

AGENDA

**ENGINEERING COMMITTEE MEETING
LEUCADIA WASTEWATER DISTRICT**

Tuesday, March 4, 2025 – 2:30 p.m.
1960 La Costa Avenue, Carlsbad, CA 92009

1. **Call to Order**
Teleconference with Vice President Brown at the following location:
Moulton Nigel Water District
26161 Gordon Road
Laguna Hills, CA 92653
2. **Roll Call**
3. **Public Comment**
4. **Water Works Engineers Contract Extension for As-Needed Engineering Design Services**
Authorize the General Manager to execute a two-year extension to the Water Works Engineers, LLC contract for as-needed engineering design services. (Page 2)
5. **Fiscal Year 2025 Gravity Pipeline Replacement Project – Award of Construction Contract and Authorize Additional Appropriation**
 - A. Authorize the General Manager to execute an Agreement with Palm Engineering Construction Company, Inc. for construction services to complete the Fiscal Year 2025 Gravity Pipeline Replacement Project in an amount not to exceed \$793,052.80. (Pages 3-10)
 - B. Authorize an additional appropriation of \$270k for project construction.
6. **Information Items**
L1 Force Main Bridge Crossing Emergency Repair. (Verbal)
7. **Directors' Comments**
8. **General Manager's Comments**
9. **Adjournment**

MEMORANDUM

DATE: February 27, 2025
TO: Engineering Committee
FROM: Paul J. Bushee, General Manager 
SUBJECT: **Water Works Engineers LLC Contract Extension for As-Needed Engineering Design Services**

RECOMMENDATION:

Staff requests that the Engineering Committee recommend that the Board of Directors:

1. Authorize the General Manager to execute a two-year extension to the Water Works Engineers LLC contract for as-needed engineering design services.
2. Discuss and provide direction as appropriate.

DISCUSSION:

In April 2022, the Leucadia Wastewater District (District) entered into an agreement with Water Works Engineers LLC (Water Works) for as-needed engineering design services. The agreement was structured with an initial three-year term, set to expire on April 21, 2025, and included an option to extend for an additional two years. This structure was designed to enhance efficiency and maintain continuity of service if deemed beneficial by both District staff and Water Works.

As the initial term approaches its expiration, staff has been pleased with Water Works' performance and recommends executing the two-year contract extension option to extend the Agreement through April 2027.

Consistent with the terms of the original Agreement, the extension does not establish a predetermined compensation amount. Instead, individual design projects will continue to be issued through task orders with a negotiated compensation amount. Additionally, any task order exceeding the General Manager's signature authority will be presented to the Board for approval.

Therefore, staff recommends that the two-year extension be executed.

ier:PJB

MEMORANDUM

Ref: 25-9055

DATE: February 27, 2025
 TO: Engineering Committee
 FROM: Paul J. Bushee, General Manager 
 SUBJECT: **Construction Contract Award for the Fiscal Year 2025 Gravity Pipeline Replacement Project**

RECOMMENDATION:

Staff requests that the Engineering Committee recommend that the Board of Directors:

1. Authorize the General Manager to execute an Agreement with Palm Engineering Construction Company, Inc. for the construction of the Fiscal Year 2025 Gravity Pipeline Replacement Project in an amount not to exceed \$793,052.80 as the lowest responsive and responsible bidder.
2. Authorize an additional appropriation of \$270k for project construction.
3. Discuss and take other action as appropriate.

BACKGROUND:

Tactical Goal: Infrastructure & Technology / FY25 Gravity Pipeline Rehabilitation

The District’s annual Gravity Pipeline and Manhole Rehabilitation Program emanates from the Asset Management Plan. Staff uses a Repair Priority List, populated and prioritized using Closed-Circuit Television inspections, to maintain a priority listing of gravity sewer pipeline and manhole defects requiring upgrade. These defects are then grouped based on the repair approach into either an open trench construction, Cured-In-Place Pipe (CIPP) Lining, or Cured-In-Place Manhole (CIPM) Lining project.

The goal of the Fiscal Year 2025 Gravity Pipeline Rehabilitation Project (FY2025 Project) is to repair or replace sewer pipelines that require the open trench method of construction. The FY2025 Project consists of 3 gravity sewer lines that have historical structural defects. The work involves replacement of a deep sewer line on Piraeus Avenue and a sewer line located in a utility road behind Discount Tire on El Camino Real. In July 2024, staff executed a Task Order with Water Works Engineers (Water Works) to design the FY2025 Project.

