

LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: APRIL 27, 2021

TO: BOARD OF DIRECTORS
Lake Arrowhead Community Services District

FROM: SCOTT SCHRODER, Engineering Manager

CATHERINE CERRI, General Manager

SUBJECT: CONSIDER REJECTING BID FOR THE BLUE JAY WELL DEVELOPMENT, WELL DRILLING, CONSTRUCTION, DEVELOPMENT AND TESTING PROJECT NO. 187

A. RECOMMENDATION

It is recommended that the Board of Directors reject one bid for the Blue Jay Well Development, Well Drilling, Construction, Development and Testing, Project No. 187 (“Project”).

B. REASON FOR RECOMMENDATION

On February 4, 2021, District staff advertised for bids for the construction of the Project and on March 4th, 2021, the District received the following bid:

	Contractor	Total
1	Yellow Jacket Drilling.	\$ 662,615

The Engineer's cost estimate is \$358,000

Because the bid is significantly above the Engineer’s cost estimate of 54% staff recommends that this bid be rejected.

C. BACKGROUND INFORMATION

The Lake Arrowhead Community Services District (District) is responsible for providing potable water to approximately 8,300 customers in its certificated water service area, also known as the Arrowhead Woods, and non-potable irrigation water for the Lake Arrowhead Country Club golf course. It is the District's policy to reduce and ultimately eliminate reliance on Lake Arrowhead as the community's sole source of water supply. This does not mean that the District would stop using lake water outright. Water supplied from Lake Arrowhead is the community's least cost, best quality and most reliable source of water supply. However, during drought conditions, as the community experienced during the past several years, it is the District's goal to supply water from alternative sources of water supply including ground water wells.

D. FISCAL IMPACT

The budget for FY 20/21 includes \$1,000,000 for the project, which includes \$508,360 for this first phase of the project including \$358,000 for construction and \$150,360 for engineering, inspection, and other related costs. The funds are provided by the Supplemental Water Projects Fund 160.

E. ENVIRONMENTAL IMPACT

Final Mitigated Negative Declaration. Mitigation Monitoring and Reporting program. Public Resources Code, Section 21081.6 (Assembly Bill 3180) requires that mitigation measures identified in environmental review documents prepared in accordance with California Environmental Quality Act (CEQA) are implemented after a project is approved. Therefore, this Mitigation Monitoring and Reporting Program (MMRP) has been prepared to ensure compliance with the adopted mitigation and applicant proposed measures during the construction Blue Jay Well Site Project No. 187.

F. ATTACHMENTS

None