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July 22, 2019

Board of Directors  
Triunfo Water & Sanitation District  
Ventura County, California

**LAKE SHERWOOD VARIABLE GRADE GRAVITY SEWER SYSTEM  
IMPROVEMENTS PROJECT UPDATE**

**Summary**

On January 22, 2018, Triunfo Sanitation District Board approved moving forward with the Design-Build (DB) methodology for the Lake Sherwood VGGSS Project. This decision was based on the District's desire to limit project related liabilities. District staff, assisted by KEH & Associates, solicited to DB contractors a letter requesting from them a letter of interest in the subject Project. An RFP was subsequently sent to each of the 7 contractors expressing interest in concept for the Lake Sherwood Project. Based on contractor response your Board approved moving forward with an RFQ at the January 22, 2018, Board Meeting. The RFQ was sent to the seven (7) respondents along with posting to the bid boards.

The Project bidding process resulted in the District receiving just one proposal and that cost was nearly double the Engineer's Estimate. Currently, staff and Gannett Fleming (formerly KEH) are reviewing the proposal and have requested additional documentation to validate the prices quoted by the Contractor.

The significant difference between the original Engineer's Estimate and the cost currently proposed in the Blois submittal may be reflective of several factors. Staff has determined that the original estimate did not fully encapsulate all of the construction challenges related to the project. More specifically, existing conflicts associated with hardscapes, structures, and easements and their impact on pipeline construction. In addition, the current bidding climate has also had significant negative impact on project costs with an abundance of projects driving project costs upward. And lastly, the fact the District received only one proposal and the resulting absence of competition has further negatively impacted the cost.

Staff will continue to negotiate with the sole bidder in an effort to reduce cost but pending the outcome, the following alternative scenarios are likely should more reasonable pricing not be achieved:

- 1) Vacate the bid and proceed at a later date with a more conventional design-bid-build approach to encourage more competition and benefit from a future downturn in the economy and enhanced bidding climate
- 2) Vacate the bid and remove the vacuum system component from the Project and proceed with just the Lakeside Lift Station Improvements via a design-bid-build process
- 3) Vacate the bid and make only minor repairs to the Lakeside Lift Station until such time as the entire Project can be reconfigured under the design-bid-build concept

There continues to be expectations that cost savings can be achieved with the sole proposer and staff will endeavor to entertain that possibility until a final solution is reached. A staff recommendation will be presented to your Board at the August 26<sup>th</sup> Board Meeting for discussion and approval.

Please contact me at 805-658-4621 or email [marknorris@vrsd.com](mailto:marknorris@vrsd.com) if you have any questions or need additional information.

REVIEWED AND APPROVED:

  
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Mark Norris - General Manager

Attachment: None