

RESOLUTION NO. 22-129

RESOLUTION OF THE MENDOCINO COUNTY BOARD OF SUPERVISORS AUTHORIZING DEPARTMENT OF TRANSPORTATION, WATER AGENCY DIVISION TO AWARD CONTRACT NUMBER 210065 FOR AN AMOUNT NOT-TO-EXCEED \$875,000, UPON EXECUTION THROUGH DECEMBER 31, 2022, FOR THE MENDOCINO COUNTY COMMUNITY WATER SUPPLY REPLACEMENT PROJECT TO BUTCH CAMERON TRUCKING USING FUNDS TO BE REIMBURSED TO DISASTER RECOVERY BUDGET UNIT 2910 BY CALIFORNIA DEPARTMENT OF WATER RESOURCES FUNDING AGREEMENT NUMBER 4600014496 (COUNTYWIDE)

WHEREAS, on April 20, 2021, the Board of Supervisors declared the existence of a Local Emergency related to the 2021 Drought; and

WHEREAS, the County of Mendocino proposes to implement the Mendocino County Community Water Supply Replacement Project, which will involve the water supply replacement of water to communities with drought caused water loss or contamination of water supplies; and

WHEREAS, the Mendocino County Project is being implemented in response to a drought scenario, as defined by Water Code section 13198(a) and is intended to: (1) address immediate impacts on human health and safety; (2) address immediate impacts on fish and wildlife resources; or (3) provide water to persons or communities that lose or are threatened with the loss or contamination of water supplies; and

WHEREAS, the County of Mendocino has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, the County of Mendocino on September 21, 2021, became eligible for domestic water supply replacement grant funding from the California Department of Water Resources for the Mendocino County Community Water Supply Replacement Project; and

WHEREAS, domestic residential water delivery costs are currently estimated to be some \$875,000 and are anticipated to be 100% reimbursable through state grants; and

WHEREAS, the request for proposals of Department of Transportation (DOT) Contract Number (No.) 210065 provided for water hauling from Ukiah to Fort Bragg up to 200,000 gallons per week at a total not-to-exceed amount of \$875,000, depending on water availability at Fort Bragg; and

WHEREAS, the lowest responsive, responsible proposal was from Butch Cameron Trucking, 1240 Century Court, # A, Santa Rosa, CA 95403, with a base bid of \$0.23 per gallon and \$175 per hour for a two hour load – unload for an estimated cost \$1,672.50 per 5,750 gallon load delivery from Ukiah to Fort Bragg - effectively 29 cents per gallon water hauled; and

WHEREAS, the proposals for DOT Contract Number (No.) 210065 were due and opened November 17, 2021, when the most current 12-month period (August 2020 to July 2021) for California No. 2 Diesel Retail Sales by All Sellers average price was some \$4.70 per gallon per the US Energy Information Administration (EIA). Furthermore, Butch Cameron Trucking had used a 34.5% calculated factor for measuring petroleum based product costs (in addition to diesel) that impact the trucking industry which accounts for fuel, diesel exhaust fluid (DEF), tires etc. and is an industry recognized methodology to base price bids; and

WHEREAS, drastically higher than normal fuel inflation during the contract development period led to Butch Cameron Trucking seeking to enter into negotiations regarding the proposal to include a Petroleum Market based Surcharge tied to the fuel price on which the CONTRACTOR based their bid; and

WHEREAS, DOT believes the addition of a surcharge is appropriate because since opening of proposals in November 2021 to April 2022 the EIA reports an average of \$6.30 per gallon or a 34% increase in fuel alone which is a large and abnormal price fluctuation. Such price fluctuations were unanticipated at time of proposal and we now are experiencing a national 40 year high inflation rate as evidence of a volatile economy; and

WHEREAS, the surcharge recommended for inclusion in the agreement will also not likely result in an adjustment large enough to cause an increase in cost such that the lowest proposal would become as or more expensive than the second-lowest proposal; and

WHEREAS, under the County's competitive procurement guidelines, the County may negotiate with the submitters of proposals in response to requests for proposals; and

WHEREAS, it is in the best interest of the County to negotiate as part of this proposals process instead of attempting a third round of proposals, in order to secure water hauling services in time for this summer as part of the Water Supply Replacement Project, and to preserve the integrity of the procurement process, as numerous submissions have already been made and can be reviewed; and

WHEREAS, the Director of Transportation recommends award of DOT Contract No. 210065, to the low bidder, Butch Cameron Trucking in the amount not-to-exceed \$875,000; and

WHEREAS, DOT is requesting authorization for award of DOT Contract No. 210065 at this time, which will enable the County to have on-call water delivery service available through 2022.

NOW, THEREFORE, BE IT RESOLVED that the Mendocino County Board of Supervisors hereby:

1. Authorizes and directs the Director of Transportation to award DOT Contract No. 210065, to Butch Cameron Trucking, in the amount not-to-exceed \$875,000, for the Mendocino County Community Water Supply Replacement Project, and to process contract documents acceptable to County Counsel and Risk Management, to include a Petroleum Market based surcharge increase based on actual cost documentation demonstrating the cost increase above that at time of proposal opening.
2. Authorizes and directs the Chief Executive Officer to utilize the funds from California Department of Water Resources Funding Agreement Number 4600014496 applied to Disaster Recovery Budget Unit 2910 with any necessary Local share of up to \$100,000 non-grant participating costs from General Funds; estimated cost of \$875,000, with anticipated 100% reimbursement through DWR grant programs.

The foregoing Resolution introduced by Supervisor Mulheren, seconded by Supervisor McGourty, and carried this 7th day of June, 2022, by the following vote:

AYES: Supervisors McGourty, Mulheren, Haschak, Gjerde, and Williams
NOES: None
ABSENT: None

WHEREUPON, the Chair declared said Resolution adopted and SO ORDERED.

ATTEST: DARCIE ANTLE
Interim Clerk of the Board

TED WILLIAMS, Chair
Mendocino County Board of Supervisors

Deputy

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

APPROVED AS TO FORM:
CHRISTIAN M. CURTIS
County Counsel

BY: DARCIE ANTLE
Interim Clerk of the Board

Deputy