



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
July 18, 2023

TOPIC: New Water Well Drilling at Washington Site

AGENDA TITLE

Award a Construction Contract to Best Drilling and Pump, Inc. in the Amount of \$2,978,524 for the Washington Well Improvements: Well Drilling (Phase 1), with an Estimated Project Delivery Cost of \$3,432,274 (Project No. 19-6423) (Non-General Fund)

RECOMMENDED ACTION

1. Award a construction contract to Best Drilling and Pump Inc., the lowest responsible bidder, in accordance with the base bid in the amount of \$2,978,524, subject to change orders (not-to-exceed 25% of the base bid) in accordance with the Greenbook: Standard Specifications for Public works Construction, for construction of the Washington Well Improvements: Well Drilling (Phase 1) Project, for the term beginning July 18, 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 \$3,432,274 which includes \$2,978,524 for the construction contract, \$100,000 for contract administration, inspection, and testing, and a \$353,750 project contingency for unanticipated or unforeseen work.

DISCUSSION

The ultimate Washington Well Site Improvements Project includes the construction of a new groundwater well, including piping and electrical equipment, a well building, and a chemical storage building located at the intersection of Washington Avenue and Penn Way (Exhibit 1). The project creates an additional local water supply, which improves the City's long-term resilience, and closes the projected gap between future demand and available supply by adding over 4,000 acre-feet per year to the City's pumping capacity. This promotes less reliance on imported water, which, in turn, reduces wholesale water costs. The project will also address low-pressure deficiencies, improve reliability, and increase flexibility within the City's water system.

Phase 1 of the project includes drilling of the well bore hole to a depth of 1,300 feet below ground surface, installation of 18-inch stainless steel well casing and screen, filter packs, geophysical surveys, water quality testing, installation of construction sound walls, and all other incidental work as specified in the construction plans and contract documents.

Project Funding

As part of a continual effort to maintain fiscal responsibility, staff has sought additional funding sources to complete the project. In 2021, the City was awarded \$750,000 in federal Bureau of Reclamation grant funds, \$740,000 of which is available for project construction costs. Additional grant funds in the amount of \$3,394,743 are anticipated to be awarded to the project during the current calendar year via the State of California Department of Water Resources Proposition 1 Implementation Grant Program.

Public Outreach and Contractor Participation

To provide an opportunity for local vendors to submit bids, a Notice Inviting Bids was advertised in the Orange County Register newspaper on March 17 and March 24, 2023. The project was also advertised on PlanetBids, and bids were received electronically via PlanetBids on April 27, 2023.

The City notified a total of 940 regional vendors via PlanetBids, 42 of which are Santa Ana based. Twenty-eight vendors requested bidding documents. A total of four bids were received. However, no bids were received from Santa Ana contractors.

Bid Results Summary

Rank	Bidder's Name	Location	Base Bid
1	Best Drilling and Pump, Inc.	Colton, CA	\$2,978,524
2	Nor-Cal Pump & Well Drilling, Inc.	Yuba City, CA	\$3,197,304
3	Layne Christensen Company, Inc.	Redlands, CA	\$3,500,998
NR	South West Pump & Drilling, Inc.	Coachella, CA	\$2,774,283

Of the four bids received, one was deemed not responsive. Best Drilling and Pump, Inc. submitted the lowest responsive base bid, in the amount of \$2,978,524 (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 Best Drilling and Pump, Inc., in the amount of the base bid totaling \$2,978,524 (Exhibit 3).

Best Drilling and Pump, Inc. has not performed as a prime contractor in the City of Santa Ana within the past five years. A reference check was made and received good

reviews from other public agencies regarding quality of work performed by Best Drilling and Pump, Inc.

Project Delivery

To deliver a complete project, in addition to the construction contract bid amount, the estimated total project delivery cost includes construction administration, inspection, and testing, along with an allowance for contingencies to account for unexpected or unforeseen conditions. Construction administration and inspection includes the following: construction management 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 \$3,432,274.

Project Item	Total
Construction Contract Bid Amount	\$2,978,524
Construction Administration, Inspection, Testing	\$100,000
Contract Contingencies	\$353,750
TOTAL ESTIMATED CONSTRUCTION DELIVERY COST	\$3,432,274

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 2021110169.

FISCAL IMPACT

Project No. 19-6423 is the number assigned to the funding for tracking of all expenditures to deliver the construction of this project. As indicated in the Cost Analysis, the estimated total construction delivery cost of the project is \$3,432,274 which includes the construction contract, contract administration, inspection, testing, and project contingency.

Funds for this project have been transferred from previously appropriated funds for the East Pump Station Security Fencing Project (19-6433) to the Washington Well Improvements: Well Drilling (Phase 1) Rebid Project (19-6423).

The proposed contract enables Staff to authorize a change order (not-to-exceed 25% of the base bid) in accordance with the Greenbook: Standard Specifications for Public Works Construction, if necessary, for contingencies. Staff expects to utilize other available Public Works appropriations if a contingency becomes necessary to complete the project. If there are no other available appropriations, then Staff will return to the City Council with a project update and recommendations.

The following table summarizes the funds budgeted and available in current FY 23-24 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 24-25.

Fiscal Year	Accounting Unit - Account No. (Project No.)	Fund Description	Accounting Unit - Account No. Description	Amount
Prior Authorized Funds (Transfers)				
2023-24	06617647-66301 (From 19-6433 To 19-6423)	Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$600,034
Existing Project Budget				
2023-24	06617647-66301 (19-6423)	Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$2,092,240
2023-24	16417641-66220 (19-6423)	PWA Enterprise Capital Grants	WaterSMART-Watershed Mgmt Prog, Improvements Other Than Buildings	\$740,000
Total				\$3,432,274

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