

AGENDA ITEM NO. 2B
COUNCIL MEETING: 06/06/13
APPROVED BY

June 6, 2013

DEPARTMENT DIRECTOR 

CITY MANAGER 

FROM: PATRICK N. WIEMILLER, Director
Department of Public Utilities

BY: MARTIN A. QUERIN, PE, Assistant Director 
Department of Public Utilities, Water Division

BROCK D. BUCHE, PE, PLS, Supervising Professional Engineer 
Department of Public Utilities, Water Division

LITO G. BUCU, Supervising Engineering Technician 
Department of Public Utilities, Water Division

SUBJECT: AWARD A CONTRACT IN THE AMOUNT OF \$573,316 TO ZIM INDUSTRIES, INC., FOR THE DRILLING AND DEVELOPMENT OF A PRODUCTION WELL AT PUMP STATION 236A LOCATED AT 765 EAST SAN JOSE AVENUE (BID FILE NO. 3235) (COUNCIL DISTRICT NO. 4)

RECOMMENDATION

Staff recommends that the City Council:

1. Award a contract to Zim Industries, Inc., in the amount of \$573,316 to drill and develop a new production well at Pump Station 236A (PS 236A).
2. Authorize the Public Works Director, or his designee, to sign the contract on the City's behalf.

EXECUTIVE SUMMARY

The Department of Public Utilities, Water Division, solicited contractor services for the drilling and development of a new production well at PS 236A. Zim Industries, Inc., was found to be the lowest responsive and responsible bidder submitting a bid in the amount \$573,316. This replacement production water well is essential to ensure appropriate levels of service are maintained in the surrounding area.

BACKGROUND

The Water Division maintains a network of some 260 plus municipal water supply wells that provides 88% of the City's potable water. New wells are required to meet new demands, replace wells that have reached the end of their useful life, or assist in remediating water quality issues. The proposed well drilling is necessary for a new pump station that will augment lost production when an older outdated well in the area is decommissioned.

A well lot was previously acquired for this project and upon completion of drilling of the production water well, the remaining site improvements will be constructed under a separate contract. These site improvements are needed to make the pump station operational and will comply with the Conditional Use Permit requirements.

A notice inviting bids was published in the Business Journal on April 17, 2013 and posted on the City's website. Project plans and specifications were distributed to seven (7) prospective bidders. Two (2) sealed bid proposals were received and opened in a public opening on May 2, 2013.

Zim Industries, Inc., submitted a bid price in the amount of \$573,316 and is considered to be the lowest responsive and responsible bidder. The Staff Determination of Award was posted on the City's website on May 15, 2013. The price is 8.6% above the Engineer's Estimate of \$528,000. The other bid proposal price is \$607,275.

Staff is recommending award of a construction contract to Zim Industries, Inc., in the amount of \$573,316 to drill and develop a new production well at PS 236A and to authorize the Public Works Director, or his designee to sign and execute the contract on behalf of the City of Fresno.

ENVIRONMENTAL FINDING

The project has been previously environmentally assessed. An environmental assessment was completed for the construction of PS 236A. Mitigated Negative Declaration EA No. C-12-174 was adopted by the City's Planning and Development Department on October 19, 2012 and a Notice of Determination was filed with the Fresno County Clerk's Office on January 18, 2013. The construction of PS 236A, 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-12-174 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-12-174 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 236A as contemplated by the award of this contract.

FISCAL IMPACT

The project, which is located in District 4, will not have any impact to the General Fund. Funds for the well drilling at PS 236A are included in Water Division's FY 2013 Capital Improvement Program budget within the Water Enterprise Fund (40101). The construction and development 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 27, 2007 (Resolution 2007-79). No additional funding is required for the construction of this project.

EVALUATION OF BID PROPOSALS

FOR: DRILL NEW PRODUCTION WELL AT PUMP STATION 236A

Bid File No. 3235
Bid Opening: 5/2/13

BIDDER'S	TOTAL NET BID AMOUNT
1. Zim Industries, Inc. 4545 E. Lincoln Avenue Fresno CA 93725	\$573,316.00
2. Roadrunner Drilling and Pump Company, Inc. 80 Bee Jay Way Woodland CA 95776	\$607,275.00

Each bidder has agreed to allow the City sixty-four (64) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, May 15, 2013, 5:00 P.M.

The Engineer's Estimate for this expenditure is \$ 528,000.00 . The contract price is 8.6 % above the Engineer's Estimate. If the overage is greater than 10% or only one bid was received, give explanation:

BACKGROUND OF PROJECT (To be completed by Evaluating Department/
Division. Explain need for project/equipment):

This new Well will replace an older well which had to be destroyed due to sand/mineral production problems and non-compliance to modern construction standards and sanitary requirements. After drilling of the Production Well, Site improvements will be constructed to comply with the requirements of the Conditional Use Permit.

EVALUATION OF BID PROPOSALS

FOR: DRILL NEW PRODUCTION WELL AT PUMP STATION 236A

Bid File No. 3235
Bid Opening: 5/2/13

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ 573,316.00
to Zim Industries Inc.
as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Department Head Approval

HM J.M.C.
Title Asst. Director
Date 5/8/13

Approve Dept. Recommendation
Recommendation

Approve

Finance/Purchasing

Disapprove

Disapprove

See Attachment

FINANCE DEPARTMENT

CITY MANAGER

Jason B. MacDonald 5/9/13
Purchasing Manager Date

[Signature]
City Manager or Designee Date

Lawson Bradley 5/9/2013
Assistant Controller Date

FISCAL IMPACT STATEMENT

PROGRAM: Drill New Production Well at Pump Station 236A

Address: 765 E. San Jose Ave.

Project ID: WC00016

Fund: 40101

Org: 411501

Res Type: P236A

CO: SQ002

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$573,316.00</u>	<u>\$573,316.00</u>
Indirect Cost	<u>\$10,000.00</u>	<u>\$10,000.00</u>
TOTAL COST	<u>\$583,316.00</u>	<u>\$583,316.00</u>
Additional Revenue or Savings Generated	<u>0</u>	<u>0</u>
Net City Cost	<u>\$583,316.00</u>	<u>\$583,316.00</u>
Amount Budgeted (If none budgeted, identify source)	<u>\$590,000.00</u>	<u>\$590,000.00</u>

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