

AGENDA

**ENGINEERING COMMITTEE MEETING
LEUCADIA WASTEWATER DISTRICT**

Monday, June 2, 2025 – 1:00 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. **Diana Pump station Upgrade Project** (Pages 2-9)
 - A. Authorize the General Manager to execute an Agreement with Palm Engineering Construction Company, Inc. for the construction of the Diana Pump Station Upgrade Project in an amount not to exceed \$1,317,432 as the lowest responsive and responsible bidder.
 - B. Waive a bid irregularity related to experience requirements.
5. **Information Items**
Rancho Verde Pump Station Rehabilitation Project update. (Verbal)
6. **Directors' Comments**
7. **General Manager's Comments**
8. **Adjournment**

MEMORANDUM

Ref: 25-9150

DATE: May 29, 2025
TO: Engineering Committee
FROM: Paul J. Bushee, General Manager 
SUBJECT: Construction Contract Award for the Diana Pump Station Upgrade 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 Diana Pump Station Upgrade Project in an amount not to exceed \$1,317,432 as the lowest responsive and responsible bidder.
2. Waive a bid irregularity related to experience requirements.
3. Discuss and take other action as appropriate.

BACKGROUND:

Tactical Goal: Infrastructure & Technology / Diana Pump Station Upgrade

In March 2020, the Leucadia Wastewater District (District) completed the 2019 Pump Station Condition Assessment Report (Report). The Report recommended rehabilitation of the Diana Pump Station to include electrical upgrades, general site improvements, and the installation of an emergency generator. The design of the upgrade was delayed while the District was in the process to procure an easement for the project.

In January 2024, Water Works Engineers (Water Works) completed the Preliminary Design Report (PDR) which supported relocation of the electrical and controls equipment, as well as the installation of an emergency generator, to a new easement location. The easement was acquired in May 2024. In June 2024, staff executed a Task Order with Water Works for final design.

DISCUSSION:

Water Works completed the project design in March 2025. The project was advertised on April 8th and bids were due on May 13th. The District received 3 bids as follows:

Construction Firm	Bid Price
Palm Engineering Construction Company, Inc.	\$1,317,432
SCW Contracting Corporation	\$1,593,430
HPS Mechanical, Inc.	\$1,640,651

Palm Engineering Construction Company, Inc.'s (Palm Construction) bid of \$1,317,432 is \$83K, or 6%, less than the engineer's estimate of \$1,400,000.

The bids were reviewed by Tim Lewis at Water Works. As a result of their evaluation, Water Works determined that Palm Construction is responsive to all the project qualification requirements in the bid documents except for the experience requirements. The Water Works bid review memorandum is attached for your review.

Staff and Water Works believe Palm Construction has the necessary experience to successfully complete the project. The bid documents included standard experience requirements of their recent projects for pump station construction and Palm had only one project on its record. However, this project is not a conventional pump station rehabilitation because the scope does not include mechanical, structural, or wet well work. Instead, the scope focuses on excavation, site improvements within the new easement, and electrical upgrades. Palm Construction is experienced in excavation and site improvement work and has a qualified subconsultant to perform the electrical portion of the project.

Additionally, Palm Construction has a positive performance history with the District, having recently completed the San Marcos Creek Diversion Project to the District's satisfaction and is currently under contract for the FY25 Gravity Pipeline Replacement Project which is expected to start in the next month.

It's worth noting that the next lowest bid was \$276k higher than Palm Construction's.

Therefore, staff believes it is in the best interests of the public to award the contract, and recommends that the Board waive the bid irregularity and approve the contract with Palm Construction.

FISCAL IMPACT:

The recommended FY26 Capital Budget includes \$1.4M for project construction including a 6% contingency. Therefore, the recommended budget would contain sufficient funds to cover project construction.

ier:PJB

Attachment

Leucadia Wastewater District Diana Pump Station Upgrade Project Bid Review Memorandum



Date: May 29, 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) Diana Pump Station Upgrade Project.