DISCUSSION:

Water Works completed the project design in December 2024. The project was advertised on January 7th and bids were due on February 11th. The District received 2 bids as follows:

Construction Firm	Bid Price
Blue Pacific Engineering Construction	\$380,135.67
Palm Engineering Construction Company, Inc.	\$793,052.80

On February 12th, staff received a letter from Blue Pacific Engineering Construction (Blue Pacific) requesting that they be allowed to withdraw their bid due to clerical errors in their bid pricing. After consulting with Water Works and Dexter Wilson Engineering, staff approved Blue Pacific's request for bid withdrawal. Therefore, Palm Engineering Construction Company, Inc. (Palm Construction) became the apparent low bidder.

Palm Construction's bid of \$793,052.80 is \$296K, or 27%, less than the engineer's estimate of \$1,089,620.

Due to the limited competition, staff inquired why only two bids were received. Therefore, staff reached out to 3 construction firms; Bali Construction (Bali), TC Construction (TC), and SCW Contracting Corp, (SCW), that were on the plan holders list but did not submit a bid. The District discovered Bali did not submit a bid because the assigned estimator was out of the office and SCW because of their current workload. The District called TC and left a voicemail, but TC did not return the District's phone call.

The bids were reviewed by Tim Lewis at Water Works. As a result of their evaluation, Water Works determined Palm Construction to be responsive to the bid requirements and recommended that Palm Construction be awarded the contract as the lowest responsive and responsible bidder. The Water Works bid review memorandum is attached for your review. You may recall that Palm Construction recently completed work on the San Marcos Creek Diversion Project, which was deemed satisfactory.

Therefore, staff concurs with Water Works and recommends that the contract to Palm Construction be executed.

FISCAL IMPACT:

The FY25 Capital Budget included \$605k for project construction. Therefore, Staff requests an additional appropriation to the FY25 Capital Budget of \$270k to cover the remaining costs for construction, a 5% contingency, and construction management services. There are sufficient funds in the District's Replacement Reserve to cover the appropriation request.

ier:PJB

Attachment

Leucadia Wastewater District
Fiscal Year 2025 Gravity Pipeline Replacement
Project
Bid Review Memorandum



Date: February 20, 2025
Prepared by: Tim Lewis, PE (Design Engineer)

Purpose

The purpose of this memorandum is to summarize Water Works Engineer’s (Design Engineer) evaluation of the bid results and the responsiveness of the apparent low bidder to bidding and contract documents for the Leucadia Wastewater District (District) Fiscal Year 2025 Gravity Pipeline Replacement Project.

Bid Results

Two (2) Bids were received and opened on February 11th, 2025. The Bids are summarized below, along with the Engineer’s Opinion of Probable Construction Cost (OPCC).

Engineer’s Opinion of Probable Construction Cost (OPCC):	\$ 1,089,620.00
Apparent Low Bid: (Blue Pacific Engineering Construction, Inc.) Bid Withdrawn	<u>\$380,135.67</u>
Second Low Bid: (Palm Engineering Construction Company, Inc.)	<u>\$793,052.80</u>

Bid Withdrawal of Lowest Bid

Blue Pacific Engineering, Inc., submitted a formal bid withdrawal request to the District on February 12th, 2025, citing clerical errors in their bid pricing.

Review of Next Apparent Low Bidder

Water Works Engineer’s reviewed the bidding documents submitted by the Next Apparent Low Bidder, Palm Engineering Construction Company Inc., to determine if the Bidder is the lowest responsive responsible bidder.

Contractor’s License (Responsive)

The Contractor holds the required Class A License which is current and active. The Contractor also holds Class B (General building), C27 (Landscaping) and C10 (Electrical) licenses. Worker’s Compensation is Active. The Contractor is bonded. The Bidder is responsive.

Business Information

PALM ENGINEERING CONSTRUCTION COMPANY INC
dba PALM ENGINEERING

7330 OPPORTUNITY RD STE A & B
SUITE A
SAN DIEGO, CA 92111
Business Phone Number: (619) 291-1495

Entity Corporation
Issue Date 02/01/2005
Expire Date 02/28/2027

License Status

This license is current and active.

All information below should be reviewed.

Classifications

- ▶ A - GENERAL ENGINEERING
- ▶ B - GENERAL BUILDING
- ▶ C27 - LANDSCAPING
- ▶ C10 - ELECTRICAL

Bonding Information

Contractor's Bond

This license filed a Contractor's Bond with AMERICAN CONTRACTORS INDEMNITY COMPANY.

