COUNCIL AGENDA: 12/17/19
FILE: 19-1210
ITEM: 7.1

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Kerrie Romanow
Matt Cano

SUBJECT: **SEE BELOW**

DATE: December 11, 2019

Approved D:DSyL

Date 12/12/19

SUBJECT: REPORT ON BIDS AND AWARD OF CONSTRUCTION CONTRACT FOR 7759 – SWITCHGEAR M4 REPLACEMENT AND G3 & G3A REMOVAL PROJECT AT THE SAN JOSE -SANTA CLARA REGIONAL WASTEWATER FACILITY

REASON FOR REPLACEMENT

The Administration has made technical, clarifying amendments to the language of the original recommendation. The substance of the recommendation itself did not change. This change required additional and related minor changes in the Analysis and Conclusion sections of the staff report.

RECOMMENDATION

Report on bids and award of construction contract for 7759 – Switchgear M4 Replacement and G3 & G3A Removal Project ("Project") to the lowest responsive bidder, Blocka Construction, Inc., in the amount of $5,519,000, and approve a 15 percent construction contingency in the amount of $827,850.

OUTCOME

Award of the construction contract to Blocka Construction, Inc. will allow for the completion and construction of the Project at the San José-Santa Clara Regional Wastewater Facility (RWF). Approval of a 15 percent contingency will provide funding for unanticipated work that is necessary for the proper completion of the project.

BACKGROUND

The San José-Santa Clara Regional Wastewater Facility (RWF) has a 4160-volt electrical ring bus distribution system with four switchgears: M1, M3, M4, and M5. A ring bus is a closed loop that provides redundancy of the power supply from two different sources in the loop and improves the electrical system's reliability. Switchgears are composed of circuit breakers used to control, protect, and isolate electrical equipment. The M4 switchgear connects to a 115 kV substation at the RWF that receives electricity from Pacific Gas & Electric (PG&E) through two step-down transformers (see Attachment A).

Over the past ten years, M1, M3, and M5 were upgraded to use 3,000-amp circuit breakers to interconnect the ring bus. Switchgear M4 uses 2,000-amp circuit breakers. While 2,000-amp breakers can handle the existing maximum current load at the RWF, future loads from new facilities, like the new digested sludge dewatering facility, will exceed the capability of these breakers, making it the limiting link in the system. In addition, the M4 switchgear is more than 30 years old and has reached the end of its expected normal lifecycle.

Switchgears G3 and G3A, located in the existing blower generator building (also known as Building 40), are used to connect power from existing engine generators EG1, EG2, and EG3. They are also connected to the M4 and M5 switchgears. After the new engine generators are commissioned under the Cogeneration Facility Project, the existing generators (i.e., EG1, EG2, and EG3) will be decommissioned and these switchgears will no longer be required and can be removed.

This Project will replace the existing M4 switchgear and outdoor enclosure with a new switchgear and enclosure. The new switchgear will use 3,000-amp breakers and protective relays to lower the safety hazard risk of arc flashes. The Project will also remove the G3 and G3A switchgears, associated power and control cables, and conduit from Building 40.

Replacement of the M4 switchgear and removal of the G3 and G3A switchgears can only happen after the new cogeneration engines are fully commissioned (under a separate project; currently in advanced construction phase) in summer 2020. The new M4 switchgear also needs to be back in service before the new dewatering facility (to be constructed under a sepatate project; currently in design phase) is commissioned in 2022.

The Project allows for 580 working days for its completion. Construction is scheduled to begin in January 2020. Replacement of M4 Switchgear will be permitted to start in May 2021

ANALYSIS

Bids were opened on September 26, 2019 with the following results:

Contractor	Bid Amount	Variance Over/(Under) Amount	Over/(Under) Percent
Engineer's Estimate	**$5,117,637**	-	-
Becker Electric, Inc. (San Francisco) **(Non-Responsive)**	$5,339,805	$222,168	4
Blocka Construction, Inc. (Fremont) **(Apparent Low Bidder)**	$5,519,000	$401,363	8

Two bids were received, with both being above the Engineer's Estimate. The bid submitted by Becker Electric, Inc. was determined to be non-responsive because the contractor failed to include evidence demonstrating the project experience required by Section 00 43 25 of the project specifications ("Specifications"). Specifically, the Specifications required that the general contractor submit evidence of qualifications and experience that covered areas of 4160 V equipment, 125 V Direct Current ("DC") System, including battery charger, network communication, and fiber optic cable installation and testing.

Protest by Becker Electrical, Inc.

