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Title: Reject all bids for the Wellhead Treatment Improvements Construction for Pump Stations 117 and 284 (Bid File 3747) (Council District 2 and County Island within)

Sponsors: Department of Public Utilities

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Attachments: 1. Attachment 1 - Bid Evaluation.pdf, 2. Attachment 2 - Vicinity Map.pdf

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8/20/2020	1	City Council	approved	

REPORT TO THE CITY COUNCIL

August 20, 2020

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SUBJECT

Reject all bids for the Wellhead Treatment Improvements Construction for Pump Stations 117 and 284 (Bid File 3747) (Council District 2 and County Island within)

RECOMMENDATIONS

Staff recommends that City Council reject all bids for the Construction of Wellhead Treatment Improvements for Pump Stations 117 and 284.

EXECUTIVE SUMMARY

The Department of Public Utilities, Utilities Planning & Engineering (DPU), solicited Contractor services to construct wellhead treatment improvements at Pump Station 117 (PS 117) and Pump Station 284 (PS 284). Of three bids received one was non-responsive and all exceeded the

engineer's estimate and budget allocation by 86 percent and higher. The project is funded through a State Revolving Fund loan and the loan amount is not sufficient to fund the award of a Contract. Staff therefore recommends rejection of all bids for the Project.

BACKGROUND

The Water Division maintains a network consisting of more than 260 municipal water supply wells that provide just under 50 percent of the City's potable water. Two of these wells, PS 117 and PS 284, had to be taken out of service because they exceeded the State's drinking water standard Maximum Contaminant Level (MCL) for Tetrachloroethylene (PCE). PCE is a colorless liquid solvent associated with dry cleaning, textile operations, and metal degreasing.

This project will construct a common well head treatment facility at PS 117 to treat both wells PS 117 and PS 284. Due to limited space at PS 284, a raw water pipeline needs to be installed to convey water to PS 117 for centralized treatment.

DPU solicited Contractor services through the bidding process. A notice inviting bids was published in the Business Journal and posted on the City of Fresno website on April 22, 2020. Project plans and specifications were distributed to 30 prospective bidders. Three sealed bid proposals were received and unsealed in a public opening on April 12, 2020. Of the three received bids, two were determined to be both responsive and responsible, and one was determined to be non-responsive. The two responsive and responsible bids exceed the engineer's estimate by 86 percent and 105 percent.

With the bids being over the funded loan budget amount, staff recommends Council reject all bids. Staff will review possible design alterations and rebid the project.

ENVIRONMENTAL FINDINGS

By definition provided in the California Environmental Quality Act (CEQA) Guideline Section 15378, the rejection of all bids does not qualify as a "project" and is therefore exempt from CEQA requirements.

LOCAL PREFERENCE

Local preference is not applicable as this action is not recommending award of a contract.

FISCAL IMPACT

The rejection of all bids has no financial impact to the Water Enterprise Fund or the General Fund.

Attachments:

Attachment 1 - Bid Evaluation

Attachment 2 - Vicinity Map