Bond Number: 100267004

Bond Amount: \$25,000

Effective Date: 01/01/2023

Contractor's Bond History

Bond of Qualifying Individual

The qualifying individual RASOUL SHAHBAZI-DASTJERDI certified that he/she owns 10 percent or more of the voting stock/membership interest of this company; therefore, the Bond of Qualifying Individual is not required.

Effective Date: 06/29/2012

BQI's Bond History

Workers' Compensation

This license has workers compensation insurance with the ZURICH AMERICAN INSURANCE COMPANY.

Policy Number: WC429303101

Effective Date: 11/01/2024

Expire Date: 11/01/2025

Workers' Compensation History

<https://www.cslb.ca.gov/onlineservices/checklicenseII/checklicense.aspx>

Bid Bond (Responsive)

A bid bond in the amount of ten percent (10%) of the bid amount was submitted with Nationwide Mutual Insurance Company as surety, as required. The Bidder is responsive.

Signatures (Responsive)

Palm Engineering Construction Company, Inc. President Rasoul Shabazi signed the Closing Statement, Bidder’s Bond, Non-Collusion Affidavit, and Local Preference Certification. Other company partners were listed. Nationwide Mutual Insurance Company surety was signed by Sandra Figueroa, Attorney-in-Fact, and President Rasoul Shabazi. Both individuals were acknowledged and validated via a notary public. The Bidder is responsive.

Addenda Acknowledgment (Responsive)

Addenda 1 are signed and acknowledged by President Rasoul Shabazi. The Bidder is responsive.

Registration with the Department of Industrial Relations (Responsive)

The prime and subcontractors are required to be registered with the DIR (<https://www.dir.ca.gov/public-works/Contractors.html>) prior to bidding a public works project. Bidder is responsive.

Contractor Legal name	Type of Work	Registration #	Registration Date	Expiration Date
PRIME: Palm Engineering	Prime	2000000411	7/1/2024	6/30/2025
SUB: National Coating & Lining by BrandSafway	Manhole Coating	1000013795	7/1/2023	6/30/2025
SUB: Acculine survey, Inc.	Survey as needed	1000013806 (DIR website lists as “Unregistered”)	7/1/2024	6/30/2026 (DIR website lists as “LEGACY EXPIRATION DATE”*)

**From DIR website: Contractors who used the legacy PWCR system must create new accounts for themselves and their businesses. Please see our how-to guides on the [Support Center](#) for detailed step-by-step information.*

Experience Requirements (Responsive)

Water Works reviewed the Bidder’s self-reported qualifications/experience responses as required by the bidding documents, takes no exception, and considers the Bidder to be responsive.

1. Prime and Subs willful violations in last 5 years: No.
2. Listed compensation experience modification factors: Listed.
3. Injury prevention program adoption: Yes.
4. Bidder debtor in bankruptcy case: No.
5. Bankruptcy in last 5 years: No.
6. Liquidated damages in the last 5 years: No.
7. Bidder disqualification in last 5 years: No.
8. Claim against Bidder in last 5 years: No.
9. Claim against Owner in last 5 years: No.
10. Surety payments in last 5 years: No.
11. DIR registration for prime and subs: Yes.
12. The bidder was required to complete a minimum of two (2) projects where the contractor replaced a minimum of 200 linear feet of 8” or greater diameter gravity sewer main that was over 20 feet deep: Yes

13. The bidder was required to complete a minimum of two (2) projects where the contractor was required to bypass 100% of the existing wastewater flow in order to complete a project with no incidents of spills:
Yes.

Experience References (Responsive)

Water Works Engineers contacted all the qualification experience references on 2/14/25 listed on the contract forms and takes no exception to any of the responses received and consider the Bidder responsive. It should be noted that Palm Engineering Construction Company, Inc is currently under contract with LWD to construct the San Marcos Creek Diversion Project which is completed, proceeded per schedule and plan, and was a successful project. Water Works Engineers and LWD take no exception with Palm Engineering's performance to date on that project.

<p>Amir Ruhi (858-999-4432) – City of San Diego <u>Projects:</u> 1. AC Water Group 1036 <u>Comments:</u> 1. No answer, left a voicemail. No callback by time of memo issuance.</p>
<p>Keith Murduck (858-301-1466) – County of San Diego <u>Projects:</u> 1. Industry Road Sewer at Ha-Hana Road <u>Comments from Reference:</u> 1. No answer, could not leave a voicemail.</p>
<p>Ricardo Soto (760-788-2260) – Ramona Municipal Water District <u>Projects:</u> 1. Rio Verde Drive Sewer Replacement <u>Comments from Reference:</u> 1. Did good work for them in the past on both waterline and sewer main replacements. Had no issues with them.</p>

Approach to Work (Responsive)

In general, the Bidders Work Approach is relatively short and does not have many details, but Water Works Engineers takes no exception to it and considers it reasonable.

