



## **CITY OF ORLAND STAFF REPORT**

### **MEETING DATE: June 20, 2024**

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**TO:** Honorable Mayor and Council

**FROM:** Paul W. Rabo, City Engineer

**SUBJECT:** City Council discussion and possible action to award a construction contract for the City of Orland Emergency Groundwater Resource Project – Phase 4 (Discussion/Action)

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#### **BACKGROUND:**

In September 2021, the City of Orland began working with the State of California Department of Water Resources (DWR) to layout, design and construct improvements to the City's water system. The primary goal for the project is to supply residents, inside and outside of City Limits, with a safe and reliable source of drinking water. The proposed project improvements include a new municipal groundwater well, water storage tank, water mains, fire hydrants and residential water services.

The fourth portion of the project to be advertised, is Phase 4 located on the east side of 6<sup>th</sup> Street between Mill and Yolo Streets. The project includes the construction of a one-million-gallon water tank, booster pumps, water system appurtenances and site improvements.

The project was advertised on April 9, 2024 and bids were opened on May 21, 2024. A total of two bids were received from contractors. A Bid Summary is attached for review. The Notice to Bidders described four different options in which the construction contract could be awarded:

- Bid Schedule 1 – Base Bid (Bid Items 1 – 60)
- Bid Schedule 2 – Base Bid plus Additional #1 (Bid Items 1 – 61)
- Bid Schedule 3 – Base Bid plus Additional #2 (Bid Items 1 – 60, 62 & 63)
- Bid Schedule 4 – Base Bid plus Additional #1 & #2 (Bid Items 1 – 63)

Please see the attached Bid Summary for a description of Bid Items 1 – 63. The engineer's estimated construction costs of the project ranged from \$3.57M (Bid Schedule 1) to \$4.03M (Bid Schedule 4).

#### **ANALYSIS:**

DWR has budgeted approximately \$13.2M for the construction of all phases included in this project. The City has performed or awarded construction contracts for the following phases:

Phase	Contract Work	Budgeted Cost	Actual Cost
1	Water services in City Limits	\$1,437,700	\$1,437,700 (partially complete)
2A	Water mains, services and fire hydrants southeast of City limits	\$5,344,200	\$4,472,651 (per bid)
2B	Water mains, services and fire hydrants northwest of City limits	\$1,982,000	\$1,392,691 (per bid)
2C	Connections from meter to house	\$793,300	\$793,300 (to be completed)
3A	Drill municipal well	\$342,300	\$345,395 (per bid)
3B	Equip well and develop site	\$890,600	\$1,789,300 (estimated for future bid)
4	Storage tank, booster pumps, site improvements	\$2,426,300	\$4,352,412 (per lowest Schedule 1 bid)
CCO	Storm drain and water system connection	Not budgeted	\$725,000
Totals		\$13,216,400	\$15,308,449
Difference		(\$2,092,049)	

Portions of Phase 1 have been completed by the City Public Works Department. Phase 1 is estimated to be 70% complete and any remaining funds in Phase 1 could be used to offset the costs of Contract Change Orders (CCOs) in other phases. Phases 2A, 2B and 3A have been awarded and are under construction or are completed. Phase 3B has not been advertised. The proposed CCO is needed to connect the storage tank to the City's existing water system and to provide a method to discharge the storage tank when it needs to be emptied for maintenance.

Staff has reviewed potential options to bring the project budget closer to balanced including not constructing Phase 3B and awarding Phase 4 or rejecting Phase 4 bids and readvertising with a smaller tank and scope of work.

#### **RECOMMENDATION:**

1) Staff recommends the City Council award a construction contract for Bid Schedule 2 of the City of Orland Emergency Groundwater Resource Project – Phase 4 project to RTA Construction, Inc.; and 2) Authorize the City Manager to execute the contract and all other documents necessary to complete the project.

#### **FISCAL IMPACT OF RECOMMENDATION:**

The project costs incurred for construction, construction engineering, inspection and administration are being funded by DWR. If Phase 3B and 4 are awarded for the amounts shown under actual costs in the table above, the City of Orland would be responsible for the payment of approximately \$2.1M if no additional funding is available from DWR. The City currently has \$4.2M in the Water Fund.

#### **ATTACHMENT:**

- Bid Summary - Orland Emergency Groundwater Resource Project – Phase 4
- Conceptual Layout- Public Safety Facility and Storage Tank