Bid Results

Three (3) Bids were received and opened on May 13th, 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):	\$ 1,400,000
Apparent Low Bid: (Palm Engineering Construction Company, Inc.)	<u>\$1,317,432</u>
Second Bid: (SCW Contracting Corporation)	<u>\$1,593,430</u>
Third Bid: (HPS Mechanical, Inc.)	<u>\$1,640,651</u>

Review of Next Apparent Low Bidder

Water Works Engineer's reviewed the bidding documents submitted by the Low Apparent 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/online services/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 Nos. 1, 2, & 3 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 Electric Works Incorporated LIC# 591191	Electrical Works	1000003595	7/1/2023	6/30/2026
SUB: Acculine survey, Inc.	Survey as needed	1000013806	7/1/2024	6/30/2026
SUB: Base 9 Consulting (Professional Services)	Control System Integrator	N/A	N/A	N/A

Experience Requirements (Non-Responsive)

Water Works reviewed the Bidder's self-reported qualifications/experience responses as required by the bidding documents, and considers the Bidder to be non-responsive as further explained below:

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 three (3) projects where the contractor replaced a government agency owned raw wastewater pump station or constructed a new government owned raw wastewater pump station (lift station) with a minimum capacity of duplex 15 horsepower pumps: No, two of the projects are older than 5 years.

13. The bidder was required to complete a minimum of three (3) 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: No, two of the projects are older than 5 years.

Water Works alerted the District for the three project qualification requirements that Palm Engineering appears to be not responsive. Water Works considers this to be a minor bid irregularity, and overall, believes Palm Engineering has the ability to complete the project given the scope of work.

Experience References (Responsive)

Water Works Engineers contacted all the qualification experience references on 5/15/25 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 FY25 Gravity Pipeline Replacement Project and recently completed the San Marcos Creek Diversion Project which proceeded per schedule and plan and was a successful project. Palm Engineering is known to be experienced with the construction of pipelines, conduits, right of way work, bypassing, and the types of improvements that will be required for the Diana Pump Station Project. Water Works Engineers and LWD take no exception with Palm Engineering's performance to date on the two referenced projects above.

<p>Aron Cook (760)-999-2713 – Fallbrook Public Utility District</p>
<p><u>Projects:</u></p> <ol style="list-style-type: none">1. Fallbrook Hawthorne Lift Station <p><u>Comments:</u></p> <ol style="list-style-type: none">1. Aron said that the Fallbrook Hawthorne Lift Station Project went “pretty smooth” and had no significant issues.
<p>Eric Guerreiro (619)-871-0398 – Port of San Diego</p>
<p><u>Projects:</u></p> <ol style="list-style-type: none">1. North Harbor Drive Realignment Demolition, Concrete, Paving, Asphalt, Landscaping <p><u>Comments from Reference:</u></p> <ol style="list-style-type: none">1. Eric spoke highly of Palm Engineering's ability to construct the project.
<p>Octavio Casavantes (858)-522-6839 – San Diego County Water Authority</p>
<p><u>Projects:</u></p> <ol style="list-style-type: none">1. Ramona Pipeline Pump Well <p><u>Comments from Reference:</u></p> <ol style="list-style-type: none">1. No answer, could not leave a voicemail

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 considers Palm Engineering Construction Company, Inc. to be the lowest responsive and responsible bidder, excluding the experience requirements as discussed further herein after discussion with the District. Because this is a unique project with no structural (wet-well) or mechanical work, and Palm Engineering is bringing on an electrical subconsultant, it does appear that the proposed improvements are items of work that Palm Engineering are experienced with and thus Water Works does not take exception to Palm Engineering.

In addition, the bid appears to be reasonable and is lower than the Engineer's OPCC. A comparison of the bid items against the Engineer's equivalent estimate does not highlight any inconsistencies that Engineer takes exception to.