On October 9, 2019, Becker Electric submitted a protest (see Attachment B) requesting that the City reverse its non-responsive determination and award the contract to Becker Electric. The protest raised three issues that were analyzed by the Department of Public Works and the Environmental Services Department in their determination that Becker Electric's bid was non-responsive:

Protest Item 1:

The City incorrectly determined that Becker Electric, Inc.'s bid was non-responsive.

Protest Item 1 Findings:

Section 00 43 25 of the the Specifications, entitled "Statement of Bidder's Experience," required bidders to submit with their bids evidence of specific project experience in four areas:

1. 4160 V equipment;
2. Underground installations;
3. 125 V DC system, including battery charger; and
4. Network communication and fiber optic cable installation and testing.

Becker Electric, Inc. submitted three "Contractor Experience and Reference Forms" with its bid. None of these forms specifically identified project experience with 4160 V equipment, 125 V DC equipment, or network communication and fiber optic cable installation and testing.

Protest Item 2:

The City did not contact Becker Electric to request additional information that would allow the City to properly determine whether the three "Contractor Experience and Reference Forms" submitted by Becker Electric met the City's specific project experience.

Protest Item 2 Findings:

On October 10, 2019, the City requested that Becker Electric provide any additional information to show how the three projects included in their bid proposal met the requirements of Section 00 43 25 of the Specifications.

On October 11, 2019, Becker Electric, Inc. provided a response letter (see Attachment C). Staff determined that the addional information failed to satisfy the Specification's experience requirements.

Protest Item 3:

Becker Electric has provided additional "completed projects" for the City's review.

Protest Item 3 Findings:

Section 00 10 13 of the Specifications, entitled "Notice to Contractors," required bid proposals, including the "Contractor Experience and Reference Forms," to be sealed and submitted to the Director Public Works by September 26, 2019 at 3:00 PM. In order to maintain a fair and transparent procurement process, the City does not accept documents or information after bid opening that is intended to remedy an incomplete or defective bid proposal. Therefore, the City did not consider the substance of any additional projects that Becker Electrical submitted in response to the City's request for additional information.

Based on these findings, staff determined that Becker Electrical's bid is non-responsive.

The lowest responsive bid submitted by Blocka Construction, Inc. is eight percent over the Engineer's Estimate. Staff considers the bid acceptable for the work involved and recommends awarding the construction contract to Blocka Construction, Inc. Neither Blocka nor its subcontractors are local companies. Although the City cannot limit bidding to local firms, the RWF CIP has held an annual vendor open house to increase awareness in the contractor and consultant community about upcoming opportunities. The last open house, held in November 2018, was attended by 48 companies, with one-third being small businesses and approximately half being local business.

Council Policy provides for a standard contingency of 15 percent for renovation projects. The standard contingency is appropriate for this project to account for the challenge of maintaining continuous operations at the RWF during construction. In addition, this project interfaces with existing electrical and process control facilities, and may encounter potential utility conflicts.

A project labor agreement is applicable to the Project because the Engineer's Estimate is over three million dollars and does not fall under any of the exemption categories.

CONCLUSION

Based on the above findings related to the protest by Becker Electric, Inc., staff determined that the bid is non-responsive. Staff considers the bid submitted by lowest responsive bidder to be acceptable for the work involved and recommends awarding the construction contract to Blocka Construction, Inc..

EVALUATION AND FOLLOW-UP

No other follow-up action with the Council is expected at this time. A progress report on this and other RWF capital projects will be made to the Transportation and Environment Committee and the Council on a semiannual basis. Monthly progress reports will also be submitted to the Treatment Plant Advisory Committee (TPAC) and posted on the City's website.

CLIMATE SMART SAN JOSE

This project will replace equipment with like-for-like equipment and will not affect energy or water consumption. The recommendations in this memo will have no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH/INTEREST

This Project was advertised on Biddingo.com on August 14, 2019 and advertised in the *San José Post Record.* This memorandum will be posted on the City's Council Agenda website for the December 17, 2019 City Council meeting.

COORDINATION

This Project and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, Fire, and Finance, City Manager's Budget Office and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

This item is scheduled to be heard at the December 12, 2019 TPAC meeting. A supplemental memo with the committee's recommendation will be included in the amended December 17, 2019 City Council meeting agenda.

