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Title: Award a Construction Contract to Zim Industries, Inc., in the amount of \$442,519 to drill and construct a new production well at Pump Station 28A, located at 505 West Olive Avenue (Bid File 3707) (Council District 3)

Sponsors: Department of Public Utilities

Indexes:

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Attachments: 1. Attachment 1 - Bid Evaluation and Fiscal Impact.pdf, 2. Attachment 2 - Sample Contract.pdf, 3. Attachment 3 - EA-C-97-01 Mitigated Negative Declaration.pdf, 4. Attachment 4 - Vicinity Map.pdf

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REPORT TO THE CITY COUNCIL

May 21, 2020

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SUBJECT

Award a Construction Contract to Zim Industries, Inc., in the amount of \$442,519 to drill and construct a new production well at Pump Station 28A, located at 505 West Olive Avenue (Bid File 3707) (Council District 3)

RECOMMENDATIONS

Staff recommends that City Council award a construction contract in the amount of \$442,519 to Zim Industries, Inc., to drill and construct a new production well at Pump Station 28A (PS 28A) and authorize the Director of Public Utilities, or designee, to sign all documents on behalf of the City of Fresno (City).

EXECUTIVE SUMMARY

The Department of Public Utilities, Water Division, solicited Contractor services to perform the drilling and development of a new water production well at PS 28A. Zim Industries, Inc. was found to be the lowest responsive and responsible bidder with a bid in the amount of \$442,519. The proposed replacement well is essential in ensuring appropriate levels of service are maintained in the surrounding area.

BACKGROUND

The Water Division maintains a network consisting of more than 260 municipal water supply wells that provide just under 50% of the City's potable water. The construction of new wells for this network is required to meet increased demands, replace wells that have reached the end of their useful life, or to assist in remediating water quality issues. The proposed well at PS 28A is necessary to offset lost production resulting from the recent destruction of a well in the vicinity.

In order to construct the proposed new well, the Water Division 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 March 11, 2020. Project plans and specifications were distributed to twenty-two prospective bidders. Five sealed bid proposals were received and unsealed in a public opening on April 7, 2020.

After applying the local preference 5% adjustment to the bids, Zim Industries, Inc., who submitted a bid price in the amount of \$442,519, was determined to be the lowest responsive and responsible bidder. The Staff Determination of Award was posted on the City of Fresno website on May 5, 2020. The price submitted is 11.5% below the Engineer's Estimate of \$500,000

ENVIRONMENTAL FINDINGS

The project has been previously environmentally assessed. An environmental assessment was completed for the construction of PS 28A. Mitigated Negative Declaration EA No. C-97-01 was filed by the City's Planning and Development Department with the Fresno County Clerk's Office on March 7, 1997. The construction of PS 28A, including drilling and development of the well, was included in the project description and environmentally assessed in the initial study resulting in the finding of a Mitigated Negative Declaration. Staff has performed an analysis and determined that no substantial changes have occurred with respect to the circumstances under which Mitigated Negative Declaration EA No. C-97-01 was adopted, and that no new information, which was not known and could not have been known at the time Mitigated Negative Declaration EA No. C- C-97-01 was adopted has become available. Therefore, all necessary environmental review required by the California Environmental Quality Act has been completed for the well drilling at PS 28A as contemplated by the award of this contract.

LOCAL PREFERENCE

The Local Preference provision pursuant to the Fresno Municipal Code Section 4-108(d) was applied in the Bid Evaluation. Nor-Cal Pump & Well Drilling who is the lowest bidder did not qualify for local preference. Anthony J. Prieto Water Well Drilling who is the second low bidder claimed local preference but failed to qualify because they did not affirm that at least 50% of the total value of the contract will be performed by either the bidder or subcontractors meeting the local preference criteria. After the 5% adjustments were made to the two non-local bid prices, Zim Industries, Inc. bid price of

\$442,519 was determined to be the lowest responsive and responsible bid.

FISCAL IMPACT

The project will not have any impact to the General Fund. Funds for the construction of PS 28A are included in Water Division's FY 2020 Capital Improvement Program budget within the Water Enterprise Fund (40101). The construction of replacement water wells was included in the water rate model used to create the five-year utility rate plan and subsequently adopted by City Council on February 26, 2015. No additional funding is required for this project.

Attachments:

Attachment 1 - Bid Evaluation

Attachment 2 - Sample Contract

Attachment 3 - EA-C-97-01 Mitigated Negative Declaration

Attachment 4 - Vicinity Map