

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Barry Ng
Kerrie Romanow
Jennifer A. Maguire

SUBJECT: ALVISO STORM PUMP STATION

DATE: September 13, 2017

Approved

D. D. Sy

Date

9/21/17

COUNCIL DISTRICT: 4

RECOMMENDATION

- (a) Approve award of a construction contract for the Alviso Storm Pump Station Project (CPMS ID 6095) to the second low bidder, JMB Construction, Inc., in the amount of \$13,130,420 and approve a ten percent contingency in the amount of \$1,313,042.
- (b) Adopt the following Fiscal Year 2017-2018 Appropriation Ordinance Amendments in the Storm Sewer Operating Fund:
 - (1) Decrease the Capital Program Reserve by \$3,000,000; and
 - (2) Increase the transfer to the Storm Sewer Capital Fund by \$3,000,000.
- (c) Adopt the following Fiscal Year 2017-2018 Appropriation Ordinance and Funding Sources Resolution Amendments in the Storm Sewer Capital Fund:
 - (1) Increase the estimate for Transfers and Reimbursements by \$3,000,000; and
 - (2) Increase the Alviso Storm Pump Station appropriation to the Public Works Department by \$6,800,000;
 - (3) Decrease the Outfall Rehabilitation - Capital appropriation to the Public Works Department by \$100,000;
 - (4) Decrease the Alviso Storm Pump Station Reserve by \$1,200,000;
 - (5) Decrease the Storm Pump Station Rehabilitation and Replacement appropriation to the Public Works Department by \$1,500,000;
 - (6) Decrease the Storm Sewer Master Plan – City-wide appropriation to the Public Works Department by \$300,000;
 - (7) Decrease the Condition Assessment Storm Sewer Repairs appropriation to the Public Works Department by \$200,000; and
 - (8) Decrease the Unrestricted Ending Funding Balance by \$500,000.

OUTCOME

Award of the construction contract to JMB Construction, Inc. will enable the Alviso Storm Pump Station Project to proceed. Approval of a ten percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the project. Adoption of 2017-2018 Appropriation Ordinance and Funding Sources Resolution Amendments in the Storm Sewer Operating Fund and Storm Sewer Capital Fund will ensure a sufficient budget to fully fund the project.

BACKGROUND

In June 2014, a North San José Storm Drain Master Plan (Master Plan) study was completed to address drainage in north San José that includes the area of Alviso. The Alviso study area, consisting of approximately 450 acres of combined industrial, residential, and commercial development, is bounded by the Alviso slough on the north, Highway 237 on the south, Guadalupe River on the west, and Coyote Creek on the east. The study recommended different areas of storm system deficiency improvements that will provide a long term flood protection to the community.

This project includes the construction of a new 110 cubic-feet per second (CFS) storm pump station that will help address the 100-year rain event per the recommendation of the Master Plan. The new pump station, with a drainage area of 240 acres, will be installed on a City-owned property located at the northeast corner of Gold Street and Catherine Street. Approximately 1,200 linear feet (LF) of 48-inch diameter high density polyethylene force main will be installed along Catherine Street, tunneled under Union Pacific Railroad tracks and the levee along the Guadalupe River, and tied to a new discharging outfall structure. The levee is owned by the State Lands Commission and maintained by the Santa Clara Valley Water District. The outfall will be a bubble-up structure located in the Guadalupe River that will help dissipate the velocity of the discharge from the new pump station. Per provision C.3 of the Municipal Regional Stormwater Permit (MRP), the project incorporates 1,700 square feet of bioretention parallel to the exterior walls of the pump station to intercept stormwater runoff from the site. In collaboration with Alviso residents and the Office of Cultural Affairs, approximately 1,000 SF of public art will be incorporated onto the exterior walls. Artist Sam Toribio had worked with the Alviso community and selected an art rendering that primarily focuses on environmental themed elements that embodies the Alviso marshland area and eloquently weaves the history of Alviso in the proposed artwork.

In addition to significant coordination with the Alviso community through the Alviso Water Task Force organized by Santa Clara Valley Water District (SCVWD), the project is required to obtain permits and/or agreements from various regulatory agencies including:

- (1) United States Army Corps of Engineers (USACE) - Section 404, NWP 12 that required consultation with National Marine Fisheries Services (NMFS) and Office of State Historic Preservation Officer;
- (2) U.S Fish and Wildlife Services (USFWS) - Section 7 Consultation;
- (3) U.S Fish and Wildlife Services - Incidental Take;

- (4) California Department of Fish and Wildlife (CDFW) - 1600 Streambed Alteration Agreement;
- (5) Regional Water Quality Control Board (RWQCB) - Section 401 Water Quality Certification;
- (6) RWQCB - Construction Dewatering Discharge;
- (7) Bay Conservation and Development Commission (BCDC) - Administrative Permit;
- (8) State Lands Commission (SLC) - Lease Agreement;
- (9) SCVWD - License Agreement;
- (10) SCVWD - Encroachment Permit;
- (11) Union Pacific Railroad Pipeline - License Agreement;
- (12) CA Department of Industrial Relations - Underground Classification;
- (13) Pacific Gas and Electric - Extension Agreement, and
- (14) County of Santa Clara - Right-of-Entry clearance for access to Blue Whaling Club.

