | Laborer class. 4 | HR | 8.00 | 96.26 | 770.08 |
| Subtotal | | | | | 5,345.44 |
| 18.67% Labor Surcharge | | | | | 997.99 |
| 20% Labor Mark-Up | | | | | 1,268.69 |
| Labor Total | | | | | 7,612.12 |

| EQUIPMENT | | Unit | Qty | Rate | Total |
|------------------------|---------------------------|------|------|--------|-----------------|
| 1 | 1-ton crew truck | HR | 8.00 | 41.96 | 335.68 |
| 2 | Equipment Truck w/trailer | HR | 8.00 | 93.69 | 749.52 |
| 3 | 938 Loader | HR | 8.00 | 115.79 | 926.32 |
| 4 | Bobtail Dump | HR | 8.00 | 94.12 | 752.96 |
| 5 | 224 Excavator | HR | 8.00 | 93.82 | 750.56 |
| 6 | 4-ton Bomag Roller | HR | 8.00 | 49.29 | 394.32 |
| Subtotal | | | | | 3,909.36 |
| 15% Mark-up | | | | | 586.40 |
| Equipment Total | | | | | 4,495.76 |

| MATERIALS | | Unit | Qty | Rate | Total |
|---------------------------|----------------------|------|-------|--------|------------------|
| 1 | 8" C-900 Water Main | LF | 20.00 | 80.00 | 1,600.00 |
| 2 | 8" C-900 Slip Joints | EA | 2.00 | 120.00 | 240.00 |
| 3 | Decomposed Granite | CY | 4.00 | 40.00 | 160.00 |
| 4 | AC Cold Mix | CY | 2.00 | 120.00 | 240.00 |
| Subtotal | | | | | 2,240.00 |
| 15% Mark-up | | | | | 336.00 |
| Materials Total | | | | | 2,576.00 |
| TOTAL CHANGE ORDER | | | | | 14,683.88 |



Options and Recommendation

1. Authorize the General Manager to execute on-call emergency and general construction services contracts with Basile Construction, Inc. and Palm Engineering, Inc., with each contract having a one-year duration and a not-to-exceed amount of \$100,000.
2. Reject the contractors bids as presented and direct staff to renegotiate contract terms in accordance with any direction provided by the Board.
3. Other direction as determined by the Governing Board.

Staff recommends Option 1



Questions?

