

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF BOARD GOVERNED COUNTY SERVICE AREAS  
AND RECORD OF ACTION**

August 20, 2024

**FROM**

**NOEL CASTILLO, Director, Department of Public Works – Special Districts**

**SUBJECT**

Reject Bids and Re-Advertise for the County Service Area 64 Spring Valley Lake – Recoating Tanks 2A and 2B Project

**RECOMMENDATION(S)**

Acting as the Governing Body of County Service Area 64 Spring Valley Lake:

1. Reject all bids received on December 14, 2023, for the County Service Area 64 Spring Valley Lake – Recoating Tanks 2A and 2B Project and find that rejection of the bids is in the best general interest of the County.
2. Approve the revised plans and specifications for the County Service Area 64 Spring Valley Lake – Recoating Tanks 2A and 2B Project.
3. Authorize the Director of the Department of Public Works – Special Districts to re-advertise the County Service Area 64 Spring Valley Lake – Recoating Tanks 2A and 2B Project.

(Presenter: Noel Castillo, Director, 387-7906)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**Ensure the Development of a Well-Planned, Balanced, and Sustainable County.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). County Service Area (CSA) 64 Spring Valley Lake (District) is funded by water and sanitation fees charged to customers based on usage. The County Service Area 64 Spring Valley Lake – Recoating Tanks 2A and 2B Project (Project) cost, totaling \$1,065,000, will be funded through available funding within the District's Capital Improvement Program (CIP) budget. Sufficient appropriation for the Project is included in the District's 2024-25 CIP budget and will be included in future recommended budgets, as needed.

**BACKGROUND INFORMATION**

The District was established by the San Bernardino County Board of Supervisors (Board) on December 30, 1968, to provide water services for the community of Spring Valley Lake. The District provides for the operation and maintenance of 3,890 water connections, five wells, one booster station, and three water tanks.

The Project will recoat the interior and paint the exterior of Tank 2A and Tank 2B. Modifications also include the addition of guardrails, interior and exterior ladders, safety gates, vent screening, and auxiliary hatches to bring the existing tanks up to current safety codes.

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On October 3, 2023 (Item No. 55), the Board approved the California Environmental Quality Act notice of exemption, the plans and specifications of the Project, and authorized the Director of the Department of Public Works – Special Districts (Department) to advertise the Project for formal bids.

On December 14, 2023, the Department received the following five bids:

<b>Contractor Name</b>	<b>Bid Amount</b>
United Field Services Corp.	*\$1,485,076
Paso Robles Tank, Inc.	\$1,530,775
Spiess Construction Co., Inc.	\$1,648,225
Allied Painting, Inc.	\$1,740,080
F.D. Thomas, Inc.	\$2,725,324

\*Non-Responsive

United Field Services Corp. (UFSC) failed to include the required bid documents and was found to be non-responsive. Subsequently, Paso Robles Tank, Inc. was found to be the lowest responsive bidder. The total bid amount of \$1,530,775, by Paso Robles Tank, Inc., was substantially higher than estimated and significantly more than the Project's available funding. As a result, the Department is recommending that the Board reject all bids for the Project, approve the Project's revised plans and specifications, and authorize the Director of the Department to re-advertise for formal bids.

California Public Contract Code (PCC) Section 22038, in addition to the provisions of the bid solicitation, allows the Board to reject any bids presented and re-advertise the Project for bids. The Department provided notice to United Field Services Corp., Paso Robles Tank, Inc., Spiess Construction Co., Inc., Allied Painting, Inc., and F.D. Thomas, Inc., pursuant to PCC Section 22038, of the County's intent to reject all bids.

On January 19, 2024, UFSC submitted a bid protest to the Department protesting failure to award the Project to UFSC. On January 22, 2024, the Department responded to their letter, informing them that due to all bids being significantly higher than the Project budget and available funding, the Department would seek to reject all bids.

The original bid package, which includes the plans, specifications and several addendums, specified internal tank coating measures surpassing industry standards. In order to attract more competitive bids, the Department has revised the plans and specifications to include internal tank coating measures that will meet the industry standards in a way that will allow work to be accomplished within the available funding.

**PROCUREMENT**

The Project will be re-advertised for bids in accordance with PCC Section 22037. The Department will also continue to advertise the Project for bids to contractors through the County's Electronic Procurement System (ePro) and encourage the previous bidding contractors to re-bid. These actions are essential for ensuring that the resulting construction contract is awarded to the lowest responsible bidder and that Project funds are spent in a fiscally responsible manner.

The Department anticipates returning to the Board in November 2024 with a recommendation for award of the Project's construction contract.

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Valley Lake - Recoating Tanks 2A and 2B Project  
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**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Aaron Gest, Deputy County Counsel, 387-5455) on July 29, 2024; Finance (Jessica Trillo, Administrative Analyst, 387-4222) on August 1, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on August 5, 2024.

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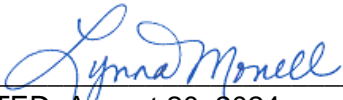
Record of Action of the Board of Supervisors  
Board Governed County Service Areas

**APPROVED (CONSENT CALENDAR)**

Moved: Curt Hagman Seconded: Joe Baca, Jr.

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: August 20, 2024



cc: File - SDD/Board Governed County Service Areas w/ CD  
jm 08/27/2024