The permit applications with the regulatory agencies were initiated in May 2016. The conditional approvals were separately obtained. The CDFW agreement was obtained on April 21, 2017. The USACE agreement was obtained on May 4, 2017. For the USACE process, formal Section 7 consultation with USFWS began on September 9, 2016 and the Biological Opinion was issued on April 6, 2017. Informal Section 7 consultation with NMFS was initiated by USACE on October 12, 2016 and a Letter of Concurrence was issued on January 13, 2017. The RWQCB agreement was obtained on June 23, 2017. The BCDC Administrative Permit and SCVWD Encroachment Permit are contingent upon having other permits in place and are currently waiting for the SLC lease agreement and the SCVWD and license agreement to be completed.

Construction is scheduled to begin in January 2018, with substantial completion in January 2019.

ANALYSIS

Bids for this project were opened on July 27, 2017 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Engineer's Estimate	\$10,460,920	---	---
Myers & Sons Construction, LP. (Sacramento, CA)	\$11,797,000	\$1,336,080	13
JMB Construction, Inc. (South San Francisco)	\$13,130,420	\$2,669,500	26
Anderson Pacific Engineering Construction, Inc. (Santa Clara, Ca)	\$15,736,045	\$5,275,125	50

Proven Management, Inc. (Oakland, CA)	\$16,477,777	\$6,016,857	58
Mountain Cascade, Inc. (Livermore, CA)	\$16,898,372	\$6,437,452	62

The project is being awarded to the second lowest bidder, JMB Construction, Inc. (JMB). On July 31, 2017, which is within the protest/relief period stipulated in the Notice of Intent to Award (NOITA), Myers & Sons Construction, LP (Myers) submitted a request to be relieved from its bid. Myers made an arithmetic error in filling its bid, which made its bid materially different than intended.

Myers attached in its letter, a subcontractor bid broken in two sections. The first section is in Lump Sum method of payment that covers sheet piling bid items for Jacking Pits, Receiving Pit, Wet Well, Junction areas and the Cofferdam components of the project. The second section is in Linear Foot method of payment that covers sheet pile shoring for pipeline trenching. Myers inadvertently failed to add the subcontractor's bid for pipeline trenching. This resulted in a significant difference from the other bidders' average bids and the engineer's estimate for Bid Item No. 92, which requires the installation of 1,130 linear feet of 48-inch HDPE Force Main.

Staff has coordinated and reviewed Myers' request with the City Attorney's Office and recommends Myers be relieved of its bid, without forfeiture of its bid security. Myers' request meets the applicable criteria of the City Standard Specifications Section 2-1.095 – Relief of Bidders which allows relief of a bid under the sole and absolute discretion of the City within the protest period.

The second low bid, submitted by JMB, is 26 percent above the engineer's estimate. The difference is reflected in the concrete junction structures and the pipeline pressure fittings of the project. The higher price is attributed to the San Francisco Bay Area's strong economy and high construction activity. The Engineer's Estimate accounted for steady trends of rising costs in construction over the past few years; however, continued high demand for regional construction services, as evidenced by current labor and material shortages, resulted in bids significantly higher than projected. Furthermore, the regulatory agencies' permit conditions that restrict the bidder to only work in the Alviso Slough Levee between August 1 and October 15 added to unidentified risk and cost to the project.

JMB is an experienced storm and sanitary pump station contractor in the Bay Area. JMB has successfully completed a number of storm sewer and sanitary sewer projects for the City.

Given the importance and urgency for the Alviso Storm Pump Station project to be constructed so that it will protect the Alviso community from a future flooding event, staff recommends to award the project to JMB. This will prevent further delays, renewal of regulatory permits, and costs associated with a re-bidding process.

The recommended adjustments to the budget to fully fund the project will result in the liquidation of the Alviso Storm Pump Station Reserve, as well as reductions to the Storm Pump Station Rehabilitation and Replacement, Outfall Rehabilitation, Storm Sewer Master Plan, and Condition Assessment for Storm Sewer Repairs appropriations. While the funding adjustments will result in some minimal impacts to projects that are not directly related to the Alviso Storm Pump Station project for the 2017-2018 fiscal year, they are necessary due to the need to construct the pump station in a timely manner.

