



**STAFF REPORT**  
**6/12/2024**

**TO:** Honorable Mayor and City Council Members

**FROM:** Castulo Estrada, Utilities Manager

**SUBJECT:** Construction Contract with Jacobsson Engineering Construction Inc. in the amount of \$2,136,711.50 plus 10% contingency and appropriation of \$200,000.00 from Fund 101 (General Fund) for Construction of the Mesquite Water Consolidation Project Improvements, City Project No. W-32

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**STAFF RECOMMENDATION:**

Contingent upon the review of the bid documents by the State Water Resources Control Board (SWRCB), and subsequent approval. Staff recommends the City Council to:

- Authorize a construction contract with Jacobsson Engineering Construction Inc. in the amount \$2,136,711.50 plus 10% contingency;
- Authorize appropriation of \$200,000.00 from Fund 101 (General Fund) for the construction of Mesquite Water Consolidation Project Improvements, City Project No. W-32.

**BACKGROUND:**

The City of Coachella secured a Drinking Water State Revolving Fund (DWSRF) grant in the amount of \$1,575,100.00 to provide water services to the Mesquite community. The existing on-site private well failed and can no longer provide adequate potable water supply. The Coachella Water Authority (CWA) has provided emergency “temporary” water connection to the Mesquite community since September of 2016. Since the City and CWA has been coordinating with the State, Riverside County and the Mesquite community to develop a permanent connection to its system.

**DISCUSSION/ANALYSIS:**

The City requested public bids in accordance with City standards and in compliance with the California Public Contract Code. On April 19, 2024, the City issued the Notice Inviting Bids with a non-mandatory job walk held on April 25, 2024. The project bid opening was held on June 4, 2024 at 10:00 a.m., with two companies submitting a bid for this project. The bid opening results are listed below:

<b>Company Name:</b>	<b>City:</b>	<b>Bid Amount:</b>
Jacobsson Engineering Construction	Palm Desert	\$2,136,711.50
T.E. Roberts	Irvine	\$3,026,510.00

Staff has reviewed the bid and determined that Jacobsson Engineering Construction Inc. is the lowest, responsive, responsible bidder. The total project cost, including design engineering, construction engineering, materials testing, construction and a 10% contingency is as follows:

<b>Project Item:</b>	<b>Project Cost:</b>
Materials Testing	\$ 15,000.00
Construction	\$ 2,136,711.50
Construction Survey	\$ 10,000.00
Construction Contingency (10%)	\$ 213,674.15
<b>TOTAL PROJECT COST:</b>	<b>\$2,375,385.65</b>

**FISCAL IMPACT:**

The project has been included in the City's approved CIP FY 24/25 budget. The total project cost including the contract amount of \$2,136,711.50 and contingency in an amount of \$213,385.65 will be funded with water connection fees in the amount of \$2,175,385.65 (Fund 177) and general funds in the amount of \$200,000.00 (Fund 101). With this action Council appropriates \$200,000.00 from Unassigned Fund Balance (General Fund 101) to Fund 178-21-432-10-734-000 W-32 for the construction of the Mesquite Water Consolidation Project.

As reflected on this staff report, the City has an existing agreement with the State Water Board in the amount of \$1,575,100.00 for reimbursement. The next step requires the submittal of bid results to the State Water Resources Control Board Division of Financial Assistance, with the appropriate forms for a Final Budget Approval that may increase our funding amount so that all costs are reimbursed.

**ATTACHMENTS:**

1. Construction Contract for Jacobsson Engineering Construction Inc.
2. W-32 Bid Comparison
3. Mesquite Water Project Exhibit
4. Water Boards Amendment No. 1 Agreement