



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**May 2, 2023**

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**TOPIC:** Well 32 Rehabilitation Project

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**AGENDA TITLE**

Award a Construction Contract to Pacific Hydrotech Corp. in the Amount of \$12,795,865 for the Well 32 Rehabilitation Project, with an Estimated Project Delivery Cost of \$16,634,625 (Project No. 13-6433) (Non-General Fund)

**RECOMMENDED ACTION**

1. Award a construction contract to Pacific Hydrotech Corp., the lowest responsible bidder, in accordance with the base bid in the amount of \$12,795,865 for construction of the Well 32 Rehabilitation Project, for a term beginning May 2, 2023, and ending upon project completion, and authorize the City Manager to execute the contract subject to non-substantive changes approved by the City Manager and the City Attorney.
2. Approve the Project Cost Analysis for a total estimated construction delivery cost of \$16,634,625, which includes \$12,795,865 for the construction contract, \$1,224,820 for contract management, \$694,560 for contract administration, inspection, and testing, and a \$1,919,380 project contingency for unanticipated or unforeseen work.

**DISCUSSION**

The Public Works Agency's Water Resources Division oversees and maintains the daily operations of the City's water and sanitary sewer systems. The water system is comprised of approximately 480 miles of water main, 21 groundwater wells, seven pump stations, 10 reservoirs with a storage capacity of 49 million gallons, four pressure regulating stations, and seven connection points to the Metropolitan Water District. The system has an average daily demand of 30 million gallons from its roughly 45,000 service connections.

Due to the age of the existing Well 32 infrastructure and equipment, constructed in 1985, the well's capacity to produce water has been significantly reduced. While the well is 38 years old, it is considered one of the City's newer wells and it still can be brought back to efficient service. The proposed rehabilitation project will ensure that the City of Santa Ana can continue to provide safe drinking water and meet the demands of the Santa Ana community.

The Well 32 Rehabilitation Project is located at Morrison Park and includes construction at the following three locations: Morrison Park; within the City street rights-of-way along Westwood Avenue, Memory Lane, and Bristol Street; and at the John Garthe Reservoir site (Exhibit 1). The scope of work includes the demolition of the existing underground well vault and appurtenances, building a new above-ground well building with a pump and electrical room, site improvements; Morrison Park improvements consisting of the repair and resurfacing of the basketball and tennis courts, replacement of the tennis court fence enclosure, and replacement of the court lighting and corresponding electrical facilities. Within City street rights-of-way, the 12-inch well discharge piping, with parallel fiber optic facilities, will be constructed from the well site at Morrison Park to the John Garthe Reservoir site. At the John Garthe Reservoir site, the work includes construction of a chemical building, which includes the City's standard disinfection system, sodium hypochlorite generation equipment; restroom facility, associated on-site piping including pressure control and chemical injection vaults, and electrical upgrades to the John Garthe Pump Station.

#### Project Funding

In order to bring this critical piece of water infrastructure back online, staff has sought additional funding sources to complete the project. In 2015, the City entered into an agreement with the Orange County Water District that will allow the City to operate Well 32 beyond its Basin Equity Adjustment (BEA). This agreement allows the City to be exempt from paying BEA fees above the normal limit, which in turn, will greatly reduce pumping costs of the well up to \$4,600,000. In 2018, the City received \$750,000 in federal Bureau of Reclamation grant funds for project construction. In 2022, the City entered into a low-interest loan agreement with the California State Water Resources Control Board under their Drinking Water State Revolving Fund for \$5,249,105 of additional funds, and will pursue additional funds through this program.

#### Public Outreach and Contractor Participation

To provide an opportunity for local vendors to submit bids, the City notified a total of 1542 regional vendors via PlanetBids, many of which are Santa Ana based. A total of six bids were received, none of which were from Santa Ana contractors.

As legally required, a Notice Inviting Bids was advertised in the Orange County Register newspaper on November 29, and December 6, of 2022. The project was also advertised on PlanetBids from November 28, 2022 through January 26, 2023. Bids were received electronically via PlanetBids on January 26, 2023.

