

**RESOLUTION NO. 15-046**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE  
AUTHORIZING THE CITY MANGER TO ENTER INTO AN AGREEMENT WITH  
PERC WATER FOR THE DESIGNING AND BUILDING OF THE PACIFIC GROVE  
LOCAL WATER PROJECT FOR AN AMOUNT NOT TO EXCEED \$7,700,000**

**FINDINGS**

1. The Pacific Grove Local Water Project (Project) consists of the designing and building of a satellite recycled water treatment plant able to produce 125 acre feet of irrigation water and a recycled water distribution system able to distribute that water to the Pacific Grove Golf Links, El Carmelo Cemetery and surrounding areas.
2. Components include: A new diversion pipeline that would be constructed from the diversion structure to the treatment facility, headworks facility (including flow metering, fine screens, and grit removal), combined biological filtration treatment using a Membrane Bioreactor process, disinfection, solids management, odor control, retrofit of the existing tanks to serve as recycled water storage reservoirs, and pump station to pressurize the recycled water distribution system.
3. The Final Environmental Impact Report was certified for the Local Water Project in November of 2014.
4. The City had conducted a rigorous evaluation process to determine the Design- Build entity that provides the City with the best overall value for design and construction of the Pacific Grove Local Water Project.
5. In February of 2015 the City issued a Request for Qualifications, and the City received 5 Statements of Qualifications (SOQ) from the following design-build entities (presented in alphabetic order).
  - Anderson Pacific/IEC
  - Auburn Constructors/HydroScience
  - Overaa Construction/Stantec
  - PercWater/Pace
  - Western Water/Summit
6. Upon the completion of the review of the SOQ's, the City determined the three D-B entities that would receive the Request for Proposals. The City issued a Request for Proposals (RFP) on March 31 to three design-build entities, again presented in alphabetic order:
  - Auburn Constructors/HydroScience
  - Overaa Construction/Stantec
  - PercWater/Pace
7. On May 8, the City received quality proposals for the design and construction of the project from all three engineering and construction teams and conducted interviews of the three firms on May 13 and 14 of 2015.

8. On June 17, 2015, City staff presented to the Council a recommendation to continue final negotiations with PERC Water for the design and construction of the Pacific Grove Local Water Project.
9. The negotiation team, consisting of the City's Legal Department, Public Works Superintendent, Environmental Programs Manager, and representatives from Brezack and Associates Planning have had multiple discussions with PERC Water to solidify this agreement, based on their design- builds team best and final offer.
10. The negotiations team has been focused on encouraging PERC Water to continue to be innovative, creative in their designs and schedules, and to continue to evaluate the capital and operational cost for this project.
11. Through the evaluation and negotiations process the City has determined that PERC Water will give the City the best overall design and construction for the Pacific Grove Local Water Project.
12. An Agreement in the amount of \$7,700,000 for the design and construction of the Local Water Project will be entered into between the City of Pacific Grove and PERC Water.
13. The City anticipates receiving a grant of approximately \$2,415,000 for construction costs determined by the State as eligible for funding. If the construction grant is obtained, the City would fund the remaining costs of \$5,285,000. The City has applied for a 30-year low-interest.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE:**

1. The Council determines that each of the Findings set forth above is true and correct, and by this reference incorporates those Findings as an integral part of this Resolution.
2. The Council authorizes the City Manager to execute an agreement with PREC Water for the design and construction of the Pacific Grove Local Water Project in amount of \$7,700,000.
3. This Resolution shall become effective immediately following passage and adoption thereof.

**PASSED AND ADOPTED** BY THE COUNCIL OF THE CITY OF PACIFIC GROVE  
this 5<sup>th</sup> day of August, 2015, by the following vote:

AYES: Mayor Kampe, Councilmembers Cuneo, Fischer, Huitt, Lucius and Peake

NOES: Councilmember Miller

ABSENT: None.

APPROVED:

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BILL KAMPE, Mayor

ATTEST:

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SANDRA KANDELL, Deputy City Clerk

APPROVED AS TO FORM:

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DAVID C. LAREDO, City Attorney