

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
SITTING AS THE GOVERNING BOARD FOR THE FOLLOWING:
SAN BERNARDINO COUNTY
BOARD GOVERNED COUNTY SERVICE AREAS
AND RECORD OF ACTION**

November 19, 2024

FROM

**NOEL CASTILLO, Director, Department of Public Works – Special Districts
LUTHER SNOKE, Chief Executive Officer, County Administrative Office**

SUBJECT

Contract and Related Actions for the County Service Area 70 F Morongo Valley – Water Tank Replacement Project

RECOMMENDATION(S)

1. Acting as the governing body of County Service Area 70 F Morongo Valley:
 - a. Approve **Contract No. 24-1158** with San Bernardino County in the amount of \$447,774 for the County Service Area 70 F Morongo Valley – Water Tank Replacement Project, for a contract term of November 19, 2024 through November 18, 2026.
 - b. Authorize a budget increase of \$447,774 to the approved County Service Area 70 F Morongo Valley – Water Tank Replacement Project, increasing the budget from \$600,000 to \$1,047,774.
 - c. Authorize the Auditor-Controller/Treasurer/Tax Collector to post necessary budget adjustments, as indicated in the Financial Impact section, for County Service Area 70 F Morongo Valley – Water Tank Replacement Project (Four votes required).
 - d. Approve Addendum No. 1 issued on August 16, 2024, Addendum No. 2 issued on August 21, 2024, Addendum No. 3 issued on August 21, 2024, Addendum No. 4 issued on August 23, 2024, and Addendum No. 5R issued on September 5, 2024.
 - e. Award construction **Contract No. 24-1159** to Superior Tank Co., Inc., for \$640,000 for the County Service Area 70 F Morongo Valley – Water Tank Replacement Project.
 - f. Authorize a contingency fund of \$64,000 for the County Service Area 70 F Morongo Valley – Water Tank Replacement Project.
 - g. Authorize the Director of the Department of Public Works to order any necessary changes or additions in work being performed under the construction contract with Superior Tank Co., Inc., for a total not-to-exceed amount of \$44,500 of the \$64,000 contingency fund, pursuant to Public Contract Code Section 20142.
 - h. Authorize the Director of the Department of Public Works to accept the work when it is 100% complete and to execute and file the Notice of Completion.
2. Acting as the governing body of San Bernardino County:
 - a. Approve **Contract No. 24-1158** with County Service Area 70 F Morongo Valley to provide funding in the amount of \$447,774 from Discretionary General Funding for the County Service Area 70 F Morongo Valley – Water Tank Replacement Project, for a contract term of November 19, 2024 through November 18, 2026.

**Contract and Related Actions for the County Service Area 70 F
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- b. Authorize the Auditor-Controller/Treasurer/Tax Collector to post necessary budget adjustments, as indicated in the Financial Impact Section, for the County Service Area 70 F Morongo Valley – Water Tank Replacement Project (Four votes required).

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

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

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

FINANCIAL IMPACT

Approval of this item will result in the use of Discretionary General Funding (Net County Cost). On May 23, 2023 (Item No. 104), the Board of Supervisors (Board) approved the use of \$600,000 from the County's American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Fund (CLFRF) for eligible costs associated with the County Service Area 70 F Morongo Valley – Water Tank Replacement Project (Project).

Approval of Recommendation Nos. 1.a. and 2.a. would authorize a Contract between San Bernardino County and the County Service Area (CSA) 70 F Morongo Valley (District) to provide additional funding in the amount of \$447,774, from Discretionary General Funding for costs associated with the Project. This action will fund the total Project cost, including project management and inspection services for the construction of the Project.

The following 2024-25 budget adjustments to the CSA 70 F Morongo Valley Capital Improvement Program (CIP) Fund are needed to proceed with the Project:

Fund Center	Commitment Item	Description	Action	Amount
1161161000	55305030	Operating Transfers Out	Increase	\$447,774
1280001000	56006000	Appropriation Contingencies	Decrease	\$447,774
1350004638	40909975	Operating Transfers In	Increase	\$447,774
1350004638	54104010	Improvements to Land	Increase	\$447,774

Sufficient appropriation will be included in the District's future recommended budgets as necessary.