Safety and Injury Prevention Plan (Responsive)

The Bidder indicated that it has adopted an injury prevention program. The Bidder is responsive.

Project Manager Information (Responsive)

The project manager section is adequate. Bidder is responsive.

Final Opinion

Water Works takes no exception to and considers Palm Engineering Construction Company, Inc. to be the lowest responsive and responsible bidder, as required by the Bidding and Contract Documents. The bid appears to be reasonable and is lower than the Engineer's OPCC.

Attachment 1

BID ITEMS	QTY	UNIT	ENGINEER Opinion of Probable Construction Cost (Very Competitive Low Bid From Less Experienced Contractor (OPCC - 15%) USED FOR COMPARISON PURPOSES)		LOWEST BID (Blue Pacific)				NEXT LOW BID (Palm Eng)			
			Bid Item Total	Bid Item Unit Price	Bid Item Total	Bid Item Unit Price	ENGINEER MINUS BID	BID PERCENT LOW TO ENGINEER	Bid Item Total	Bid Item Unit Price	ENGINEER MINUS BID	BID PERCENT LOW TO ENGINEER
Mobilization/Demobilization	1	LS	\$ 33,150	\$ 33,150	\$ 35,000	\$ 35,000	\$ (1,850)	5%	\$ 32,500	\$ 1	\$ 650	-2%
Special Constraints, Work Plans, General Requirements, Special Inspection and Permits	1	LS	\$ 68,464	\$ 68,464	\$ 20,000	\$ 20,000	\$ 48,464	-242%	\$ 58,500	\$ 3	\$ 9,964	-17%
Excavation Sheeting, Shoring, and Bracing	1	LS	\$ 90,196	\$ 90,196	\$ 10,000	\$ 10,000	\$ 80,196	-802%	\$ 33,500	\$ 3	\$ 56,696	-169%
Bypass Pumping System	1	LS	\$ 106,080	\$ 106,080	\$ 10,000	\$ 10,000	\$ 96,080	-961%	\$ 7,000	\$ 1	\$ 99,080	-1415%
Location 1 Encinitas Village 8" SS Replacement	1	LS	\$ 18,918	\$ 18,918	\$ 55,000	\$ 55,000	\$ (36,082)	66%	\$ 25,000	\$ 0	\$ (6,082)	24%
Location 1 Encinitas Village AC Pavement and Hardscape Restoration	1	LS	\$ 4,808	\$ 4,808	\$ 5,000	\$ 5,000	\$ (192)	4%	\$ 15,000	\$ 3	\$ (10,192)	68%
Location 2 Piraeus Street 8" SS Replacement	1	LS	\$ 416,715	\$ 416,715	\$ 200,000	\$ 200,000	\$ 216,715	-108%	\$ 390,000	\$ 2	\$ 26,715	-7%
Location 2 SSMH #04-0310	1	LS	\$ 46,410	\$ 46,410	\$ 25,000	\$ 25,000	\$ 21,410	-86%	\$ 43,500	\$ 2	\$ 2,910	-7%
Location 2 AC Pavement Restoration	10,849	SF	\$ 167,834	\$ 15	\$ 5,099.03	\$ 0.47	\$ 162,735	-3191%	\$ 78,112.80	\$ 15.32	\$ 89,721	-115%
Location 2 AC Pavement Replacement	4497	SF	\$ 69,568	\$ 15	\$ 5,036.64	\$ 1.12	\$ 64,532	-1281%	\$ 89,940	\$ 17.86	\$ (20,372)	23%
Location 1 and Location 2 Miscellaneous Surface Restoration	1	LS	\$ 33,150	\$ 33,150	\$ 5,000	\$ 5,000	\$ 28,150	-563%	\$ 12,500	\$ 3	\$ 20,650	-165%
Location 2 Hardscape Site Restoration	1	LS	\$ 21,271	\$ 21,271	\$ 5,000	\$ 5,000	\$ 16,271	-325%	\$ 7,500	\$ 2	\$ 13,771	-184%
TOT			\$ 1,076,950		\$ 380,135.67		\$ 696,814	-183%	\$ 793,052.80		\$ 283,897	-36%

10