BID ITEMS	QTY	UNIT	ENGINEER Opinion of Probable Construction Cost (Semi-Competitive Bid from Experienced Contractor)	LOWEST BID (Palm Engineering)				SECOND LOWEST BID (SCW Contracting)				THIRD LOWEST BID (HPS Mechanical)				
			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	Bid Item Total	Bid Item Unit Price	ENGINEER MINUS BID	BID PERCENT LOW TO ENGINEER
bilization/Demobilization	1	LS	\$ 43,500	\$ 43,500	\$ 60,000	\$ 60,000	\$ (16,500)	28%	\$ 40,000	\$ 40,000	\$ 3,500	-9%	\$ 36,000	\$ 36,000	\$ 7,500	-21%
ecial Constraints, Work Plans, General Requirements, Special Inspection and Permits	1	LS	\$ 100,775	\$ 100,775	\$ 55,000	\$ 55,000	\$ 45,775	-83%	\$ 240,000	\$ 240,000	\$ (139,225)	58%	\$ 16,000	\$ 16,000	\$ 84,775	-530%
avation Sheeting, Shoring, and Bracing	1	LS	\$ 72,500	\$ 72,500	\$ 55,000	\$ 55,000	\$ 17,500	-32%	\$ 5,000	\$ 5,000	\$ 67,500	-1350%	\$ 186,000	\$ 186,000	\$ (113,500)	61%
molition	1	LS														
			\$ 100,000	\$ 100,000	\$ 21,500	\$ 21,500	\$ 78,500	-365%	\$ 114,000	\$ 114,000	\$ (14,000)	12%	\$ 142,000	\$ 142,000	\$ (42,000)	30%
pass Pumping System	1	LS														
			\$ 23,200	\$ 23,200	\$ 65,500	\$ 65,500	\$ (42,300)	65%	\$ 129,000	\$ 129,000	\$ (105,800)	82%	\$ 89,700	\$ 89,700	\$ (66,500)	74%
ctbanks	1	LS														
			\$ 223,981	\$ 223,981	\$ 371,718	\$ 371,718	\$ (147,737)	40%	\$ 232,000	\$ 232,000	\$ (8,019)	3%	\$ 152,951	\$ 152,951	\$ 71,030	-46%
ht of Way Surface Restoration	1	LS														
			\$ 50,750	\$ 50,750	\$ 69,344	\$ 69,344	\$ (18,594)	27%	\$ 76,000	\$ 76,000	\$ (25,250)	33%	\$ 112,000	\$ 112,000	\$ (61,250)	55%
ement Surface Restoration	1	LS														
			\$ 119,634	\$ 119,634	\$ 49,040	\$ 49,040	\$ 70,594	-144%	\$ 73,000	\$ 73,000	\$ 46,634	-64%	\$ 156,000	\$ 156,000	\$ (36,366)	23%
acing	1	LS	\$ 36,250	\$ 36,250	\$ 24,875.00	\$ 24,875.00	\$ 11,375	-46%	\$ 120,000.00	\$ 120,000	\$ (83,750)	70%	\$ 165,000.00	\$ 165,000	\$ (128,750)	78%
nopy	1	LS	\$ 14,500	\$ 14,500	\$ 18,500.00	\$ 18,500.00	\$ (4,000)	22%	\$ 25,000	\$ 25,000	\$ (10,500)	42%	\$ 38,000	\$ 38,000	\$ (23,500)	62%
ctrical and Instrumentation Work	1	LS														
			\$ 286,500	\$ 286,500	\$ 262,835	\$ 262,835	\$ 23,665	-9%	\$ 270,000	\$ 270,000	\$ 16,500	-6%	\$ 285,000	\$ 285,000	\$ 1,500	-1%
ndby Diesel Generator	1	LS	\$ 145,000	\$ 145,000	\$ 112,920	\$ 112,920	\$ 32,080	-28%	\$ 105,000	\$ 105,000	\$ 40,000	-38%	\$ 87,000	\$ 87,000	\$ 58,000	-67%
tems Integration and Instrumentation	1	LS														
			\$ 183,000	\$ 183,000	\$ 151,200	\$ 151,200	\$ 31,800	-21%	\$ 164,430	\$ 164,430	\$ 18,570	-11%	\$ 175,000	\$ 175,000	\$ 8,000	-5%
TOT			\$ 1,400,000		\$1,317,432.00		\$ 82,568	-6%	\$ 1,593,430.00		\$ (193,430)	12%	\$ 1,640,651.00		\$ (240,651)	15%