



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: JUNE 16, 2026

DEPARTMENT: PUBLIC WORKS DEPARTMENT

FROM: DAVID JACOBS, PE, PLS, PUBLIC WORKS DIRECTOR

BY: JONATHAN ESTEBAN, ASSISTANT ENGINEER
ADRIANA ROBLES, PE, CFM, CITY ENGINEER

TITLE: AWARD OF A DESIGN-BUILD CONTRACT TO GSE CONSTRUCTION FOR THE LAKE STREET LIFT STATION REPLACEMENT PROJECT

RECOMMENDED MOTION:

A motion to approve a resolution:

1. Awarding a design-build contract to GSE Construction for the first phase of the Lake Street Lift Station Replacement Project in an amount not to exceed \$918,241 and authorizing the Mayor to execute the Contract on behalf of the City;
2. Authorizing the establishment of a new Capital Improvement Program (CIP) project, “Lake Street Lift Station Replacement”; and
3. Appropriating sewer funds to new CIP.

EXECUTIVE SUMMARY:

Selection of the design-build firm for the Lake Street Lift Station Replacement Project followed a two-step procurement process. First, a Request for Qualifications (RFQ) was issued to vet and shortlist capable contractors. Second, those pre-qualified contractors were invited to submit formal project proposals through a Request for Proposal (RFP) stage.

Following review of the proposals and interviews of the shortlisted firms, GSE Construction was selected as the most qualified design-build firm for the Lake Street Lift Station Replacement Project. The project will be awarded in two phases to allow for evaluation of the preliminary design prior to awarding full design and construction. Staff is requesting the Council award a design-build contract to GSE Construction for the first phase of the Lake Street Lift Station Replacement Project for an amount not to exceed \$918,241.

BACKGROUND:

Lake Street Lift Station

The City of Salinas owns and operates a municipal sanitary sewer system (“sewer system”) that services residents and businesses within its service area. The sanitary sewer system has a service area of approximately 12,430 acres, with over 280 miles of gravity sewer mains and eleven (11) lift stations.

Lake Street Lift Station (“Lake Street LS”) is the largest sanitary sewer lift station in the City of Salinas. Lake Street LS is located near the center of the sewer collection system near Carr Lake at 146 East Rossi Street. This lift station collects flow from residential, commercial, industrial, hotels, and schools from an upstream sewer shed area of approximately 4,108 acres. Lake Street LS moves an average of 3 million gallons of raw sewage a day from upstream dischargers. The Wastewater Division of Public Works oversees operations and maintenance of the Lake Street Lift Station. Inspections and maintenance are carried out daily to keep the facility operational 24 hours per day, 7 days per week.

The sanitary sewer system is regulated under a Waste Discharge Requirement (WDR) Permit administered by the California Regional Water Quality Control Board and overseen by the Central Coast Water Board to maintain the sanitary sewer system as prescribed in the permit.

Lake Street LS is a critical component of the wastewater movement and process for downstream treatment of the generated wastewater. The Sanitary Sewer Master Plan Update adopted by City Council through Resolution No. 22648, identified Lake Street LS as the highest priority for maintenance recommending full lift station replacement/relocation given its current condition and lack of capacity. Working with Wallace Group, staff evaluated relocation options, long-term funding alternatives and short-term repairs to keep the lift station operational.

Design-Build Firm Procurement

A two-step procurement process was recommended by Wallace Group, the City’s consultant for this project, for selection of the design-build firm to allow the City to more easily vet the design-build team and the proposed design. The first step was a Request for Qualifications (“RFQ”) to establish a pool of qualified contractors.

On January 13, 2026, the RFQ for the Lake Street Lift Station Replacement Project was published via PlanetBids, the City’s online bidding platform. On February 13, 2026, four contractors submitted proposals for evaluation. An evaluation committee shortlisted three contractors to move on to the proposal process. The shortlisted contractors were GSE Construction, Anderson Pacific Engineering Construction, and Mountain Cascade, Inc.

Two informal meetings were held with each shortlisted team to respond to questions to support brainstorming efforts for lift station design.

Following the receipt of proposals from the shortlisted firm on May 12, 2026, the selection committee conducted interviews on May 29, 2026. After thoroughly evaluating the submitted proposals, preparatory meetings, and candidate interviews, the committee determined GSE Construction fully meets all project requirements.

The project will be awarded in two phases to allow for evaluation of the preliminary design prior to awarding full design and construction¹. Staff is requesting the Council to award a design-build contract to GSE Construction for the first phase of the Lake Street Lift Station Replacement Project for an amount not to exceed \$918,241. A guaranteed maximum price (GMP) contract will be brought before the City Council for award following completion of phase 1 of the project.

In accordance with the RFQ, which is consistent with the design-build process, a \$20,000 stipend will be paid to the unsuccessful shortlisted firms for their efforts in the RFP process.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

This item relates to the City Council's Strategic Plan of Infrastructure and Public Safety.

DEPARTMENTAL COORDINATION:

The participation of the Maintenance Division, who manages the operation and maintenance of the Lake Street Lift Station, is critical in the process. Staff is working with Maintenance Divisions and PW Administration in preparation of the agreement and with the Finance Division to ensure sufficient funds are available.

¹ We expect to be under construction Summer 2027.

FISCAL AND SUSTAINABILITY IMPACT:

The Lake St LS Replacement Project will be funded through a combination of sewer funds (rate payer funds and development impact fees (DIF)). DIF is responsible for 33% of the costs of improvements. Sewer funds to be appropriated into the newly created CIP.

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Remaining Budget Appropriation	Amount Requested
6400	50.XXXX-66.4000	Capital Outlays – Improvements Other than Bldg.	\$0	\$612,161
2301	50.XXXX-66.4000	Capital Outlays – Improvements Other than Bldg.	\$0	\$303,080

ATTACHMENTS:

Resolution
Design-Build Agreement
General Conditions of Agreement