EVALUATION AND FOLLOW-UP

This project is currently scheduled to be completed by January 2019. No additional City Council follow-up action is expected at this time.

PUBLIC OUTREACH

This project was significantly coordinated with the community via recurring meetings with the Alviso Water Task Force, as well as targeted community meetings in 2015 and 2016 to share project status updates, proposed public art, and flood preparedness plans.

To solicit contractors, this project was listed on the BidSync and advertised in the *San José Post Record*. The complete bid package and project information for all Department of Public Works' construction projects are available on BidSync for interested contractors, contractor organizations and builders' exchanges. This project will be posted to the City's website for the October 3, 2017, City Council agenda.

COORDINATION

This project and memorandum were coordinated with the Department of Transportation, Department of Finance, Planning, Building and Code Enforcement Department, Parks, Recreation and Neighborhood Services Department, Office of Economic Development (Real Estate Services), Office of Cultural Affairs, Office of Emergency Services, City Attorney's Office, and City Manager's Office.

COMMISSION RECOMMENDATION/INPUT

This item does not have input from any board or commission.

FISCAL/POLICY ALIGNMENT

Installation of the Alviso Storm Pump Station is in alignment with the City's flood protection policies and regulations.

COST SUMMARY/IMPLICATIONS

1.	AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$ 13,130,420
	Project Delivery	3,661,967*
	Construction	13,130,420
	Contingency	1,313,042
	TOTAL PROJECT COSTS	\$ 18,105,429
	Less Prior Year Expenditures	(2,034,429)
	REMAINING PROJECT COSTS	\$ 16,071,000

* Project delivery includes \$2,050,000 for Design, Bid, and Award Services and \$1,611,967 for Inspection, Survey and Materials Lab Services, Construction Management, and project close-out costs.

2. COST ELEMENTS OF CONTRACT:

Mobilization, Permits, and Traffic Control	\$ 1,111,895
Civil and Electrical Work	\$ 2,829,935
Landscape Work and Site Enhancements	\$ 1,326,400
Storm Gravity and Force Main Systems	\$ 3,288,440
Shoring, Dewatering, Diversion Pumping	\$ 2,155,850
Pumps and Mechanical Appurtenances	\$ 2,417,900
TOTAL AGREEMENT/CONTRACT AMOUNT	\$ 13,130,420

3. SOURCE OF FUNDING: Storm Sewer Capital Fund (Fund 469). Additional funding of \$6,800,000 is needed to complete this project and will be funded from a combination of sources, including an increased transfer from the Storm Sewer Operating Fund (Fund 446), liquidation of the Alviso Storm Pump Station Reserve, and other capital projects, as shown in the Budget Reference section below.

4. OPERATING COSTS: The proposed operating and maintenance costs of this project have been reviewed; the project will have no significant adverse impact on the Storm Sewer Operating Fund or General Fund operating budgets.

BUDGET REFERENCE

The table on the following page identifies the fund and appropriation proposed to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn #	Appn Name	Current Total Appn	Rec. Budget Action	Amt for Contract	2017-2018 Proposed Budget Page*	Last Budget Action (Date, Ord. No.)
469	7623	Alviso Storm Pump Station	\$9,271,000	\$6,800,000	\$13,130,420	Capital - 221	06/20/2017, 29962
446	8458	Capital Program Reserve	\$4,100,000	(\$3,000,000)	N/A	Operating - 887	6/20/17, 29962
446	A010	Transfer to the Storm Sewer Capital Fund	\$10,000,000	\$3,000,000	N/A	Operating - 887	6/20/17, 29962
469	R003	Transfers and Reimbursements	\$10,000,000	\$3,000,000	N/A	Capital - 216	6/20/17, 78229
469	8388	Alviso Storm Pump Station Reserve	\$1,200,000	(\$1,200,000)	N/A	Capital - 238	6/20/17, 29962
469	5150	Storm Pump Station Rehabilitation and Replacement	\$1,500,000	(\$1,500,000)	N/A	Capital - 227	6/20/17, 29962
469	4245	Outfall Rehabilitation - Capital	\$800,000	(\$100,000)	N/A	Capital - 226	6/20/17, 29962
469	5252	Storm Sewer Master Plan – City-wide	\$1,450,000	(\$300,000)	N/A	Capital - 236	6/20/17, 29962
469	7801	Condition Assessment Storm Sewer Repairs	\$250,000	(\$200,000)	N/A	Capital - 224	6/20/17, 29962
469	8999	Unrestricted Ending Fund Balance	\$1,014,334	(\$500,000)	N/A	Capital - 219	6/20/17, 29962

* The 2017-2018 Operating and Capital Budgets were adopted by the City Council on June 20, 2017.

