

Agenda Report



MEETING DATE: Tuesday, May 28, 2024

TO: City Council

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

SUBJECT: AWARDING BID TO CLARK BROS., INC. IN THE AMOUNT OF \$9,999,000 FOR THE CONSTRUCTION OF THE ZONE 2 WATER RESERVOIR AND AIRPORT BOOSTER PUMP STATION MODIFICATION PROJECT, NO. WA-22-14829, AND APPROPRIATE AN ADDITIONAL \$6,884,400 FROM THE WATER ENTERPRISE FUN

RECOMMENDED ACTION:

Adopt a resolution awarding construction contract to Clark Bros., Inc. for the construction of the Zone 2 Water Reservoir and Airport Booster Pump Station Modification Project, No. WA-22-14829 in the amount of \$9,999,000; authorizing City Manager to execute said contract; and appropriate an additional \$6,884,400 from the Water Enterprise Fund to this project.

BACKGROUND:

Bids have been received for the Zone 2 Water Reservoir and Airport Booster Pump Station (BPS) Modification Project, No. WA-22-14829, and action is needed to award the contract to the lowest responsive, responsible bidder to allow construction to proceed.

DISCUSSION:

The Public Works & Utilities Department's proposed project includes the construction and operation of a new 2.38 million-gallon (MG) concrete above ground water storage tank at the site of the Watsonville Municipal Airport. The new tank will be sited next and adjacent to the City's existing 3 (MG) water storage tank and will provide the necessary back-up and emergency storage in the event of a catastrophic event such as an earthquake, drought, or failure of the existing tank.

The City, in collaboration with the Regional Water Management Foundation, was awarded a \$5 million grant toward the cost of design and construction of this project from the State Department of Water Resources Urban and Multi-Benefit Drought Relief Grant. The engineer's estimate was \$10,900,000. Sealed bids were received at 250 Main Street on Thursday, May 16, 2024, at 2:00PM, at which time the following Bids were received:

CONTRACTOR	BID AMOUNT
Clark Bros. Inc.	\$9,999,000
Mountain Cascade, Inc.	\$10,694,100

Staff recommends that the construction contract be awarded to the lowest responsive, responsible bidder, Clark Bros., Inc. in the total amount of \$9,999,000. Staff also recommends an additional 10% budget be allocated to the project budget with the Water Enterprise Fund to allow for potential change orders that may occur over the course of construction, or other associated project costs.

The project was previously evaluated for environmental impacts in accordance with the California Environmental Quality Act (CEQA). City Council adopted the final initial study and mitigated negative declaration for the project in Resolution No. 114-23 at the June 13, 2023, Council Meeting. The Notice of Determination was filed with the Santa Cruz County Recorder's Office and State Clearinghouse shortly thereafter.

STRATEGIC PLAN:

This project supports Strategic Plan Priority

2-Infrastructure & Environment

FINANCIAL IMPACT:

The total project amount is \$9,999,000. This project is included in the current approved budget for the Water Enterprise Fund budget #913-7855-14829. It is recommended that an additional 10% of the construction cost be allocated to cover potential change orders that may arise over the course of construction, for a total of \$10,999,000.

There is a total of \$4,114,600 currently available for this project in Fiscal Year 23/24. An additional \$6,884,400 be appropriated from the Water Enterprise Fund into budget # 913-7855-14829 to cover the total requested project budget of \$10,999,000. It is noted that \$4,850,000 of the total project cost will be reimbursed by the DWR grant funds.

ALTERNATIVE ACTION:

No reasonable alternatives are known at this time.

ATTACHMENTS AND/OR REFERENCES (If any):

None.