

AGENDA STAFF REPORT

MEETING NAME: REGULAR BOARD MEETINGS

MEETING DATE(S): OCTOBER 16 & 20, 2025

FROM: ERIC WECK, P.E., ENGINEERING MANAGER

FOR: ACTION X DIRECTION INFORMATION



REJECTION OF CONSTRUCTION BIDS FOR THE AD-15 AREA M-2 SEWER CONSTRUCTION AND WATER LINE REPLACEMENT PROJECT

STAFF RECOMMENDATION

It is recommended to authorize the General Manager to reject all bids and not proceed with construction of the AD-15 Area M-2 Sewer Construction and Water Line Replacement Project.

SUMMARY

The District's Groundwater Protection Program is a vital component in expanding the District's wastewater treatment capacity. One major component is the Area M-2 Sewer Construction, which will construct over 5.6 miles of gravity sewer mains and 685 sewer laterals and abating 426 septic tanks in the process. The project will generate additional wastewater flows to be treated at the new Nancy Wright Regional Wastewater Reclamation Facility. The project also includes the replacement of several ageing water lines that are in backyard easements, while also replacing all water service lines due to their history of leaks. In July 2025, MSWD solicited bids for the construction of the AD-15 Area M-2 Sewer Construction and Water Line Replacement Project. In August 2025, Six (6) contractors submitted proposals, with the lowest responsible bid received from Borden Excavating, Inc.

ANALYSIS

Staff received and publicly opened six bids as described in greater detail on the attached Bid Review Summary Memorandum, including a full bid tabulation and bidder compliance summary. Borden Excavating, Inc.'s (Borden) was the lowest responsible bidder at \$22,074,873.00, which is an estimated 55% above budget. Staff believe the reasons why the bids came in high were due to market conditions, material availability, high demand for contractors, cost of goods and labor increase. Staff will evaluate the project scope and rebid in the following month.

FISCAL IMPACT & STRATEGIC PLAN IMPLEMENTATION

No immediate fiscal impact. Project expenditures will be reconsidered upon re-bidding. This action of rejecting the bids is consistent with Strategic Plan Goal 3.2: Control costs and manage debt responsibly.

ATTACHMENTS

Attachment A: Bid Summary

FINANCIAL DATA		
Cost Associated with this action:	\$0	
Current FY cost:	\$2,481.25	
Future FY cost:	\$0	
Is it covered in current year budget:	YES ☒	NO ☐
Budget adjustment needed:	YES ☐	NO ☒
If yes, year needed:	NA	
All previous contracts including dates, amounts and board approvals are attached or have been made available.		
FUNDING SOURCES		
Source of funds:	Grant and CIP	
BID/Job#	11425	
Current BID/Job balance	\$10,678,761.10	
Balance remaining if approved:	\$10,678,761.10	

FINANCIAL DATA		
Cost Associated with this action:	\$0	
Current FY cost:	\$1,341.73	
Future FY cost:	\$0	
Is it covered in current year budget:	YES ☒	NO ☐
Budget adjustment needed:	YES ☐	NO ☒
If yes, year needed:	NA	
All previous contracts including dates, amounts and board approvals are attached or have been made available.		
FUNDING SOURCES		
Source of funds:	CIP	
BID/Job#	11862	
Current BID/Job balance	\$3,572,708.07	
Balance remaining if approved:	\$3,572,708.07	