



September 7, 2016

TO: LOCSO Board of Directors

FROM: Rob Miller, District Engineer

SUBJECT: Agenda Item 11G – 9/15/2016 Board Meeting
Adopt Resolution Awarding Contract to North State Drilling for the 8th Street Upper Aquifer Well Project, Phase 1

President

Marshall E. Ochylski

Vice President

Jon-Erik G. Storm

Directors

Charles L. Cesena
Louis G. Tornatzky
R. Michael Wright

Interim General Manager

Peter J. Kampa

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DESCRIPTION

The Board previously authorized the formal bid process and execution of the related construction contracts for drilling of the 8th Street Upper Aquifer well. The District Engineer conducted the formal bid process and the lowest responsive, responsible bid is higher than the cost estimate, requiring Board approval.

SUMMARY OF STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board adopt Resolution 2016-34 awarding contract to North State Drilling in the amount of \$118,860 for drilling of 8th Street Upper Aquifer well and authorize the general manager to execute the construction contract.

DISCUSSION

At the June 2, 2016 meeting, the Board approved the 8th Street Upper Aquifer well project, which is one of the Program A projects of the Los Osos Groundwater Basin Plan. Resolution 2016-19 authorized the District Engineer to conduct the formal bid process and the District General Manager to execute related construction contracts for drilling of the well.

The District Engineer completed the competitive bid process which ended on August 4, 2016. There were three bidders, and the lowest responsive, responsible bidder was North State Well Drilling at \$118,860, which is 19% higher than the estimated cost of the well drilling estimated at \$100,000 and was contained in the approved 2015/16 budget. The District Engineer has reviewed the contract and the motion before the Board today, is to authorize the GM to execute North State Well Drilling's \$118,860 construction contract for drilling of the well.

This project has a CIP budget of \$540,000, and it should be completed as previously endorsed by the UAC and the Board (Table 5 Bartle Wells Rate Study, Project BP-2).

If the well proves favorable, including quality sufficient for blending without treatment, we will bring back an additional bid package for equipping the well, which is likely to include provisions for a non-potable fill station, assuming the well is high in nitrate. The well is expected to produce approximately 100 acre-feet per year.

FINANCIAL IMPACT

Funding for this Phase 1 project will be coded to the Capital Outlay Expense for Infrastructure and Improvements general ledger code 9006, fund 500 water. This project was budgeted for in the FY 2015/2016 budget and not used. Necessary funding transfers will come from the General Contingency Reserve at year-end.

Attachments

RESOLUTION NO. 2016-34

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT
AWARDING CONTRACT FOR DRILLING OF 8TH STREET UPPER AQUIFER WELL, PHASE 1
TO NORTH STATE WELL DRILLING**

WHEREAS, pursuant to the California Government and Public Contract Codes , the Board of Directors of a community services district is required to award specified construction contracts to the lowest responsive, responsible bidder after advertisement for such bids; and

WHEREAS, the Los Osos Community Services District Board of Directors (Board) on June 2, 2016, approved the call for bids on a contract for the drilling of the 8th Street Upper Aquifer Well, Phase 1, and

WHEREAS, the previous authorization for the project contemplated the execution of a construction contract of up to the cost of \$90,000.00 for the Phase 1 work; and

WHEREAS, although the lowest responsible bid is in the amount of \$118,860.00, authorizing the execution of the contract at that amount is superior to rejecting all bids and starting over.

NOW, THEREFORE, BE IT RESOLVED that the Los Osos Community Services District Board of Directors does hereby approve the award of the contract to North State Well Drilling in the amount of \$118,860.00; and

BE IT FURTHER RESOLVED, that the General Manager is hereby authorized to execute a construction contract with North State Well Drilling for Phase 1 of the 8th Street Upper Aquifer Well in the amount of North State Well Drilling's bid as stated above; and

BE IT FURTHER RESOLVED, that the General Manager is hereby authorized to execute construction change orders for said project in excess of the contracted amount by a maximum of 10% should such changes be determined necessary by the General Manager in consultation with the District Engineer.

On the motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

Ayes: _____

Nays: _____

Absent: _____

Conflicts: _____

The foregoing resolution is hereby passed, approved, and adopted by the Board of Directors of the Los Osos Community Services District this 15th day of September, 2016.

