



April 7, 2022

TO: LOCSO Board of Directors

FROM: Ron Munds, General Manager

SUBJECT: Agenda Item 9G – 04/07/2022 Board Meeting
Program C Well Drilling Bid Rejection Notice and Re-noticing a Revised Bid Procurement Package.

DESCRIPTION

President
Matthew D. Fourcroy

Vice President
Charles L. Cesena

Directors
Troy C. Gatchell
Marshall E. Ochylski
Christine M. Womack

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
Eddy Moore

Battalion Chief
Paul Provence

At the March 3, 2022, the Board approved the release of a bid package for the drilling phase of the Program C Well Project. The Engineering Estimate for the project is \$541,000. The District received one bid from Zim Industries in the amount of \$997,990. Staff is requesting that the Board authorize a bid rejection notice to Zim Industries and approve the re-noticing of the bid package with some minor modifications which include new bid submittal date, revised project schedule and a revised Engineer's Estimate for the cost of the project.

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:

- 1. Authorize a bid rejection notice to Zim Industries for the drilling phase of the Program C Well Project; and***
- 2. Approve the re-noticing of the revised bid procurement packages outlined in this report; and***
- 3. Approve a revised Construction Contingency of 10% in the amount of \$68,582; and***
- 4. Authorize the General Manager to execute the related contract if the lowest responsive bid is deemed a reasonable bid, and proximate to the revised Engineer's Estimate including the 10% contingency for a revised project total of \$754,402.***

Mailing Address:
P.O. Box 6064
Los Osos, CA 93402

Offices:
2122 9th Street, Suite 110
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.losososcso.org

DISCUSSION

Background

At the March 3, 2022, the Board approved the release of a bid package for the drilling phase of the Program C Well Project. The Engineering Estimate for the project was \$541,000 with contingencies. The District received one bid from Zim Industries in the amount of \$997,990.

After conferring with the project management team, Wallace Group and Cleath-Harris Geologists, it was recommended that the District reject the

Zim Industries project bid and re-notice the bid package with the following modifications:

- New bid submittal deadline of May 7, 2022
- Revised project schedule extending the construction period to November 30, 2022
- Revised engineering estimate which includes an increase in the construction contingency from 5% to 10% as follows:

Revised Estimated Drilling Phase Cost Summary	
Activity	Cost
Construction	\$685,820
Recommended 10% Construction Contingency	\$68,582
Total Estimated Cost	\$754,402

Unfortunately, general construction costs have been hard to predict with the supply chain and material availability issues that have surface during the past two years. Staff and the project management team believe the revised project costs are as accurate as can be projected at this time. If bids come in higher than estimated, staff will return to the Board with options to construct this phase of the Program C Well Project.

Attachment

Revised Notice to Contractors (complete bid document will be available on the District’s website at lososocsd.org)

PROJECT MANUAL

FOR THE

LOS OSOS COMMUNITY SERVICES DISTRICT

2122 9TH STREET

LOS OSOS, CA 93402

(805) 528-9370

PROGRAM C WATER SUPPLY WELL

Prepared by:

WALLACE GROUP

612 Clarion Court

San Luis Obispo, CA 93401

805 544-4011

APRIL 2022

0384-0011



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CERTIFICATION

In accordance with the provisions of Section 6735 of the Business and Professions Code of the State of California, these specifications have been prepared by or under the direction of the following Professional Engineers licensed in the State of California:

A handwritten signature in blue ink that reads "Steven G. Tanaka" followed by a long horizontal flourish.

STEVEN G. TANAKA, PE C49779 EXP. 09/30/2024

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NOTICE, PROPOSAL AND AGREEMENT FORMS

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NOTICE INVITING BIDS

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LOS OSOS COMMUNITY SERVICES DISTRICT

PROGRAM C WATER SUPPLY WELL

NOTICE INVITING BIDS

NOTICE IS HEREBY GIVEN that the LOS OSOS COMMUNITY SERVICES DISTRICT (Owner) hereby invites sealed bids which will be received at:

LOS OSOS COMMUNITY SERVICES DISTRICT
2122 9TH STREET
LOS OSOS, CA 93402

until **May 9, 2022, at 3 pm PST**, or such later date as may be set by Addendum, at which time and at the above address, they will be publicly opened and read aloud for performing the following work:

SUPPLEMENTAL BIDDING INSTRUCTIONS DUE TO CORONA VIRUS PANDEMIC – Bids shall be submitted by mail, delivery service, or in person via the District's existing mail slot. The District's offices are currently closed to the public due to the Corona Virus Pandemic. Bidders are responsible for confirming their bids are received by District staff by the bid due date and time. The District will not take any responsibility for late bids and will not be maintaining watch at the front door to witness when packages are delivered. If delivery services are used to deliver the package, Bidders must make arrangements to ensure the Bidder or delivery service notifies the District when a package is delivered. If Bidder uses the mail slot for delivery, it is recommended that Bidder call the District immediately, and verify the date and time the package was received by District staff. The date and time that District staff confirms receipt of the bid package, is considered the official submission date and time by the Bidder. No in-person receipts will be issued documenting receipt of bids; District staff will endeavor to notify Bidders by email of the date and time their respective bids are received.

