

# Agenda Report



**MEETING DATE:** Tuesday, June 11, 2024

**TO:** CITY COUNCIL

**FROM:** PUBLIC WORKS & UTILITIES DIRECTOR LINDBERG  
ASST. PUBLIC WORKS & UTILITIES DIRECTOR GREEN

**SUBJECT:** AWARDING BID TO CLARK BROS., INC. IN THE AMOUNT OF  
\$5,160,000 FOR THE CONSTRUCTION OF THE WATER WELL  
NO. 4 PUMP STATION, PROJECT NO. WA-22-14557, AND  
APPROPRIATING AN ADDITIONAL \$530,000 FROM THE  
WATER ENTERPRISE FUND

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## **RECOMMENDED ACTION:**

Adopt a resolution awarding construction contract to Clark Bros., Inc. for the Water Well No. 4 Pump Station, Project No. WA-22-14557, in the amount of \$5,160,000, authorizing the City Manager to execute the said contract and appropriate an additional \$530,000 from the Water Enterprise Fund to this project.

## **BACKGROUND:**

Bids have been received for the Water Well No. 4 Pump Station, Project No. WA-22-14557, and action is needed to award the contract to the lowest responsive, responsible bidder to allow construction to proceed.

## **DISCUSSION:**

The City of Watsonville owns and operates 14 groundwater wells. These wells provide over 90% of the total water supplied to our customers. If a well becomes unavailable, water can be supplied from another well in the system, thus limiting dependence on a single supply source.

The average well is almost 50 years old. Four of these wells are over 65 years old and are approaching the end of their useful life. Due to the age of the City's existing wells, it is necessary that additional well sites be identified and developed to supplement existing sources and maintain our water system's high level of reliability. Water Well No. 4 was designed to achieve this goal.

This project is a rebid. The engineer's estimate of probable construction cost was increased from \$4 million to \$4.5 million to account for increases in construction costs since the project was initially bid in 2023.

Sealed bids were received at 250 Main Street on Thursday, May 9, 2024, at 3:00PM, at which time, the following Bids were received:

CONTRACTOR	BASE BID	ADD ALTERNATE	TOTAL BID
Clark Bros. Inc.	\$4,910,000	\$250,000	\$5,160,000
Mountain Cascade, Inc.	\$5,165,146	\$398,000	\$5,563,146
TNT Industrial, Inc.	Non-Responsive – Incorrect Bid Form		

A bid protest was submitted by Mountain Cascade, Inc. (MCI) on May 30, 2024, stating that the Clark Bros. bid should be considered non-responsive referencing a provision in the vertical turbine pump technical specifications. The protest was evaluated by staff and determined to be without merit. Staff provided a formal letter response to MCI stating the reasoning for the determination on June 5, 2024.

Staff recommends that the base bid plus add alternate be awarded in the total amount of \$5,160,000 to the lowest responsive, responsible bidder, Clark Bros., Inc. Staff also recommends that an additional 5% be allocated to the project budget within the Water Enterprise Fund to allow for potential change orders that may occur over the course of construction.

#### **STRATEGIC PLAN:**

This project supports Strategic Plan Priority:

2-Infrastructure & Environment

#### **FINANCIAL IMPACT:**

The total project amount is \$5,160,000. This project is included in the current approved budget for the Water Enterprise Fund budget #913-7831-14557. It is recommended that an additional 5% of the construction cost be allocated to cover potential change orders that may arise over the course of construction, for a total of \$5,418,000.

There is a total of \$4,890,000 appropriated for this project in Fiscal Year 23/24 and in the draft budget for Fiscal Year 24/25. Staff is therefore recommending an additional appropriation of \$530,000 be allocated from the Water Enterprise Fund into budget #913-7831-14557 to cover the total requested project budget of \$5,418,000 over the two fiscal years.

#### **ALTERNATIVE ACTION:**

No reasonable alternatives are known at this time.

#### **ATTACHMENTS AND/OR REFERENCES (If any):**

None.