



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Shah Nawaz, Deputy Water/Wastewater Director
Art Vela, Director of Public Works

MEETING DATE: February 11, 2025

SUBJECT: Consideration of Resolution 2025-19, Approving a Construction Agreement with RE Chaffee Construction, Inc. for Project No. 2018-02W "Well C-8 Site Equipping" in the Amount of \$3,431,000 and Establishing a Total Project Budget of \$3,774,100 and Rejecting All Other Bids

RECOMMENDATION:

Adopt Resolution 2025-19.

BACKGROUND:

The need for a new municipal production well in the near future was identified in the Integrated Master Plan ("2018 IMP"), and designated as Well C-8. In an effort to implement the capital project identified in the 2018 IMP, staff implemented a phased-construction approach, typical for new municipal wells, which consists of developing the well (testing and drilling), followed by equipping.

Therefore, on September 19, 2018, staff developed and advertised a Request for Proposals (RFP) for design and inspection services for Well C-8, and subsequently awarded a contract to the highest-rated firm, Hazen and Sawyer.

Hazen and Sawyer's initial task was to review available data and assess the feasibility of locating a new municipal well in the Cabazon Storage Unit. After the completion of a preliminary well siting report in April, 2019, it was determined that it would be in the City's best interest to focus on installing the new well in the Beaumont Basin, where the City has a water storage account and where imported water purchased is stored. A site located within Tri-Pointe Homes' Atwell development was selected in early 2020 for the proposed location of Well C-8.

Subsequently, Hazen and Sawyer prepared and finalized an Initial Study/Mitigated Negative Declaration for the project and finalized technical specifications for the first phase of the construction project which included the drilling, construction, development and testing of Well C-8.

The City released an Invitation for Bids to develop the well on November 23, 2022. As a result of this Invitation for Bids, Best Drilling and Pump Inc. of Colton was awarded the construction contract via Resolution 2023-02UA to develop the well, and a notice-of-completion for developing the well was filed on December 5, 2023.

After developing the well, Hazen and Sawyer finalized the plans and specifications to equip the well, the equipping scope of work consists of but is not limited to the installation of well column pipe, vertical turbine multi-stage pumps, pump discharge header and motor, pump to waste flow control valve,

masonry building, motor control panels, main electrical switchgear and backup power diesel generator.

Subsequently, the City finalized the bidding documents and released an Invitation for Bids (IFB 24-091) on December 13, 2024. A mandatory pre-proposal meeting was held on January 6, 2025 to perform a job-walk and to go over the scope of work. As a result of the Invitation for Bids, the City received eight proposals:

<u>Contractor</u>	<u>Bid Amount</u>
RE Chaffee	\$3,431,000.00
Caliagua, Inc.	\$3,486,000.00
Pyramid Building & Engineering, Inc.	\$3,573,800.00
Innovative Construction & Solutions	\$3,818,000.00
MMC Inc.	\$3,894,000.00
Canyon Springs Enterprises	\$3,950,500.00
Pacific Hydrotech Corporation	\$3,991,500.00
SCW Contracting Corp.	\$4,097,210.00

The apparent lowest bidder is RE Chaffee Construction, Inc. of Wrightwood, California.

The City’s Purchasing staff has conducted reference checks on RE Chaffee Construction, Inc. and found that the company was responsive and responsible on similar contracts with other agencies.

As a result, staff recommends that the Construction Agreement be awarded to the lowest responsive and responsible bidder, RE Chaffee Construction, Inc. of Wrightwood, California, in the amount of \$3,431,000. A copy of the bid schedule for the lowest bid can be found attached hereto.

If awarded, staff anticipates the work to commence in early March, 2025 and to be completed within one hundred and thirty (110) working days or approximately six (5) months from the issuance of a Notice to Proceed.

JUSTIFICATION:

With expected population growth, and the associated increase in water demands, the City must add additional water production facilities to offer reliable service to existing and new customers.

As a result of the City’s Invitation for Bids (IFB 24-091), RE Chaffee Construction, Inc. is the apparent lowest bidder and is qualified to complete the scope of work.

FISCAL IMPACT:

The recommended Construction Agreement with RE Chaffee Construction, Inc. is for an amount of \$3,431,000. Staff requests a 10% contingency in the amount of \$343,100 for any unforeseen conditions or circumstances. The total project budget, including the Construction Agreement and contingency, is for an amount of \$3,774,100.

The current adopted budget for Fiscal Year 2024/2025 includes a budgeted amount of \$2,500,000 in Account No. 661-6300-471.95-08, and \$1,000,000 in Account No. 660-6300-471.95-08. An appropriation in the amount of \$274,100 is required from Fund 661 to cover the shortfall.

The project is partially funded by an Underrepresented Community (URC) set-aside grant in the amount of \$513,326 through the Urban and Multi-benefit Drought Relief Grant Program of which \$416,993.40 was invoiced to the Grantor during the well developing phase.

ALTERNATIVES:

Do not approve Resolution 2025-19 and provide alternative direction to staff.

BUDGETED?:

Yes

CONTRACT/AGREEMENT:

Yes

ATTACHMENTS:

1. [Resolution 2025-19, Award Well.docx](#)
2. [Exhibit A - C01123 - RE Chaffee IFB PW Well C-8 Site Equipping.docx](#)
3. [Resolution No. 2023-02UA \(For Reference Purposes Only\).pdf](#)
4. [IFB 24-091.pdf](#)
5. [Bid Summary.pdf](#)