

**TO:** James L. App, City Manager  
**FROM:** Doug Monn, Public Works Director  
**SUBJECT:** Lift Station No. 10 Pump Upgrades  
**DATE:** March 2, 2010

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**NEEDS:** For City Council to confirm that Betschart Enterprises has not executed the contract for upgrading the pumps at Lift Station No. 10, and to consider awarding the contract to the second low bidder, John Madonna Construction.

**FACTS:**

1. Lift Station No. 10 is located at the southwest corner of Riverside and 24th Street across from the Paso Robles Event Center.
2. The lift station was constructed in 1959. Wastewater Maintenance staff has been having difficulty with the mechanical system and has noticed a substantial drop in its efficiency.
3. Lift Station No. 10 receives the second highest flow in the City's system. An average flow of 4,050 gallons per minute runs through the lift station from the area south of 24th Street to 1st Street, and between the west City limits and Riverside.
4. Plans were prepared and informal bids were solicited to upgrade the pumps at Lift Station No. 10, and at the bid opening on December 18, 2009 seven bids were received as follows:

Betschart Enterprises .....	\$122,000
John Madonna Construction.....	132,500
Ahrens Corporation.....	133,000
R. Baker Inc. ....	134,980
MGE Underground.....	141,195
Brough Construction.....	157,693
American Inc. ....	159,700

5. On January 5, 2010, City Council directed staff to award the construction contract to Betschart Enterprises.
6. Staff notified Betschart Enterprises of the award and directed Betschart to execute the contract and furnish performance and labor bonds in accordance with the bid documents.
7. On February 18, 2010, the City received a letter from Betschart notifying the City that they are unable to provide the required bonds.
8. Betschart's failure to provide the bonds constitutes a failure to execute the contract
9. By failing to execute the contract, Betschart has forfeited its bid security.
10. Section 5106 of the Public Contract Code authorizes a public entity to award a contract to the next low bidder when the apparent low bidder fails to execute the contract.

**ANALYSIS &**

**CONCLUSION:** Since Betschart Enterprises has failed to execute the contract, the City Council may award the contract to the next lowest bidder, John Madonna Construction, in the amount of \$132,500. The bid submitted by John Madonna Construction was reviewed by staff and found to be a responsive and responsible bid.

**POLICY**

**REFERENCE:** Adopted Sewer System Management Plan  
Public Works Contract Code

**FISCAL**

**IMPACT:** The adopted Capital Improvement Project lists a project entitled “Rehab Lift Stations” with a budget of \$536,900. The budget was adopted to accommodate necessary upgrades and improvements to the City’s lift stations. Work at Lift Station No. 10 will be funded from this budget

- OPTIONS:**
- a. Adopt Resolution No. 10-xx acknowledging Betschart’s failure to execute the contract and awarding the contract to upgrade the pumps at Lift Station No. 10 to John Madonna Construction in the amount of \$132,500.
  - b. Amend, modify, or reject the above option.

Prepared by: Ditas Esperanza, P.E., Capital Projects Engineer

Attachments: Resolution

RESOLUTION NO. 10-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
RESCINDING AWARD OF A CONTRACT,  
AND AWARDING THE CONTRACT TO UPGRADE PUMPS AT LIFT STATION NO. 10

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WHEREAS, Lift Station No. 10, located at the southwest corner of Riverside and 24th Street, was constructed in 1959 and is now experiencing mechanical problems that are causing a substantial drop in efficiency; and

WHEREAS, Lift Station No. 10 serves the area south of 24th Street to 1st Street, and between the west City limits and Riverside. and receives the second highest flow in the City's system with an average flow of 4,050 gallons per minute; and

WHEREAS, bid documents were put out for informal bid to upgrade to the pumps at Lift Station No. 10; and

WHEREAS, at the bid opening December 18, 2009, seven bids were received ranging from \$122,000 to \$159,700; and

WHEREAS, the contract was awarded by City Council on January 5, 2010 to the lowest bidder, Betschart Enterprises, who was notified of the award and directed to execute the contract and furnish bonds as required by the bid documents; and

WHEREAS, on February 18, 2010, the City received a letter from Betschart Enterprises notifying the City that they are unable to provide the required bonds, and so has failed to execute the contract; and

WHEREAS, by failing to execute the contract, Betschart has forfeited its bid security, in the form of a bid bond; and

WHEREAS, Public Contract Code section 5106 authorizes a public entity to award a contract to the next low bidder when the apparent low bidder fails to execute the contract; and

WHEREAS, staff reviewed the second lowest bid, submitted by John Madonna Construction, and found it to be a responsive and responsible bid; and

WHEREAS, this project can be funded from the Capital Improvement Budget which includes funds in the amount of \$536,900 to "Rehab Lift Stations."

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of Paso Robles does find that Betschart Enterprises has failed to execute the contract to upgrade the pumps at Lift Station No. 10.

SECTION 2. The City Council does hereby award a contract to John Madonna Construction, the second low bidder, in the bid amount of \$132,500, to upgrade the pumps at Lift Station No. 10, and authorizes the City Manager to execute the contract when the contractor has provided the bonds and evidence of insurance required by the contract documents.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 2nd day of March 2010 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Duane Picanco, Mayor

ATTEST:

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Lonnie Dolan, Deputy City Clerk