



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: September 22, 2026

SUBJECT: Consideration and Adoption of a Resolutions Awarding Construction Contracts for Construction of the Wheatland Regional Sewer Pipeline Project [CWSRF Project No. C-06-8753-110]; and Authorizing the City Manager to Execute Change Orders Not-To-Exceed the Project Budget.

PREPARED BY: Sean Grayson, City Manager
Dane Schilling, City Engineer

RECOMMENDATION:

Staff recommends that the Wheatland City Council consider adoption of resolutions rejecting a bid protest; awarding construction contracts to RCI General Engineering and Mountain Cascade, Inc.; and authorizing the City Manager to execute change orders not to exceed the project budget for the Wheatland Regional Sewer Pipeline Project.

DISCUSSION:

The Wheatland Regional Sewer Pipeline Project ("Project") is a portion of the larger South Yuba County Wastewater Infrastructure Project (a coordinated effort between Yuba Water Agency (YWA), Olivehurst Public Utilities District (OPUD), Yuba County and the City of Wheatland). The Wheatland Regional Sewer Project consists of the first 7.72-miles of a conveyance pipeline and pump stations that are capable of transporting 1.5-million gallons of sewage daily from the Malone Avenue Pump Station in Wheatland to the southerly limits of the OPUD service area on Rancho Road in south Yuba County. OPUD will construct a pipeline from the terminus of this Project to the OPUD wastewater treatment plant.

The following is a partial list of City Council actions taken to advance the design and environmental work for the Project:

- On July 28, 2020, the City Council adopted Resolution No. 35-20 approving the \$2.6M grant/loan agreement to fund environmental and design efforts for the Wheatland Regional Sewer Pipeline Project (Project) and authorizing the City Manager to sign the agreement.
- On November 10, 2020, the City Council adopted Resolution No. 43-20 amending the FY 2020-21 Budget and authorizing the City Manager to proceed with environmental review and engineering design for the Project.
- April 27, 2021, the Basis of Design Report for the Project was presented to the Wheatland City Council and adopted by Resolution No.16-21.

- October 11, 2022, the City Council adopted Resolution No. 34-22, which, among other actions, authorized acceptance of an additional \$2 million loan from the Yuba Water Agency for work associated with environmental, engineering design, right-of-way acquisition and grant funding work for the Project.
- The City conducted an environmental review and prepared an Environmental Impact Report (EIR) for the Project (SCH No. 2021110022). Based on the EIR, a Notice of Determination was made by the City Council on February 28, 2023, and was filed by the County Recorder on March 2, 2023.
- On November 25, 2025, City Council adopted Resolution No. 58-25 approving contract documents and authorizing a call for bids for construction of the Wheatland Regional Sewer Pipeline Project.
- On February 19, 2026, the bid period closed with the City receiving 13 bids for the Project. Per the bid documents, the bids were valid for 90-days after the bid opening (thru May 20, 2026).
- On February 13, 2026, the Yuba Water Agency experienced a catastrophic failure of the penstock at the New Colgate Powerhouse. Shortly thereafter, Yuba Water Agency withdrew its intended future financial support for the Project. In response to that action, the City Council, on May 12, 2026, adopted Resolution No. 26-19 authorizing an extension to the 90-day bid expiration date by 35 calendar days, from May 20, 2026, to June 24, 2026, to provide additional time for staff to identify replacement funding for the Project.
- While potential additional funding sources have been identified, including loans from Yuba County and the Estom Yumeka Maidu Tribe of the Enterprise Rancheria, it has been determined that the project scope must be altered to enable the City to fully fund the Project.
- Due to the sudden loss of funding, the City Council adopted a resolution on June 23, 2026 rejecting all bids for the February 19 bids and authorized staff to initiate revisions to alter the project scope and return to Council to rebid the Project.
- On July 14, 2026, the City Council adopted Resolution No. 26-38, approving contract documents and authorizing a call for bids for construction of the Wheatland Regional Sewer Pipeline Project.

