

W. G. B.

Memorandum Date: September 3, 2008
Board Order Date: September 17, 2008

TO: Board of County Commissioners
DEPARTMENT: CAO/Community & Economic Development
PRESENTED BY: Mike McKenzie-Bahr, Community and Economic Development Coordinator

AGENDA ITEM TITLE: IN THE MATTER OF AWARDING A CONTRACT TO AQUASTORE N.W. INC FOR \$413,800; IN RESPONSE TO A BID FOR THE CONSTRUCTION AND INSTALLATION OF A WATER STORAGE RESERVOIR FOR THE BLUE RIVER WATER DISTRICT, USING CDBG FUNDS.

I. MOTION

MOVE FOR THE APPROVAL OF AWARDING A CONTRACT TO AQUASTORE N.W. INC FOR \$413,800, AND AUTHORIZE THE COUNTY ADMINISTRATOR TO SIGN CONTRACT DOCUMENTS

II. AGENDA ITEM SUMMARY

The County was awarded a \$1,000,000 Community Development Block Grant (CDBG) in 2005 to make improvements to the Blue River Water District water treatment facilities. Since that time, the project has been moving forward with system engineering work, environmental assessment, construction of a new transmission line and rehabilitation of the well pump and pump house.

In June 2008, the last phase of the project was put out to bid: construction and installation of a water storage reservoir (tank). On July 9, the bid date closed. Three responses to the bids were received: Emery & Sons bid \$507,000; Shearer & Assoc bid \$417,786; and Aquastore bid \$413,800.

We have followed the prescribed process for a competitive bid and are recommending awarding the contract for construction and installation of a water storage reservoir to the lowest bidder: Aquastore N.W. Inc. at \$413,800.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Blue River Water District serves the community of Blue River along the McKenzie River. For several years it has operated with an aging system to treat the residents' drinking water. On behalf of the District, Lane County submitted a grant request that was awarded \$1,000,000 from the Oregon Department of Economic and Community Development Department, using federal Community Development Block Grant (CDBG) funds.

The first step in the process was the selection of an engineering firm to do the necessary engineering work. HGE Inc. was hired after a competitive solicitation process. In addition, as part of their scope of work, HGE assisted in the bid document preparation. With the completion of the engineering work, a request for bids to conduct the first phase of the needed improvements was released in July 2007. The Board of Commissioners awarded project bids as follows:

- Pacific Excavation for \$62,706 to do water distribution improvements;
- Schnieder Equipment for \$97,400 to do well pump and pump house improvements;
- H&J Construction for \$53,000 to do bridge crossing improvements

Each of those bidders has now completed construction on their element of the project. We needed to wait for those elements to be completed before we knew the total amount of grant funds that would be available for the water storage reservoir project. Each of the projects went slightly over budget, leaving \$500,000 in project funds, which was estimated to be enough to build a reservoir.

HGE then designed the needed storage reservoir and created the bid document as per their scope of work under their county contract.

In June 2008, construction of a water storage reservoir was put out to bid. Bids were opened on July 9, 2008. Three responses to the bids were received.

- Emery & Sons bid \$507,000;
- Shearer & Assoc bid \$417,786;
- Aquastore N.W. Inc. bid \$413,800.

Aquastore's bid was determined to be the low bidder and the application was determined to comply with the bid requirements as per review of the bid documents conducted by the bid review committee composed of representatives of the Blue River Water District, HGE Engineering, Lane County and LCOG.

A Notice of Intent to Award the Bids was issued August 18, 2008. No protests to the intent to award the contract were filed.

The award of the contract to Aquastore N.W. Inc for an amount not to exceed \$413,800 to perform the construction and installation of a water storage reservoir is now before the Board of Commissioners for its approval.

B. Policy Issues

Should the Board of Commissioners award a contract to the lowest bidder and have the Blue River project continue?

C. Board Goals

This project meets the following board goals:

- Contribute to appropriate community development in the areas of transportation and telecommunications infrastructure, housing, growth management, and land development.
- Maintain a *healthy environment* with regard to air quality, water quality, waste management, land use and parks.
- *Protect the public's assets* by maintaining, replacing or upgrading the County's investments in systems and capital infrastructure.

D. Financial and/or Resource Considerations

The County previously received a Community Development Block Grant of \$1,000,000 to be used to make improvements to the water filtration system owned by the Blue River Water District and serving the citizens of Blue River.

Of the grant amount, \$420,000 was budgeted for construction of the water reservoir. The total amount of the bid, \$413,800, is within budget.

Only state awarded Community Development Block Grant funds are being expended by the County for these contracts.

E. Analysis

The bid process was conducted pursuant to County and state Bid requirements. A Blue River Water District representative, as well as representative from HGE Inc, the County and LCOG served on the bid review committee. The committee found that the low bidder met the requirements of the bid process. In addition, the bid fits within the budgeted amounts for the work that has been identified as necessary, and contains restrictions to prevent exceeding the budgeted funds. The firm selected is qualified to do the work.

