

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

August 6, 2024

FROM

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

SUBJECT

Reject Bids and Re-Advertise for the County Service Area 70 F Morongo Valley – Water Tank Replacement Project

RECOMMENDATION(S)

Acting as the governing body of County Service Area 70 F Morongo Valley:

1. Reject all bids received on June 27, 2024, for the County Service Area 70 F Morongo Valley – Water Tank Replacement 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 70 F Morongo Valley – Water Tank Replacement Project.
3. Authorize the Director of the Department of Public Works – Special Districts to re-advertise the County Service Area 70 F Morongo Valley – Water Tank Replacement Project for formal bids.

(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 not result in the use of Discretionary General Funding (Net County Cost). The County received a direct allocation of \$423.50 million under the American Rescue Plan Act (ARPA) – Coronavirus Local Fiscal Recovery Fund (CLFRF) to bolster the County's response to the COVID-19 pandemic and its economic impact. The Board of Supervisors (Board) approved an expenditure plan for the use of these funds, known as the County Local Fiscal Recovery Spending Plan (Spending Plan), on June 8, 2021 (Item No. 121) and amended the plan on August 24, 2021 (Item No. 21).

The County Service Area (CSA) 70 F Morongo Valley – Water Tank Replacement Project (Project), in the amount of \$600,000, was approved to proceed with funding from the Third District's ARPA CLFRF allocation on May 23, 2023 (Item No. 104). The funding consisted of a forgivable loan that must be repaid by CSA 70 F Morongo Valley (District) if the Project is completed before December 31, 2024.

Sufficient appropriation for the Project is included in the Department of Public Works – Special Districts (Department) ARPA Capital Improvement Program (CIP) Fund's 2024-25 budget and will be included in future recommended budgets, as necessary.

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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.

On May 21, 2024 (Item No. 93), the Board approved the California Environmental Quality Act notice of exemption and the plans and specifications of the Project, and authorized the Director of the Department of the Department to advertise the Project for formal bids.

On June 27, 2024, the Department received the following two bids:

Contractor Name	Bid Amount	Remarks
Canyon Springs Enterprises	\$900,000.00	Non-responsive
Superior Tank Company, Inc.	\$1,494,500.00	-

Canyon Springs Enterprises failed to provide a signature on Addendum No. 2 of the Bid documents, and as a result, the company was found to be non-responsive. Subsequently, Superior Tank Company, Inc. was found to be the lowest bidder.

The total bid amount of \$1,494,500, by Superior Tank Company, 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 the apparent low bidder, pursuant to PCC Section 22038, of the County's intent to reject all bids.

Due to the ongoing corrosion of the existing tank, the Water and Sanitation Division will manage the temporary storage tank and temporary piping, which were originally included in the original scope of work. As a result, the Department has revised the plans and specifications to exclude the temporary storage tank, including the temporary piping and appurtenances. The Department will also reach out to additional vendors to allow for more competitive bids.

PROCUREMENT

The Project will be re-advertised for bids in accordance with PCC Section 22037 through the County's Electronic Procurement System (ePro). The Department will encourage the previous bidders 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.

**Reject Bids and Re-Advertise for the County Service Area 70 F Morongo Valley - Water Tank Replacement Project
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The Department anticipates returning to the Board in October 2024 with a recommendation for the award of the Project's construction contract.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Sophie A. Curtis, Deputy County Counsel, 387-5455) on July 24, 2024; Finance (Jessica Trillo, Administrative Analyst, 387-4222, and Guy Martinez, ARPA Compliance Officer, 387-5428) on July 24, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on July 24, 2024.

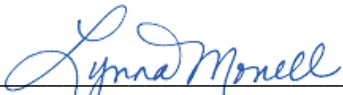
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Record of Action of the Board of Supervisors
Board Governed County Service Areas

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 6, 2024



cc: File - CSA 70 – F Morongo Valley w/CD
MBA 08/8/2024