

BASTIAN ENGINEERING

R.C.E. 45489 L.S. 7045

ENGINEERING • SURVEYING • PLANNING • DESIGN

May 12, 2023

TO: Johnsville Public Utility District
 Board of Directors

FROM: Daniel B. Bastian, District Engineer

RE: BID OPENING AND AWARD RECOMMENDATION OF THE JOHNSVILLE TANK IMPROVEMENT AND LIQUID CHLORINATION PROJECT

Four bids were received at the bid opening on April 4, 2023. Bid amounts ranged from \$1,984,590 (Stewart Engineering) to \$2,279,790 (Farr Construction). The adjusted post bid Engineer's Estimate was \$1,835,460 (for changes made due to Addendums #1 & #2). See attached Bid Tabulation Summary Table, Addendums #1, #2 and #3, and the Stewart Engineering Inc. experience spreadsheets for specific bid information and related information.

The lowest bidder was Stewart Engineering Inc. This contractor is appropriately licensed (Classification A) and its license is current and active.

There was one irregularity with the Stewart Bid package. Article 3-1.03 of the contract documents required that the bidder submit information establishing "qualifications such as financial data, previous experience, and present commitments" at the time of the bid. Said Article indicates that "failure to submit required qualification information within the times indicated may disqualify Bidder from receiving an award of the Contract" [emphasis added].

On April 5, 2023, I contacted Keith Stewart of Stewart Engineering and request the information noted above. Said information was provided a day later and I am satisfied that the bid is responsive. Excluding the noted required information noted above does not mandate an automatic rejection of the bid. I informed the second lowest bidder of the irregularity and indicated that I was going to deem the Stewart Engineering Inc. bid "responsive" and requested that if they were going to contest my decision, I would appreciate a formal letter. No letter was received.

The list of projects that the contractor provided (see attached) shows the Caltrans contact references. I contacted several references on the list and I have included their email responses with this memo. To summarize the responses, two of the three references I sent inquiries responded to my recommendation request with positive statements. Those statements are attached.

Since the low bid amount exceeded the DWR grant allocation for construction, the Tank Committee Chair (John LaTourette) formally inquired from the DWR Project Manager (William Ehorn) if additional grant funds could be provided to the District to make-up the

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difference between the grant construction dollars and the low bid. John received an email from the DWR Project Manager on May 5, 2023, indicating that an additional \$700,000 grant had been approved. The paperwork is pending. A copy of William Ehorn's 5/5/2023 email is attached, and it notes the approval of the additional grant funding and directs the District to proceed with the project.

The USDA concurred with my draft recommendation to award the project to Stewart Engineering Inc. and outlined the required steps for awarding the project and future paperwork requirements in the attached letter dated May 11, 2023. The award checklist materials that I provided USDA are attached.

To satisfy Article 7.01 of the bid documents, the deadline for contract award by the District must be issued by June 3, 2023. I have been told by the bidder that there will be long delays in getting the required tank steel and proprietary chlorination equipment for this project. My hope is that the project can progress from "award" to a "contract" as soon as possible so that submittals can be made, the District Engineer approvals issued, and materials can be ordered. At this point, it seems to me that the critical path to project completion will be the contractor's/subcontractor's ability to obtain the construction materials and chlorination equipment.

It is therefore recommended that the District take the following actions at a Special Board of Director's meeting:

1. Award the contract to Stewart Engineering Inc., subject to the Board of Director's satisfaction with the DWR additional grant funding documentation/commitment and USDA approval. Form EJCDC C-510 is attached and provided herewith for that award purpose.
2. Authorize the District Manager to sign the Notice of Award.
3. Following the execution of EJCDC C-510 "Notice of Award", EJCDC C-520 (not attached) will need to be prepared for execution by the contractor, JPUD and the attorney certification provided per the USDA letter previously mentioned. I therefore recommend that the Board of Directors authorize the District Chair and District Manager (or appropriate designee) to sign EJCDC C-520 and authorize execution of the two certificates noted said USDA letter at the appropriate time as determined by the District Engineer (i.e., once the bonds, insurance documents have been approved by the District Engineer.)

The next steps to construction are:

- Issue Notice of Award.
- Received an execution of same from the contractor.
- Prepare EJCDC C-520 "AGREEMENT BETWEEN OWNER AND CONTRACTOR FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)"
- Review the Agreement, Bonds, Documents and Certificates of Insurance.
- Conduct a pre-construction meeting.
- Accept of Contractor's work schedule.
- Issue Notice to Proceed with appropriate funding agency approval.

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Attachments

cc: **Stewart Engineering Inc w/o attachments**
Award Recommendation 23.01.11.

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IMPROVEMENT AND LIQUID CHLORINATION PROJECT

NOTICE OF AWARD

Date of Issuance: May , 2023
Owner: Johnsville Public Utility District
Engineer: Bastian Engineering
Project: JOHNSVILLE TANK IMPROVEMENT AND LIQUID CHLORINATION PROJECT
Contract Name:
Bidder: Stewart Engineering Inc.
Bidder's Address: P.O. Box 990010, Redding, CA. 96099

Owner's Project No.:

Engineer's Project No.:

You are notified that Owner has accepted your Bid dated August 8, 2022, for the above Contract, and that you are the Successful Bidder and are awarded a Contract for:

JOHNSVILLE TANK IMPROVEMENT AND LIQUID CHLORINATION PROJECT

The Contract Price of the awarded Contract is **\$1,984,590**. Contract Price is subject to adjustment based on the provisions of the Contract, including but not limited to those governing changes, Unit Price Work, and Work performed on a cost-plus-fee basis, as applicable.

Three (3) unexecuted counterparts of the Agreement accompany this Notice of Award, and one copy of the Contract Documents accompanies this Notice of Award or has been transmitted or made available to Bidder electronically.

Drawings will be delivered separately from the other Contract Documents.

You must comply with the following conditions precedent within 15 days of the date of receipt of this Notice of Award:

1. Deliver to Owner three (3) counterparts of the Agreement, signed by Bidder (as Contractor).
2. Deliver with the signed Agreement(s) the Contract security (such as required performance and payment bonds) and insurance documentation, as specified in the Instructions to Bidders.

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award, and declare your Bid security forfeited.

Within 10 days after you comply with the above conditions, or as soon as the City Council can convenes a regular City Council meeting, Owner will return to you one fully signed counterpart of the Agreement, together with any additional copies of the Contract Documents.

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Owner: **Johnsville Public Utility District**

By (*signature*): _____

Name (*printed*): Melissa Sheets

Title: District Manager

Copy: Engineer