September 13, 2017

Subject: Alviso Storm Pump Station

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CEQA

File No. PP15-062, Mitigated Negative Declaration (MND), adopted on April 26, 2016.

/s/

BARRY NG
Director of Public Works

/s/

KERRIE ROMANOW
Director of Environmental Services



JENNIFER A. MAGUIRE
Senior Deputy City Manager/
Budget Director

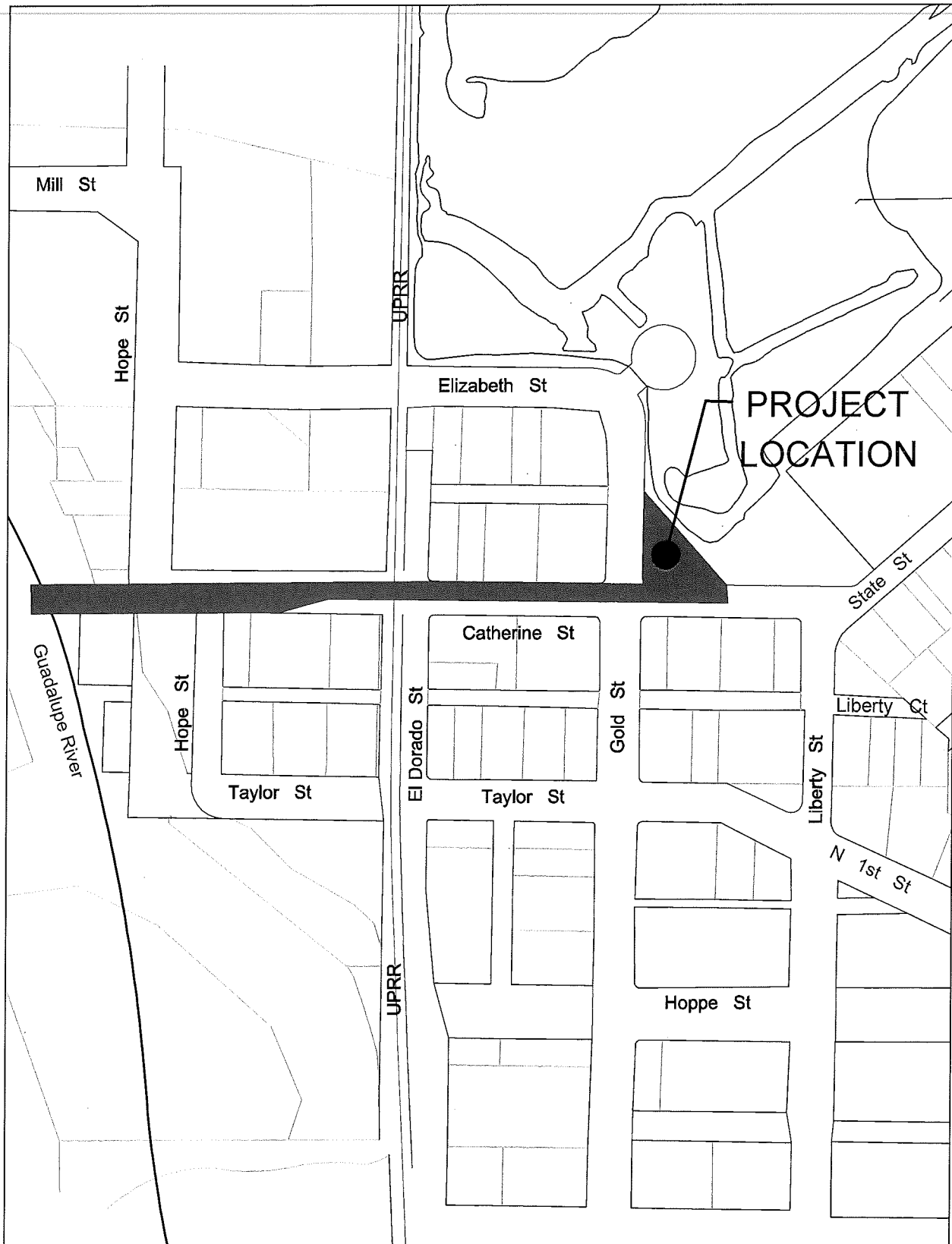
I hereby certify that there will be available for appropriation in the Storm Sewer Capital Fund in Fiscal Year 2017-2018 monies in excess of those heretofore appropriated therefrom, said excess being at least \$3,000,000.



JENNIFER A. MAGUIRE
Senior Deputy City Manager/
Budget Director

Attachment: Location Map

For questions, please contact Michael O'Connell, Deputy Director of Public Works, at (408) 535-8300.



● PROJECT LOCATION

ALVISO STORM PUMP STATION
LOCATION MAP

LOCATION MAP
NOT TO SCALE