BACKGROUND INFORMATION

The District provides for the operation and maintenance of 88 water connections, maintains three wells, one booster station, and a water tank. As part of ongoing maintenance to ensure continuous water system operations, it was determined that replacement of the District's water tank was necessary due to significant leaks that have occurred since 2019, resulting from heavy interior corrosion. The most recent leak investigation determined that the District's water tank condition is fragile and at risk of potential failure. The water tank is the only source of potable water available to residents of Morongo Valley, which further necessitates the need for a new tank.

The Project involves removing the existing potable water storage tank and associated equipment and replacing it with a new bolted steel water storage tank. This water tank replacement is pursuant to applicable standards, which will help alleviate future maintenance costs and provide safe drinking water to the District's customers.

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On May 21, 2024 (Item No. 93), the Board determined the Project was exempt under the California Environmental Quality Act and directed the Department of Public Works – Special Districts (Department) to file and post said notice.

The Project was established on May 23, 2023. Since that time, additional funding is needed due to escalating construction costs including higher prices for raw materials such as steel and concrete, increased labor costs due to a shortage of skilled workers, and supply chain disruptions. The additional funding will be used for construction, construction contingency, project management and inspection.

PROCUREMENT

On August 6, 2024 (Item No. 54), the Board approved rejecting all bids received on June 27, 2024, the revised plans and specifications, and authorized the Director of the Department to re-advertise the Project for formal bids.

On August 7, 2024, the Department advertised the Project Request for Proposals (RFP) No. SPS125-SPDAD-5561 for bids through the County’s Electronic Procurement Network (e-Pro). It was also published in the San Bernardino Sun newspaper on August 12, and August 19, 2024, in compliance with Public Contract Code Section 22037.

During the bidding process, the following addenda were issued:

- Addendum No. 1: The mandatory pre-bid meeting (site visit) has been rescheduled. Additionally, it has been stipulated that a Class A license would suffice.
- Addendum No. 2: The scheduled mandatory pre-bid meeting has been canceled.
- Addendum No. 3: The mandatory pre-bid meeting and site visit requirements have been removed. Attendance at these meetings is no longer mandatory for bid submission.
- Addendum No. 4: The Department has responded that a Class A contractor’s license is sufficient for this project.
- Addendum No. 5R: The Department re-issued the Microsoft Teams Meeting ID and passcode for the bid opening.

On September 10, 2024, the following bids were received:

Contractor Name	Bid Amount
Superior Tank Co., Inc.	\$ 640,000.00
Canyon Spring Enterprises	\$ 775,000.00
U.S. Tank and Mechanical Services, Inc.	\$ 946,400.00

The Department reviewed the bids received for the Project, and determined that the lowest bid was responsive, and recommends an award of the construction contract to Superior Tank Co., Inc. as the lowest responsible bidder. No letters of appeal/protest have been received.

Under an established formula based on the contract amount of \$640,000, Public Contract Code Section 20142 allows the Board to authorize the Director of Public Works to order changes in the contract, including for unforeseen conditions or design shortfalls, should they become necessary in the future, for a total amount not to exceed \$44,500 of the \$64,000 contingency fund.

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Upon Board approval, construction is anticipated to commence in December 2024 and be completed by November 2025.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Sophie A. Curtis, Deputy County Counsel, and Julie Surber, Principal Assistant County Counsel, 387-5455) on November 5, 2024; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on November 4, 2024; Finance (Amanda Trussell, Principal Administrative Analyst, Jessica Trillo, Administrative Analyst, 387-4222, and Guy Martinez, ARPA Compliance Officer, 387-5428) on November 1, 2024; and County Finance and Administration (Paloma Hernandez-Barker, and Robert J. Saldana, Deputy Executive Officers, 387-5423) on November 1, 2024.

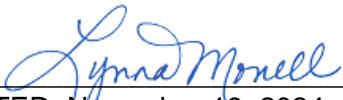
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Record of Action of the Board of Supervisors
San Bernardino County
Board Governed County Service Areas

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: November 19, 2024



cc: BGCSA - Vilorina w/agree
 Contractor - c/o BGCSA w/agree
 File - w/agree
CCM 12/2/2024