



City of Grass Valley City Council Agenda Action Sheet

Title: Wastewater Treatment Plant Boiler Replacement Project - Reject Protest and Award Contract

CEQA: Categorically Exempt - Section 15301

Recommendation: That Council 1) consider the merits of a bid protest from ACCO Engineered Systems; and 2) adopt Resolution Number 2026-21 rejecting the bid protest from ACCO Engineered Systems; a) awarding a contract for the Wastewater Treatment Plant Boiler Replacement Project to TNT Industrial Contractors, Inc., in the amount of \$474,551.00; b) authorizing the Interim City Manager to execute the construction contract, subject to legal review and, c) authorizing the City Engineer to approve construction change orders for up to 10% of the contract amount.

Prepared by: Bjorn P. Jones, PE, City Engineer

Council Meeting Date: May 26, 2026

Date Prepared: May 20, 2026

Agenda: Consent

Background Information: The Wastewater Treatment Plant Boiler Replacement Project involves the purchase of a new sludge heater/boiler, demolition and removal of existing equipment and installation of the new boiler equipment, plumbing, electrical wiring and controls at the City's Wastewater Treatment Plant.

Bids were opened on April 28, 2026, and three bids were received. A bid summary is attached. Staff reviewed the low bid of \$474,551.00 submitted by TNT Industrial Contractors, Inc. and determined the bid to be complete and responsive. On May 4, 2026, the City received a bid protest letter from ACCO Engineered Systems (attached), contesting that TNT Industrial did not have the proper licensing and violated contract documents in not being qualified to perform the work.

After review of the bid protest and consultation with legal counsel, staff is recommending that Council reject the bid protest based upon the following:

- 1) City specifications state that the "Contractor shall possess a valid California Class "A" Contractor's License or a combination of the following classes C10- Electrical Contractor, C36 - Plumbing Contractor, and all other classes required by the categories and types of work included in the contract at the time of bid award." The City contract documents did not specify that a C-4 Specialty Contractor was needed for the Project. TNT Industrial Contractors holds a valid California Class "A" license;
- 2) The installation of the boiler by a C-4 Specialty License is not strictly required by the nature of the contract because the scope and nature of the work fall within the broader scope of a Class "A" General Contractor license (Bus. & Prof. Code, § 7056);

- 3) TNT has stated that they will self-perform all work that was not listed on the Subcontractor list in the bid documents and they are qualified to do so, therefore they are not required to list subcontractors for work TNT will perform (Pub. Contract Code, § 4106);
- 4) TNT holds a class “A” license which is sufficient to perform the project work so they did not improperly certify the work that will be self-performed;
- 5) TNT did not violate contract documents or the Public Contract Code as they are qualified to perform the project with the class “A” license they hold and the sole subcontractor that was listed in their bid.

Considering the above, Staff recommends that Council adopt Resolution 2026-21, rejecting the bid protest from ACCO Engineered Systems. Also recommended is the authorization to award and execute the construction contract with TNT Industrial Contractors, Inc., in the amount of \$474,551.00 and authorization for the City Engineer to approve construction change orders up to 10% of the contract amount.

Council Goals/Objectives: The purchase and installation of a new Wastewater Treatment Plant boiler executes portions of work tasks towards achieving/maintaining Strategic Plan Goal - City Infrastructure Investment.

Fiscal Impact: The Wastewater Treatment Boiler Replacement Project was fully funded in the FY 25/26 Capital Improvement Program Budget.

Funds Available: Yes

Account #: 300-406-66890

Reviewed by: City Manager

Attachments: Bid Summary, Bid Protest, Resolution 2026-21