FISCAL/POLICY ALIGNMENT

This Project is consistent with the Council-approved focus on rehabilitating aging RWF infrastructure, improving efficiency, and reducing operating costs. This Project is also consistent with the budget strategy principle of focusing on protecting our vital core services.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: $5,519,000

Project Delivery*	$3,207,600
Construction	$5,519,000
Contingency (15%)	$827,850
Total Project Costs	**$9,554,450**
Prior Year Expense	$1,060,417
Remaining Project Costs	**$8,494,033**

* *Project delivery includes $743,622 for consultant design and construction support services, $240,582 for project management during feasibility and development, $199,339 for project management during design, $48,000 for bid and award, $1,713,057 for construction management, and $263,000 for post construction and project closeout. The estimated project delivery cost is 58% of the construction cost, which is in line with project delivery costs for capital projects at other wastewater facilities.*

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

This is a lump sum contract. $5,519,000

3. SOURCE OF FUNDING: 512 – San José-Santa Clara Treatment Plant Capital Fund

4. FISCAL IMPACT: The Project will have no additional impact on the San José-Santa Clara Treatment Plant Operating Fund (Fund 513) or the General Fund.

5. PROJECT COST ALLOCATION: In accordance with the recommendations set forth in the Capital Project Cost Allocations Technical Memo (Carollo Engineers, March 2016), this project is allocated between the four billable parameters relative to the rolling weighted average distribution of all RWF assets.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract recommended as part of this memo and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2019-2020 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			**$8,494,033**			
Remaining Funding Available						
512	4341	Plant Electrical Reliability	**$7,641,000**	$5,519,000	V-139	10/22/2019 Ord. No. 30325
Total Current Funding Available			**$7,641,000**			

There is adequate funding available in 2019-2020 to award this contract. Future funding is subject to appropriation and, if needed, will be included in the development of future year budgets during the annual budget process.

CEQA

As the Switchgear M4 Replacement and G3 & G3A Removal project involves replacement of existing switchgear by like-for-like equipment, it is exempted from CEQA. Categorically Exempt File No. PP18 107, CEQA Guidelines Section 15301 (b), Existing Facilities.

/s/
MATT CANO
Director, Public Works

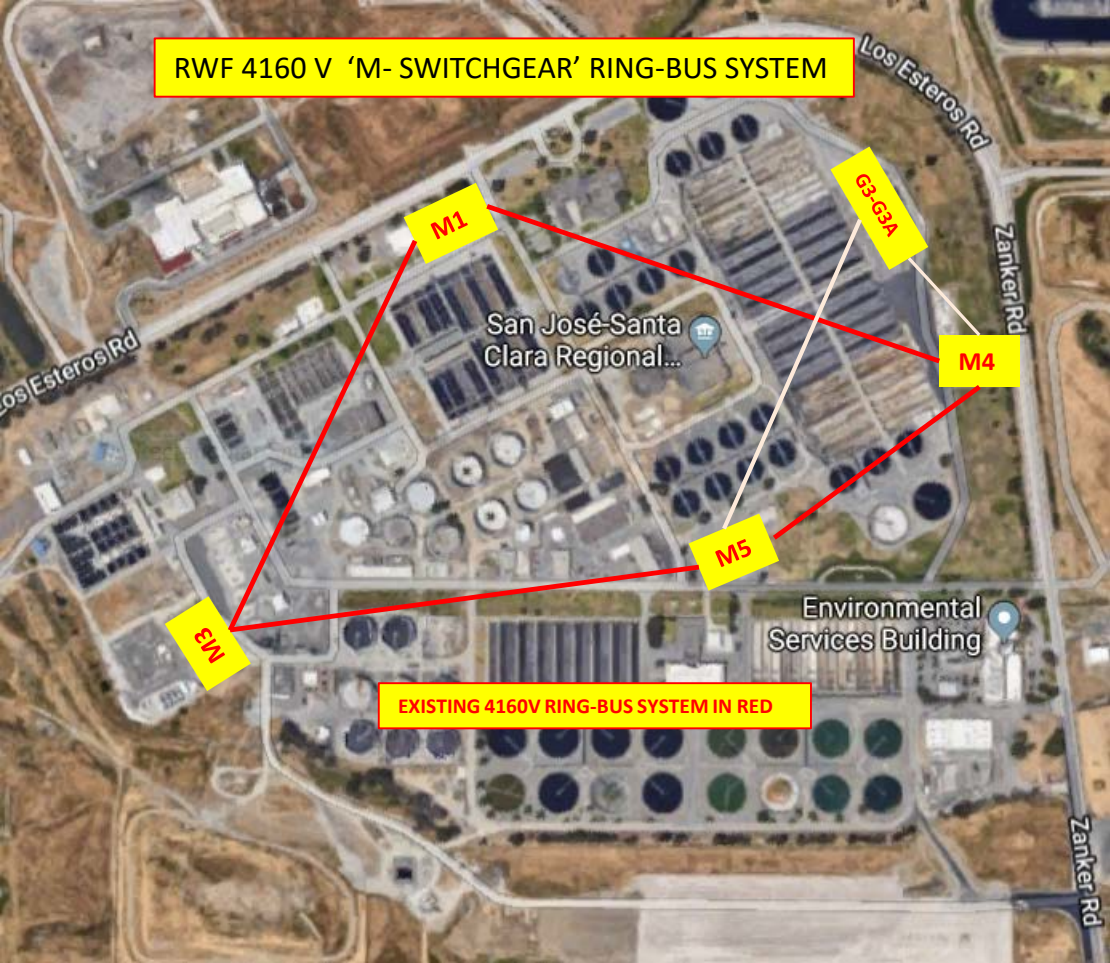
/s/
KERRIE ROMANOW
Director, Environmental Services