F. Alternatives/Options

The options before the Board are as follows:

1. The Board may choose to approve the proposed contract. This would allow construction and installation of a water storage reservoir.
2. The Board may take no action. This would result in at least a delay in the project until the matters of concern to the Board could be resolved.
3. The Board may choose to reject the proposed contract.

IV. TIMING/IMPLEMENTATION

Upon approval by the Board, the final parts of the County process of contract review will be completed. When that process is complete, the contracts will be signed by the CAO and sent to the contractor so they can begin work.

V. RECOMMENDATION

Staff recommends that the Board of Commissioners approve the motion as drafted.

VI. FOLLOW-UP

If the Board adopts the proposed Order, staff will communicate the adoption to the project parties, oversee the signing of the contracts and direct implementation of the contracts.

VII. ATTACHMENTS

1. Board Order
2. Notice of Intent to Award Bid

The proposed Aquastore N.W. Inc Contract, including the Bid package, is available for review with the Clerk of the Board.

IN THE BOARD OF COUNTY COMMISSIONERS
OF LANE COUNTY, OREGON

ORDER NO. 08-09-17-x

) IN THE MATTER OF AWARDING A
) CONTRACT TO AQUASTORE N.W.
) INC FOR \$413,800; IN RESPONSE TO A
) BID FOR THE CONSTRUCTION AND
) INSTALLATION OF A WATER
) STORAGE RESERVOIR FOR THE
) BLUE RIVER WATER DISTRICT,
) USING CDBG FUNDS.

WHEREAS, Lane County has applied for and been awarded CDBG funds on behalf of the Blue River Water District in the amount of \$1,000,000, including \$420,000 for water storage reservoir construction and installation; and

WHEREAS, A competitive bid process was held to solicit bids for the improvements of the water system to be performed as a part of the grant award, three responsive bids were received and reviewed; and

WHEREAS, after reviewing the bids, Aquastore N.W. Inc. was the lowest bidder; and

WHEREAS, the review committee, Blue River Water District, HBH Engineering, County staff and LCOG staff, are recommending that the County Board of Commissioners award a contract to Aquastore N.W. Inc for the construction and installation of a water storage reservoir for Blue River.

NOW THEREFORE IT IS HEREBY RESOLVED AND ORDERED that the Lane County Board of Commissioners does hereby approve contracting with Aquastore N.W. Inc for an amount not to exceed \$413,800;

IT IS FURTHER ORDERED that the County Administrator is authorized to sign contracts subject to approval by County Counsel.

DATED this 17th day of September, 2008.

Chair, Lane County Board of
Commissioners

APPROVED AS TO FORM
Date 9/9/08
JL
OFFICE OF LEGAL COUNSEL

Notice of Award

Dated August 18, 2008

Project: Blue River Water District Reservoir & Distribution Improve.	Owner: Lane County	Owner's Contract No.:
Contract: Blue River Water District Reservoir & Distribution Improve.	Engineer's Project No.: 06.71-Reserv.	

Bidder: **Aquastore N.W., Inc.**

Bidder's Address: (send Certified Mail, Return Receipt Requested)

PO Box 1041, Canby, Oregon 97013 / 23115 Airport Rd. NE, SP 7, Aurora, Oregon 97002

You are notified that your Bid dated July 9, 2008 for the above Contract has been considered. You are the Successful Bidder and are awarded a Contract for Blue River Water District Reservoir and Distribution Improvements.

The Contract Price of your Contract is Four Hundred Thirteen Thousand, Eight Hundred and 00/100 Dollars (\$413,800.00).

Five (5) copies of each of the proposed Contract Documents (except Drawings) accompany this Notice of Award.

Six (6) sets of the Drawings will be delivered separately or otherwise made available to you immediately.

You must comply with the following conditions precedent within [15] days of the date you receive this Notice of Award.

1. Deliver to the Owner Five (5) fully executed counterparts of the Contract Documents.
2. Deliver with the executed Contract Documents the Contract security [Bonds] as specified in the Instructions to Bidders (Article 19), [and] General Conditions (Paragraph 5.01) [and Supplementary Conditions (Paragraph SC-5).]
3. Other conditions precedent:
 - a. Deliver with the executed Contract Documents Certificates of Insurance as specified in the Instructions to Bidders (Article 19), General Conditions (paragraph 5.03 and 5.04) and Supplementary General Conditions (paragraphs SC-5.03 and SC-5.04).
 - b. Deliver Employee Drug Testing Policy.
 - c. Deliver executed copy of Exhibit GC-B to the Standard General Conditions.
 - d. Deliver those portions of Section 00810 as set forth in Addendum #2, that are identified as requiring a Contractor's information, including, but not limited to portions of Exhibit 5B, Exhibit 5C (Section 3 Summary Report), and Exhibit 5G, as specified in the Instructions to Bidders (Article 31).

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award and declare your Bid security forfeited.

Within ten days after you comply with the above conditions, Owner will return to you two fully executed counterparts of the Contract Documents with appropriate identification.

LANE COUNTY

Owner

By: _____
Authorized Signature

Title

Copy to Engineer