

STAFF REPORT



ITEM NO. 17 CITY OF OCEANSIDE

DATE: November 15, 2006

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

SUBJECT: **AUTHORIZATION TO REJECT ALL BIDS FOR THE CONSTRUCTION OF THE RAW WATER PIPELINE FOR WELLS 10 AND 11 PROJECT**

SYNOPSIS

Staff recommends that the City Council reject all bids for construction of the Raw Water Pipeline for Wells 10 and 11 project, and authorize the Public Works Director to call for new bids.

BACKGROUND

On July 12, 2006, City Council approved the plans and specifications for the design of the raw water pipeline that must be constructed to utilize wells 10 and 11 and authorized the Public Works Director to call for bids.

The Mission Basin Groundwater Purification Facility, located at 215 Fireside Drive (Exhibit A), was originally constructed and put into operation in 1994. The original facility produced 2.2 million gallons per day (mgd) of brackish groundwater by use of a reverse osmosis treatment process. A subsequent expansion project was to bring the capacity of the plant up to 6.37 mgd. This expansion, accepted by the City Council in February 2003, consisted of three additional production wells, nine monitoring wells, a high and low pump station, an additional reverse osmosis train and other infrastructure-related work. All work was satisfactorily completed with the exception of the production wells which did not produce sufficient quantities of water.

In October 1998, City Council authorized a joint participation agreement between the City of Oceanside, San Diego County Water Authority (Authority) and the Metropolitan Water District (MWD) for participation in the Groundwater Recovery Program (GRP). As part of the GRP study, Authority drilled exploratory wells on 11 sites to map the Mission Basin for possible future use. The Authority's analysis found new sites for wells 9, 10, and 11 that would replace the unproductive wells.

Well 9 was recently drilled by the Authority at the Mission Basin Groundwater Facility site and produced up to 2,220 gallons per minute during the test pumping. Wells 10 and 11 are within a mile of the Mission Basin Groundwater Facility and are scheduled to be drilled within the next few months.

ANALYSIS

On August 16, 2006, four bids were received and opened for the Raw Water Pipeline for Wells 10 and 11 project. After analyzing the bids, staff is recommending that it would be in the City's best interest to reject all bids and re-bid the project at a future date.

FISCAL IMPACT

In the adopted budget for Fiscal Year 2006-2007, City Council approved an appropriation of \$4,720,709 for the Mission Basin Groundwater Purification Facility Expansion. The engineer's estimate to construct the project is \$2,300,000, so adequate funds are available for the project.

CITY ATTORNEY'S ANALYSIS

Under state law, the Council has the discretion to reject all bids in lieu of making an award. It is not necessary to state the reason for the rejection.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

COMMISSION OR COMMITTEE REPORT

Does not apply.

RECOMMENDATION

Staff recommends that the City Council reject all bids for construction of the Raw Water Pipeline for Wells 10 and 11 project, and authorize the Public Works Director to call for new bids.

PREPARED BY:

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Administrative Manager

SUBMITTED BY:

Barry E. Martin
Interim City Manager

Exhibit A - Site Map

REVIEWED BY:

Michelle Skaggs Lawrence, Assistant to the City Manager

Lonnie Thibodeaux, Interim Water Utilities Director

[Signature]

Wells 10 and 11 with new 20 inch waterline

