



DATE: October 3, 2017

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Well No. 21 Pump Station Upgrade—
Reject Bids**

RECOMMENDATION

1. Reject the bid received for the Well No. 21 Pump Station Upgrade.
2. Direct staff to rebid the project and authorize the City Manager to award the construction contract to the lowest responsible bidder if the low bid is within the project budget.

BACKGROUND

The San Francisco Public Utilities Commission (SFPUC) supplies approximately 89 percent of Mountain View's potable water. The Santa Clara Valley Water District (SCVWD) provides approximately 10 percent of Mountain View's supply, and the remaining 1 percent is provided through groundwater wells. California Water Company also serves approximately 600 customers in Mountain View.

The City operates five groundwater wells to serve as an additional source of potable water, provide water during droughts and when supplies are temporarily reduced by the SFPUC or the SCVWD, and provide water during emergencies. Two wells are currently in service; three wells, including Well No. 21, are currently being rehabilitated. Repairs will begin on Well No. 23 in late 2017 and staff anticipates the well will be in service in early 2018.

Well No. 21 was constructed in 1997 and is located in Creekside Park located near Easy Street and Gladys Avenue. The well is currently out of service due the failure of several well components but could return to service in summer 2018 if the project is successfully rebid. On June 20, 2017, Council approved plans and specifications and authorized staff to advertise the project for bids.

ANALYSIS

On July 20, 2017, staff received one bid in the amount of \$570,000 from Blocka Construction Incorporated of Fremont, which was 30 percent higher than the Engineer's Estimate of \$440,000. Staff believes the bid climate for well rehabilitation contractors is impacted as the production of groundwater and use of wells increased during the recent drought, and the need for well repairs is continuing as water suppliers work to secure emergency and supplemental water supplies. Additionally, there is a limited number of local contractors qualified to perform major well rehabilitation work.

Because the bid was much higher than the Engineer's Estimate and exceeds the project budget, staff recommends rejecting the bid and requesting bids in late 2017 or early 2018. Winter is generally a slower season for bids and staff believes bidding during this time will yield more favorable results.

FISCAL IMPACT

Well No. 21 Pump Station Upgrade is funded from Projects 17-04 and 16-04, Water System Improvements, with a total estimated project cost of \$555,000. There is no fiscal impact associated with the recommended actions.

ALTERNATIVES

1. Do not rebid project at this time and defer construction of Well No. 21 Pump Station Upgrade to a later date.
2. Provide other direction.

PUBLIC NOTICING – Agenda posting.

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