DESCRIPTION OF WORK: The work is comprised of providing all necessary labor, materials, accessories, equipment, and supervision to provide a 700-foot deep, 12" diameter stainless steel potable water supply well inside a 22" diameter borehole as shown on the Project technical specifications. The Work includes drilling of the well, well development and completion, disposal of cuttings, disposal of development water, and all other work to make the potable water well complete and functional as specified.

LOCATION OF THE WORK - The work is located in Los Osos, CA and more specifically at the intersection of South Bay Boulevard and Bay Oaks Drive, Los Osos, CA.

BID OPENING - Telephones will not be available to bidders for the preparation of the bids or for calling in bid results. Bid forms received after the designated time will not be accepted. Bidders, their authorized agents and other interested parties, are invited to attend the bid opening.

AWARD OF CONTRACT- The OWNER intends to award a contract **to the lowest, responsive, and responsible bidder to the bid schedule delineated in these contract documents.** All

bids submitted shall be in accordance with the provisions of the Contract Documents and the OWNER may waive any minor irregularities or reject any and all bids. Any bid may be withdrawn prior to bid opening but not afterward.

FORM OF THE BID - Bidders must submit proposals on the proposal bid form provided. Proposals will not be considered unless submitted on proposal forms included in the Contract Documents obtained from the OWNER. There will not be a pre-bid conference for this Project. The bidder may contact Steven Tanaka at 805-441-2293 for additional information or any questions.

BID SECURITY - Each proposal must be accompanied by cash, a certified or cashier's check, or bidder's bond on the prescribed form and made payable to the OWNER for an amount equal to at least 10 percent of the amount of the Bid, such guaranty to be forfeited should the apparent successful bidder to whom the contract is awarded fail to furnish the required bonds and insurance certificates, and enter into contract with the OWNER within the time stated in the Proposal requirements. Proposals cannot be withdrawn for the period of time specified in Article 10 of the Instructions to Bidders.

PERFORMANCE SECURITIES – The successful bidder will be required to furnish a payment bond and faithful performance bond in the full amount of the Contract price, and insurance with certificates and endorsements of insurance, as provided in the Contract Documents. The required bonds must be provided only by a surety insurer who is in good standing with the State of California Department of Insurance.

CONTRACTOR LICENSING - In accordance with the provisions of California Public Contract Code Section 3300, the OWNER has determined that the contractor shall possess a valid **C57 Well Driller's License** at the time of bid issuance. Failure to possess the specified license shall render the Bid as non-responsive and shall act as a bar to award of the Contract to any bidder not possessing said license at the time of award. In the event of dispute over classification of the license required, the opinion of the contractor's State License Board shall prevail.

WAGE RATE REQUIREMENTS - In accordance with the provisions of California Labor Code Sections 1770, 1773, 1773.1, 1773.6 and 1773.7 as amended, the Director of the Department of Industrial Relations has determined the general prevailing rate of per diem wages in accordance with the standards set forth in Section 1773 for the locality in which the work is to be performed. A copy of said wage rates is on file at the office of the OWNER. It shall be mandatory upon the contractor to whom the work is awarded and upon any subcontractor under the contractor to pay not less than said specified rates to all workmen employed by them in the execution of the work.

CONTRACTOR REGISTRATION WITH DEPARTMENT OF INDUSTRIAL RELATIONS – In accordance with California Labor Code Section 1725.5, Contractors and Subcontractors (as defined by California Labor Code Section 1722.1) bidding on Public Works contracts in California shall be registered with the Department of Industrial Relations **prior to bidding**. Contractor shall verify that this requirement has been met, prior to award of Contract.

AGREEMENT TO ASSIGN - In accordance with Section 4552 of the California Government Code, the bidder shall conform to the following requirements: In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act 15 U.S.C. 15, or under the Cartwright Act, Chapter 2.

DEPOSIT OF SECURITIES IN LIEU OF RETAINAGE - The Contractor may elect to receive 100 percent of payment due under the Contract Documents from time to time, without retention of any portion of the payment by the OWNER, by depositing securities of equivalent value with the OWNER in accordance with the provisions of Section 20300 of the California Public Contract Code. Such securities, if deposited by the Contractor, shall be valued by the OWNER, whose decision on valuation of the securities shall be final. Securities eligible for investment under this provision shall be limited to those listed in Section 16430 of the California Government Code or bank or savings and loan certificates of deposit.

CONTRACT DOCUMENTS - Contract Documents, including Instructions to Bidders, the Contract Specifications and Drawings may be viewed and obtained at the office of the Engineer, Wallace Group, 612 Clarion Court, San Luis Obispo, California 93401 and the Owner, 2122 9th Street, Los Osos, CA 93402.

Only PDF electronic copies of the bid documents will be made available to bidders, at no charge to bidders. The special attention of prospective bidders is called to the Instructions to Bidders portion of the Contract Documents for full directions for bidding the Work.

The successful bidder must insure that employees and applicants for employment are not discriminated against on the basis of age, color, race, national origin, ancestry, religion, sex, sexual preference, marital status, and shall comply with the Americans with Disabilities Act.

Date: 4/1/22

OWNER: 
RON MUNDS, GENERAL MANAGER

END OF NOTICE INVITING BIDS