



Agenda Report

To: City Council August 3, 1998
From: City Manager
Subject: Authorization to Enter Into Contract with Layne Christensen Company to Provide Labor and Materials for Drilling and Construction of Well 59 for the Water and Power Department, Specification WD-98-01

Recommendation

It is recommended that the City Council (i) accept the bid dated June 29, 1998, submitted by Layne Christensen Company, in response to Specification WD-98-01, for providing labor and materials to drill and construct Well 59 for the Water and Power Department, (ii) reject all other bids, and (iii) authorize the General Manager of the Water and Power Department to enter into such Contract, not to exceed \$217,766.49 as is required.

Background

Specification WD-98-01 provides for the drilling and construction of Well 59. The new Well 59, when completed and operational, will help the City increase its production capacity and system reliability and enable the Department to take advantage of the existing Metropolitan Water District's (MWD) seasonal water pricing. By taking advantage of this seasonal pricing and water transfers, the annual cost of purchased water will be reduced by approximately \$200,000 per year.

A new conjunctive use program is presently being negotiated between the City and MWD. This program proposes the construction of five new wells that would give the City enough production capacity to meet our peak summer demand. Well 59 would be part of this program. With or without the conjunctive use program, the City will recover the cost of constructing Well 59 within three years. The construction cost would be recovered through discounted rates under the current Seasonal Storage Service Program or under the new lower pricing structure under the conjunctive use program.

The Notice Inviting Bids for Specification WD-98-01 was published in the Pasadena Weekly on June 12, 1998. In response to the Notice Inviting Bids, three contractors received the Specification. Bids were received from the three contractors as follows:

<u>BIDDERS</u>	<u>TOTAL BID PRICE</u>
Layne Christensen Company	\$197,969.54
Bakersfield Well & Pump, Inc.	\$209,277.00
Beylik Drilling, Inc.	\$226,000.00

The Bid received from Layne Christensen Company is the lowest responsive bid and complies with the technical requirements of the Specification. Staff recommends that the City Council award a contract to Layne Christensen Company. The award includes the bid price and a contingency of 10% to accommodate any necessary change orders. Bid quantities used in the Bid Schedule are based on an estimated well depth of 750 feet. The final well depth will be determined based on soil conditions encountered during drilling. A deeper well would mean a corresponding increase in such quantities as final well depth, casing, well pack, etc. Such increases would be paid for from the contingency amount through approved change orders. The award, including the contingency is as follows:

Base Bid	\$197,969.54
10% Contingency	\$ 19,796.95
Contract Price	\$217,766.49

The engineer's estimate for this work was \$200,000.00.

Layne Christensen Company has submitted the required affirmative action forms and agrees to establish compliance with the Affirmative Action/Equal Employment Opportunity Practices and Provisions of the City of Pasadena, Chapter 4.09 of the Pasadena Municipal Code, and the Rules and Regulations adopted pursuant to said ordinance.

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Fiscal Impact

Funds for drilling and construction of Well 59 have been approved and are provided for in the Water Division's 1997-2002 CIP Budget Account Number 1021.

Respectfully Submitted,

Cynthia J. Kurtz
Acting City Manager

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