Accordingly, the Project was re-advertised for bids between July 17, 2026, and August 25, 2026 (39 days). On August 25, 2026, the City received ten bids for the Project. Bidders were allowed to bid on just the pipeline portion (Schedule A), just the pump station portion (Schedule B), or to bid on both components (Schedule C). The City would award contracts to the contractor or contractors that provided the lowest possible monetary combination of bid results. The following is a summary of the bids received, with the apparent low bidders for Schedule A and Schedule B (equaling the lowest combined total bid amount) denoted by asterisks:

No.	Bidder	Bid Amount		
		Schedule A - Pipeline	Schedule B - Pump Stations	Schedule C - Pipeline & Pump Stations
	Engineer's Estimate	\$ 19,000,000.00	\$ 33,000,000.00	\$ 52,000,000.00
1	Katch Environmental Incorporated	\$ 18,630,680.25	N/A	N/A
2	Ghilotti Construction	\$ 19,307,254.74	N/A	N/A
3	RCI General Engineering*	\$ 16,618,050.00	N/A	N/A
4	Mozingo Construction	\$ 18,760,190.00	N/A	N/A
5	Marques General Engineering	\$ 17,120,794.00	N/A	N/A
6	Teichert Construction	\$ 19,130,361.70	N/A	N/A
7	Gateway Pacific Contractors	N/A	\$ 30,679,561.00	N/A
8	T&S Construction	N/A	N/A	\$ 49,044,311.50
9	Mountain Cascade*	\$ 24,452,770.00	\$ 27,918,000.00	\$ 52,370,770.00
10	Steve P. Rados	\$ 21,561,000.00	\$ 29,716,000.00	\$ 51,251,530.00

Schedule A Low	\$ 16,618,050.00
Schedule B Low	\$ 27,918,000.00
Schedule A + B	\$ 44,536,050.00
Lowest Schedule C	\$ 49,044,311.50
Lowest Combination of Bids	\$ 44,536,050.00
Bid Alternative #1	\$ 990,000.00
Bid Alternative #2	\$ 380,000.00
Total with Alternatives	\$ 45,906,050.00

On September 1, 2026, the City received a bid protest from Marques General Engineering (MGE), the apparent second low bidder on Schedule A, protesting the bid received from RCI General Engineering (RCI) the apparent low bidder (see Attachment 3). On September 9, 2026, RCI provided a formal response to the bid protest (Attachment 4). The protest from MGE and response from RCI were reviewed by the City Engineer and City Attorney, and on September 15, 2026, the City issued a response letter to MGE conditionally rejecting the bid protest (Attachment 5).

On September 15, 2026, the City Engineer issued a Notice of Intent to Award to RCI General Engineering of Oroville, California for work identified in Schedule A and to Mountain Cascade, Inc. of Livermore, California for work identified in Schedule B (see Attachment 6).

Staff performed a detailed review of the apparent low bids, insurance, license information, and other required documents and responses accompanying the bids, and no substantial irregularities were found. Therefore, Staff is recommending that the City Council:

1. Reject the bid protest filed by Marques General Engineering against the bid submitted by RCI General Engineering for Schedule A - Pipelines;
2. Award a construction contract to RCI General Engineering in the amount of \$16,618,050.00 for construction of the work in Schedule A;
3. Award a construction contract to Mountain Cascade, Inc. in the amount of \$27,918,000.00 for Schedule B (Staff is not recommending awarding any Bid Alternatives at this time);

4. Authorize the City Manager to execute contract change orders up to \$1,442,968.00 for unforeseen and additional costs that may arise during the course of construction.

FISCAL IMPACT:

The total as-bid construction cost for the Project of \$44,536,050.00 and contingency of \$1,442,968.00 are within the project budget and will be paid for under the various funding sources for the Project including State Water Resources Control Board grant funds, other outside loan funding, and City of Wheatland sewer impact fees. No General Fund resources will be utilized for this Project.

While the current funding package secured for the Project is sufficient to support the Phase 1A construction contracts, additional funding actions remain necessary to complete the broader Regional Wastewater Project. If additional funding is not secured and the Project is unable to proceed to completion as contemplated (both Phase 1A and Phase 1B), the City would remain responsible for funding any resulting shortfall and for satisfying its contractual obligations under the proposed construction contracts. Depending on the timing and circumstances, such obligations could include costs associated with work performed, contractor commitments, materials procurement, project delays, project administration, contract closeout, and other related expenses.

In addition, certain property acquisitions necessary for Project implementation remain outstanding. Because these acquisitions are critical-path items, delays in securing the required property interests could affect Project scheduling, increase costs, delay construction activities, or otherwise impede completion of the Regional Wastewater Project.

Accordingly, successful completion of the Project remains dependent upon continued coordination of funding, interagency agreements, property acquisition efforts, and other implementation requirements.

ATTACHMENTS:

Attachment 1 – Resolution to Award Construction Contract to RCI General Engineering
Attachment 2 – Resolution to Award Construction Contract to Mountain Cascade, Inc.
Attachment 3 – Bid Protest from Marques General Engineering
Attachment 4 – Response to MGE Bid Protest from RCI General Engineering
Attachment 5 – Response to MGE Bid Protest from City of Wheatland
Attachment 6 – Notice of Intent to Award