Marshall E. Ochylski
President, Board of Directors
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

Peter J. Kampa
Interim General Manager and Secretary to the Board

Roy A. Hanley
District Legal Counsel

AGREEMENT

LOS OSOS COMMUNITY SERVICES DISTRICT

8TH STREET UPPER AQUIFER WELL

This Agreement, made and entered into this _____ day of 20____, at _____, California, by and between the LOS OSOS COMMUNITY SERVICES DISTRICT referred to as the "OWNER", and _____ hereinafter referred to as the "Contractor."

WHEREAS, the Contractor, as will appear by reference to the records of the Proceedings of the OWNER, was duly awarded the Contract for the Work hereinafter mentioned.

NOW, THEREFORE, IT IS HEREBY AGREED THAT:

ARTICLE 1 - Witness to, that for and in consideration of the payment and agreements hereinafter mentioned, to be made and performed by said OWNER, and under the conditions expressed in the two bonds, bearing even date with these present, and hereunto annexed, said Contractor agrees with said OWNER, at its own cost and expense, to do all the work and furnish all materials, except such as are mentioned in the Contract Documents to be furnished by the OWNER, necessary to construct and complete in good, workmanlike and substantial manner for the below described work in accordance with the Contract Documents as listed herein and are by such reference made a part hereof.

The work generally consists of the following: Drilling of one 10" diameter stainless steel water well in the upper aquifer, Los Osos, CA.

ARTICLE 2 - The said OWNER hereby promises and agrees with the said Contractor to employ, and does hereby employ, the said Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to, for the price aforesaid, and hereby contracts to pay the same at the time, in the manner, and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, and administrators.

1. ARTICLE 3 - The said Contractor agrees to receive and accept the price stated in the preceding Bid Sheet as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this Agreement; also for all loss or damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the said OWNER and for all expenses incurred by or in consequence of the suspension or discontinuance of the Work; and for well and faithfully completing the Work, and the whole thereof in the manner and according to the requirements of the Contract Documents therefore, and the requirements of the Engineer under their terms, to wit. Refer to Article 4.6 of the Supplementary General Conditions for retention to be withheld from Progress Payments.

ARTICLE 4 - This contract constitutes the entire agreement of the parties. No other agreements, oral or written, pertaining to the work to be performed under this contract exist between the parties. This contract can be modified only by an agreement in writing signed by both parties. It is also expressly agreed by and between the parties hereto that the Contract Documents shall consist of:

- Notice Inviting Bids
- Instructions to Bidders
- Bid Forms including the Bid, Bid Schedule(s), Information Required of Bidder, Bid Bond, and all required certificates and affidavits
- Performance Bond
- Payment Bond
- General Conditions
- Supplementary General Conditions
- Technical Specifications
- Addenda numbers _____ to _____, inclusive
- Change Orders which may be delivered or issued after Effective Date of the Agreement and are not attached hereto

There are no Contract Documents other than those listed in this Article 4. The Contract Documents may only be amended by Change Order as provided in Article 10 of the General Conditions.

ARTICLE 5 - Contractor agrees to commence work pursuant to this Contract on the date specified in the Notice to Proceed, and to diligently prosecute the same to completion within the time stipulated in the INSTRUCTIONS TO BIDDERS, Article 2.

ARTICLE 6 - The Contractor shall defend, indemnify and save harmless the OWNER, its officers, agents and employees from any and all claims, demands, damages, costs, expenses or liability occasioned by the performance or attempted performance of the provisions hereof.

ARTICLE 7 - If either party becomes involved in arbitration or litigation arising out of this contract or the performance of it, the court or tribunal in such arbitration or litigation or in a separate suit shall award reasonable costs and expenses of arbitration and litigation, including expert witness fees and attorney fees, to the prevailing party or parties.

ARTICLE 8 - No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically but without limitation monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

OWNER and Contractor each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns and legal

representatives in respect of all covenants, agreements and obligations contained in the Contract Documents.

IN WITNESS WHEREOF, OWNER and Contractor have caused this Agreement to be executed the day and year first above written.

LOS OSOS COMMUNITY
SERVICES DISTRICT

CONTRACTOR _____

By _____

By _____
[CORPORATE SEAL]

Attest _____

Attest _____

Address for giving notices

Address for giving notices

License No. _____

Approved as to Form:

(Signature)

Agent for service of process: _____

(Title)