Bid Results Summary

<b>Rank</b>	<b>Bidder's Name</b>	<b>Location</b>	<b>Base Bid</b>
1	Pacific Hydrotech Corp.	Perris, CA	\$12,795,865
2	MMC, Inc.	La Palma, CA	\$12,921,518
3	Metro Builders & Engineers Group, Ltd.	Newport Beach, CA	\$13,295,772
4	Myers & Sons Construction, LLC.	Sacramento, CA	\$13,763,000
5	Caliagua, Inc.	Anaheim, CA	\$13,868,504
NR	GMZ Engineering, Inc.	Westlake Village, CA	Non-Responsive

A total of six bids were received, but only five were deemed responsive. Pacific Hydrotech Corp., submitted the lowest responsive base bid in the amount of \$12,795,865 (Exhibit 2). As specified in the bid documents, the lowest bid shall be determined on the basis of the Base Bid. Based on the bid analysis and a contractor's reference check, staff recommends awarding the construction contract to Pacific Hydrotech Corp., in the amount of the base bid totaling \$12,795,865 (Exhibit 3).

The lowest bidder was GMZ Engineering, Inc. with a base bid amount of \$12,045,735. After reviewing the bid proposal GMZ Engineering, Inc., it was deemed non-responsive and non-responsible. GMZ Engineering, Inc. was non-responsive because their bid proposal did not include the DBE Good Faith Effort documentation. GMZ Engineering, Inc. was deemed non-responsible as well because their bid and relevant experience demonstrated insufficient familiarity with the project's scope of work outlined in the contract documents. Therefore, the second lowest bidder, Pacific Hydrotech Corp., was selected to be awarded this project with a base bid of \$12,795,865.

Project Delivery

To deliver a complete project, in addition to the construction contract, the estimated total project delivery cost includes construction management and administration, inspection, and testing, along with an allowance for contingencies to account for unexpected or unforeseen conditions.

On June, 21, 2022, the City Council awarded a contract of \$1,224,820 to Butier Engineering for Construction Management services including construction administration and inspection duties. Construction administration and inspection includes construction management; inspection of the Contractor's work to ensure contract compliance, workmanship, and quality; and materials testing. As indicated in

the Cost Analysis (Exhibit 4) and as summarized in the table below, the estimated total construction delivery cost of the project is \$16,634,625.

Project Item	Prior Awarded Total	Current Total	New Total
Construction Contract		\$12,795,865	\$12,795,865
Construction Management, Inspection, Testing	\$1,224,820		\$1,224,820
Construction Administration		\$694,560	\$694,560
Contingencies		\$1,919,380	\$1,919,380
<b>TOTAL CONSTRUCTION DELIVERY COST</b>	<b>\$1,224,820</b>	<b>\$15,409,805</b>	<b>\$16,634,625</b>

### **ENVIRONMENTAL IMPACT**

In accordance with the California Environmental Quality Act, a Mitigated Negative Declaration was prepared for the project and was filed with the document number 2019109068.

### **FISCAL IMPACT**

As indicated in the Cost Analysis, the estimated total construction delivery cost of the project is \$16,634,625. This includes additional \$15,409,805 for construction, contract administration and an authorized contingency, as well as \$1,224,820 prior awarded funds for construction management, inspection, and testing.

Funds for this project have been transferred from previously appropriated funds for the French Park Neighborhood Water Main Improvement Project (19-6427), Cambridge Pump Station Improvement Project (20-6434), PRV Power & Control Improvements Project (20-6435), and East & West Chlorine Buildings Project (21-6445) to the Well 32 Rehabilitation Project (13-6433).

The following table summarizes the funds budgeted and available for expenditure to deliver construction of this project. Any remaining balances not expended at the end of the fiscal year will be presented to City Council for approval of carryovers to FY 23-24.

Fiscal Year	Accounting Unit - Account No. (Project No.)	Fund Description	Accounting Unit - Account No. Description	Amount
Prior Authorized Funds (Transfers)				
2022-23	06617647-66301 (13-6433)	Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$4,197,825

<b>Fiscal Year</b>	<b>Accounting Unit - Account No. (Project No.)</b>	<b>Fund Description</b>	<b>Accounting Unit - Account No. Description</b>	<b>Amount</b>
Existing Project Budget				
2022-23	06617647-66301 (13-6433)	Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$10,461,980
2022-23	16417641-66220 (13-6433)	PWA Enterprise Capital Grants	WaterSMART-Watershed Management Program, Improvements Other Than Buildings	\$750,000
<b>Total</b>				<b>\$15,409,805</b>

**EXHIBIT(S)**

1. Location Map
2. Bid Proposal
3. Construction Contract
4. Cost Analysis
5. CIP Project Sheet

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Approved By: Kristine Ridge, City Manager