



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Robert Fisher, Acting City Manager

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

MEETING DATE: February 25, 2025

SUBJECT: Consideration of Resolution 2025-29, Approving a Construction Agreement with Pacific Hydrotech Corporation for Project No. 2022-07W “M-12A Well Site Equipping and Improvements” in the Amount of \$2,440,900 and Establishing a Total Project Budget of \$2,684,990 and Rejecting All Other Bids

RECOMMENDATION:

Adopt Resolution 2025-29.

BACKGROUND:

The existing Well M-12 is located on Westward Avenue, between Highland Homes Road and Sunset Avenue and is one of many municipal wells that the City had relied on to meet its year-round water demands. The typical water production capacity of Well M-12 was approximately 900 gallons per minute or 1.3 million gallons per day.

In February 2020, City staff discovered that Well M-12 was not producing water. Through various repair attempts, a skilled contractor found that well’s external ‘screened’ casing pipes surrounded by gravel pack and the internal ‘suction’ piping consisting of pump column pipes containing line-shaft and vertical turbine pumps were stuck together and could not be extracted. The well had begun caving in, and consequently, proper abandonment of the well was necessary.

The State Water Resources Control Board’s Division of Drinking Water authorized existing Well M-12’s abandonment and redrilling of a new “Well M-12A”, to meet the City’s increasing demands for potable water. On November 8, 2023 City Council adopted Resolution 2022-13UA, awarding a professional services agreement with Dudek (consultant) for the design of Well M-12A.

The City staff working along with the design consultant Dudek, implemented a phased-construction approach which is typical for new municipal wells consisting of developing the well (testing and drilling, Phase 1), followed by equipping (Phase 2). Subsequently, Dudek prepared and finalized technical specifications for developing new Well M-12A which included drilling, construction, development and testing.

The City released an Invitation for Bids to develop the Well M-12A on August 15, 2023. As a result of this Invitation for Bids, Nor-Cal Pump & Well Drilling , Inc. of Yuba City was awarded the construction contract via Resolution 2023-10UA to develop the well, which was completed in August 2024.

After developing the well, Dudek 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 and main electrical switchgear.

Subsequently, the City finalized the bidding documents and released an Invitation for Bids (IFB-24-092) on December 19, 2024. A mandatory pre-proposal meeting was held on January 9, 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 six proposals:

<u>Contractor</u>	<u>Bid Amount</u>
Pyramid Building & Engineering, Inc.	\$2,287,500.00
H7 Contracting & Engineering	\$2,390,000.00
Pacific Hydrotech Corporation	\$2,440,900.00
Innovative Construction Solutions	\$2,485,000.00
SCW Contracting Corporation	\$2,492,574.00
MMC Inc.	\$2,644,000.00

Although Pyramid Building & Engineering, Inc. and H7 Contracting & Engineering were apparently the lowest and second lowest bidders respectively, both withdrew their bids. Therefore, Pacific Hydrotech Corporation of Perris, California, is the responsive, responsible lowest bidder.

The City's Purchasing staff has conducted reference checks on Pacific Hydrotech Corporation 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, Pacific Hydrotech Corporation of Perris, California, in the amount of \$2,440,900. A copy of the bid summary 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 (130) working days or approximately six (6) months from the issuance of a Notice to Proceed.

JUSTIFICATION:

In order to meet the City's potable water production demands, during phase 1, the existing collapsed Well M-12 was abandoned and a new Well M-12A was developed (constructed) at the same location.

Furthermore, in phase 2, to extract/produce potable water, City must 'equip' this new Well M-12A with mechanical, electrical, building and various other onsite improvements.

As a result of the City's Invitation for Bids (IFB 24- 092), Pacific Hydrotech Corporation is the apparent lowest bidder and is qualified to complete the scope of work.

FISCAL IMPACT:

The recommended Construction Agreement with Pacific Hydrotech Corporation is for an amount of \$2,440,900. Staff requests a 10% contingency in the amount of \$244,090 for any unforeseen conditions or circumstances. The total project budget, including the Construction Agreement and contingency, is for an amount of \$2,684,990.

The current adopted budget for Fiscal Year 2024/2025 includes the funding needed for the Construction Agreement and will be funded from Account No. 660-6300-471.95-08.

This project inclusive of both development and equipping phases of new Well M-12A is partially funded by an Urban and Multibenefit Drought Relief Grant in the amount of \$2,475,000.

ALTERNATIVES:

Do not approve Resolution 2025-29 and provide alternative direction to staff. Not approving Resolution 2025-29 will impact the City's ability to meet it's water demand during the summer months and may also require the City to pay back grant funds that have been spent on the project.

BUDGETED?:

Yes

CONTRACT/AGREEMENT:

Yes

ATTACHMENTS:

1. [Resolution 2025-29, Award Well M12A.docx](#)
2. [Exhibit A - C00124 Pacific Hydrotech Corporation - M-12A Well Site Equipping.pdf](#)
3. [Resolution No. 2022-13UA \(For Reference Purposes Only\).pdf](#)
4. [Resolution No. 2023-10UA \(For Reference Purposes Only\).pdf](#)
5. [IFB-24-092 M-12A Well Site Equipping and Improvements.pdf](#)
6. [Bid Summary.pdf](#)