



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: May 29, 2018

Approved

Date

6-5-18

SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR 8684- POND A18 SOUTH GATE LEVEE REPAIR.

RECOMMENDATION

Report on bids and award of a construction contract for 8684 Pond A18 South Gate Levee Repair to the apparent low bidder Sweetwater Construction, Inc. for the base bid in the amount of \$217,493 and approval of a construction contingency of 15 percent in the amount of \$32,624.

OUTCOME

Award of this construction contract will allow for the necessary work to complete the Pond A18 South Gate Levee Repair Project (Project) at the San José-Santa Clara Regional Wastewater Facility. Approval of a 15 percent contingency will provide funding for any unanticipated work necessary for the completion of the project.

BACKGROUND

Pond A18 is owned and managed by the San Jose/Santa Clara Regional Wastewater Facility (RWF). It is surrounded by levees whereas the flow of water is managed by two hydraulic gate structures referred to as the North and South Gates.

A recent Geotechnical Engineering evaluation and condition assessment report has identified several critical issues at the South Gate Structure and adjacent levee. The results indicate that if the issues are not addressed urgently, the structure and associated levee would be at risk of failure. In addition, the heavy rainfall and high tide event during winter of 2016-2017 further deteriorated the levee condition.

This project is for the repair of failing sections of the levee on each side of the Pond A18 South Gate Structure using vertical sheet piles driven into the bay mud. This repair work required approval and permits from multiple regulatory agencies. Per requirements set in these permits, all work must be done during summer months and low tide events. In addition, all work must be completed by October 15, 2018 before the wet season begins. In preparation for the narrow construction window, City has already purchased required sheet piles for this repair work and they are currently stored on site for contractor use.

ANALYSIS

The bid process was initiated and a “Notice to Contractors” inviting qualified contractors to submit bids was posted on BidSync and San Jose Post Record on April 4, 2018. Two (2) bid packages were received and opened on April 27, 2017 with the following results:

| <u>Contractor</u> | <u>Location</u> | <u>Bid Amount</u> | <u>Variance Over / (Under)</u> | |
|-----------------------------------|-----------------|-------------------|--------------------------------|----------------|
| | | | <u>Amount</u> | <u>Percent</u> |
| Engineer’s Estimate | ---- | \$281,000 | ---- | ----- |
| Sweetwater Construction, Inc. | Benicia, CA | \$217,493 | \$ (63,507) | (22.6%) |
| Condon Johnson & Associate, Inc.. | Oakland, CA | \$299,930 | \$18,930 | 6.7% |

After the bid opening, City staff noticed clerical input error on the unit price for three items on the Bid Schedule of Quantities submitted by Sweetwater Construction, however the extensions were adding up correctly to the Total Bid Base. The clerical errors were verified with the bidder by the procurement team and was subsequently corrected on the Bid schedule of Quantities. Therefore, the Total Base Bid from Sweetwater Construction, Inc. remains unchanged and is correct as submitted.

The low bid for this solicitation came from Sweetwater Construction, Inc. and is 22.6% lower than the Engineer’s Estimate.

Engineer’s estimate anticipated a wider range of price variability than a typical public works project due to the specialized nature of the work (sheet pile installation on a levee in a marine environment) and the environmental monitoring and mitigation requirements of the project which could have some impacts on contractor productivity. The engineers estimate contained some conservatism to account for this anticipated variability.

City staff considers the amount of \$217,493 reasonable for the work involved and recommends awarding the Pond A18 South Gate Levee Repair to Sweetwater Construction, Inc.

Construction contingencies for capital projects are established by Council Resolution No. 71319:

- a. 5 percent of the total contract amount for street, sidewalk or park projects;
- b. 10 percent of the total contract amount for utilities and building projects;
- c. 15 percent of the total contract amount for building renovation projects;
- d. Such other amount as may be approved by the City Council for a particular project.

Staff recommends a contingency of fifteen (15) percent for this project, to account for the complexities associated with the levee and existing gate structure repairs, environmental restrictions and the required monitoring from various permitting agencies that could impact duration and completion of the project.

EVALUATION AND FOLLOW-UP

No subsequent City Council action on this issue is necessary.

PUBLIC OUTREACH

To solicit contractors, this project was advertised in the *San José Post Record* and the complete bid package and project information was made available on *BidSync*. This memorandum will be posted on the City's website for the Council Agenda of June 19, 2018.

COORDINATION

This project and memorandum have been coordinated with the City Manager's Budget Office and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

This item is scheduled to be heard at the June 14, 2018 TPAC meeting. A supplemental memorandum with the committee's recommendation will be included in an amended June 19, 2018 City Council meeting agenda.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$217,493

| | |
|---------------------------------------|------------------|
| Project Delivery* | \$447,140 |
| Construction | \$217,493 |
| Contingency | \$32,624 |
| City Purchased Material (Sheet Piles) | \$180,147 |
| Total Project Costs | \$877,404 |

** Project delivery includes \$246,576 for design and bid, \$155,564 for consultant construction support services including required environmental monitoring, \$45,000 construction management & inspection. The estimated high project delivery cost mainly due to specialized nature of the project requiring environmental permitting from multiple agencies, monitoring and mitigation.*

2. COST OF AGREEMENT/CONTRACT: \$217,493
 3. SOURCE OF FUNDING: 513 – San José-Santa Clara Treatment Plant Operating Fund
 4. OPERATING COSTS: This contract will have no additional impact on the San-José-Santa Clara Treatment Plant Operating Fund or the General Fund.

BUDGET REFERENCE

The table below identifies the fund and appropriations 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 | Amt for Contract | 2017-2018 Adopted Operating Budget Page | Last Budget Action (Date, Ord. No.) |
|--------|--------|---------------------------------|--------------------|------------------|---|-------------------------------------|
| 513 | 0762 | NP/EQUIP-ENVIRONME NTAL SVCS | \$34,082,102 | \$217,493 | 1037 | 10/17/2017 30014 |

HONORABLE MAYOR AND CITY COUNCIL

May 29, 2018

Subject: 8684 – Pond A18 South Gate Levee repair

Page 5

CEQA

Mitigated Negative Declaration, File No. PP17-046

/s/

KERRIE ROMANOW

Director, Environmental Services

For questions please contact Ashwini Kantak, Assistant Director, Environmental Services
Department at 408-975-2553.