



## AGENDA REPORT

**Meeting Date:** August 30, 2016

**Item Number:** D-6

**To:** Honorable Mayor & City Council

**From:** Mark Cuneo, City Engineer *MC*  
Vincent Chee, Project Manager

**Subject:** RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AUTHORIZING THE CITY MANAGER TO AWARD A CONTRACT TO THE LOWEST RESPONSIBLE BIDDER FOR THE LA BREA SUBAREA WELL DRILLING PROJECT AND APPROVING PLANS AND SPECIFICATIONS THEREFOR; AND

AUTHORIZING THE CITY MANAGER TO APPROVE A PURCHASE ORDER IN THE AMOUNT OF THE LOWEST RESPONSIBLE BID PLUS A 15% CONTINGENCY

**Attachments:** 1. Resolution

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### **RECOMMENDATION**

Staff recommends that the City Council move to approve the resolution entitled "Resolution Of The Council Of The City Of Beverly Hills Authorizing The City Manager To Award A Contract To The Lowest Responsible Bidder For The La Brea Subarea Well Drilling Project And Approving Plans And Specifications Therefor; And Authorizing The City Manager To Approve A Purchase Order In The Amount Of The Lowest Responsible Bid Plus A 15% Contingency."

### **INTRODUCTION**

A private property site has been identified for potential acquisition as part of the Water Enterprise Plan implementation. The due diligence process for site acquisition includes the drilling of a pilot well to verify hydrogeological conditions. To expedite the due diligence phase, staff recommends that the City Council authorize the City Manager to award a contract to the lowest responsible bidder for the drilling of the pilot well.

**DISCUSSION**

On April 5, 2016, the City Council approved an agreement with Michael Baker International to prepare a Preliminary Design Report for the development of ground water resources in the Central Basin as recommended in the Water Enterprise Plan. The scope of services included the identification of potential sites for water infrastructure facilities including municipal supply wells. A private property site was identified and the City is currently in negotiation to acquire the prospective property. A Purchase Agreement will be prepared by the City Attorney subject to City Council's approval at its September 6, 2016, meeting. As part of the property acquisition due diligence process, a pilot well is proposed to be drilled on the site to verify that the site has the subsurface hydrogeological conditions that are required for the construction of a municipal supply well.

In anticipation of locating potential sites, staff prequalified bidders for well drilling services. The prequalification process included review of the experience and qualifications of several interested well drilling contractors. The process yielded five qualified well drilling contractors. These five contractors were provided construction documents for the La Brea Subarea Well Drilling project and bids are due on September 2, 2016. In order to accelerate the schedule for completion of the due diligence process, staff recommends that the City Council approve a resolution authorizing the City Manager to award the contract for drilling a pilot well to the lowest responsible bidder. The scope of this project includes drilling of a pilot well to the depth of approximately 800 feet to identify the water bearing aquifers, perform zone pumping tests and collect samples for water quality to determine if the site is viable for drilling of a water production well. The engineer's estimate for drilling the pilot well is \$400,000.

Delegating the authority to the City Manager to award this project will accelerate the schedule by approximately 24 days. If City Council decides not to delegate the authority, staff would return at the September 20, 2016, Council meeting to award a construction contract and purchase order to the lowest responsible bidder.

**FISCAL IMPACT**

Funding for this construction contract is available in the FY 2016-17 Capital Improvement Program (CIP) budget in CIP No. 0916 Well Rehab and Groundwater Development.

  
George Chavez  
Approved By

# **Attachment 1**

RESOLUTION 16-R-\_\_\_\_\_

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AUTHORIZING THE CITY MANAGER TO AWARD A CONTRACT TO THE LOWEST RESPONSIBLE BIDDER FOR THE LA BREA SUBAREA WELL DRILLING PROJECT AND APPROVING PLANS AND SPECIFICATIONS THEREFOR

The Council of the City of Beverly Hills does hereby resolve as follows:

Section 1. The plans and specifications for the La Brea Subarea Well Drilling Project, dated August 22, 2016 ("Project"), copies of which are on file in the Public Works Department, are hereby adopted and approved with respect to design criteria.

Section 2. The City prequalified bidders for the Project and, after review of the submitted bids, qualified five well drilling contractors for the Project. Due to the accelerated schedule for the construction of the Project, City Council hereby delegates to the City Manager the authority to award the contract for the Project to the lowest responsible bidder and to approve a purchase order in the amount of the contract plus a 15% contingency amount to the lowest responsible bidder. The contract shall not be awarded if the City Council does not enter into a Purchase and Sale Agreement for the Project site.

Section 3. A construction contingency in an amount not to exceed 15% of the total contract amount is hereby approved for change orders to the contract as approved by the City Manager.

Section 4. The City Clerk shall certify to the adoption of this Resolution and shall cause this Resolution and his certification to be entered in the Book of Resolutions of the Council of this City.

Adopted:

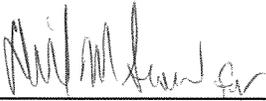
CITY OF BEVERLY HILLS

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JOHN A. MIRISCH  
Mayor of the City of Beverly Hills, California

ATTEST:

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BYRON POPE (SEAL)  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

\_\_\_\_\_  
MAHDI ALUZRI  
City Manager

  
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GEORGE CHAVEZ  
Assistant City Manager/Director of Public Works