For questions please contact Napp Fukuda, Assistant Director of Environmental Services, at (408) 635-2039 or Michael O'Connell, Deputy Director of Public Works, at (408) 975-7333.

Attachment A Switchgear M4 Replacement and G3 & G3A Removal Project Map

Attachment B Protest letter from Becker Electrical Inc.

Attachment C Response from Becker Electrical Inc to the City's letter requesting additional information


RWF 4160 V 'M- SWITCHGEAR' RING-BUS SYSTEM
Los Esteros Rd
Zanker Rd
M1
G3-G3A
M4
San José-Santa Clara Regional...
Los Esteros Rd
M5
M3
Environmental Services Building
EXISTING 4160V RING-BUS SYSTEM IN RED
Zanker Rd

Becker Electric, Inc.
500 Sansome Street, 408, San Francisco, CA 94111
CA License# 909450 | San Francisco HRC/LBE 041615983
Travis Becker / President
travisb@beckerelectricsf.com

PROTEST OF BID AWARD

M4 SWITCHGEAR REPLACEMENT & G3 & G3A REMOVAL PROJECT

Attn: Nelson Petroni
City of San Jose
Environmental Services Department
San Jose – Santa Clara Regional Wastewater Facility
700 Los Esteros Road
San Jose, CA 95134
408-635-4042
408-586-8446
Nelso.petroni@sanjoseca.gov

From: Louis McGaha
Becker Electric Inc.
500 Sansome Street # 408
San Francisco, CA 94111
650-315-0826
louism@beckerelectricsf.com

Nelson,

The purpose of this letter is to initiate a formal protest of bid result on the City of San Jose M4 Switchgear Replacement & G3 & G3A Removal Project. Becker Electric was and is the acknowledged low bidder and has extensive experience on projects such as this. As requested by the bid documents we included several completed projects which highlighted this. In addition to that, attached you will find even more such projects attached to this letter.

As stated, we are the low bidder, have a complete scope, and the requisite capabilities needed for this project. No request was made by either phone, fax, or email was to Becker Electric for additional information. We can & will provide any information the City requires.

There is no valid basis for having been declared nonresponsive, and we ask that the City of San Jose acknowledge this oversight by restoring our status as the awarded contractor on this project.

Sincerely,
Louis McGaha
Director Of Estimating
650-315-0826
louism@beckerelectricsf.com

Contractor Experience and References Form

a. Name of the Project: **San Francisco International Airport Central Plant Chillers No. 1 & 2 Replacement**

b. Firm's Role:
Electrical

c. Percent of Work Performed: **2%**

d. Location of the project: **San Francisco International Airport**

e. Description of project:
Safe Off and demolition of existing Medium voltage transformers and Switchgear. Install new metal-clad switchgear. Install MV Motor Control Center. GRC conduit and the support system installation. Medium voltage and low voltage conductors installation. Hi and Medium-voltage cables terminations. Installation and startup of 4160 V 500HP Circulation Water Pump. Short circuit and coordination studies. Temp power for 5-50A welding machines. Installation of VSDs for new chillers. Installation of BMS and Interlocking systems conduits, conductors and wiring terminations. Project also included extensive 125V DC wiring & control components.

f. Owner's Contact Name: **Angel Camerino**
San Francisco International Airport
Current Address:
674 West Field Road
San Francisco, CA 94128
Phone Number: **650.821.7752**
angel.camerino@flysfo.com

g. Design Engineer Contact Name:
Current Address:
Phone Number:

h. Construction Manager Contact Name:
Vadim Vydrug
Current Address:
500 Sansome Street, Suite 408
San Francisco, CA 94111
Phone Number: **(415) 971-5442**

i. Your electrical contract amount: **$2M**

j. Number of electrical contract Change Orders:
Amount of each Change Order:

k. Start Date of Project: **9/2017**
Original Contract Completion Date: _____
Extended Contract Completion Date: _____
Actual Completion Date: **8/2019**

l. Foreman for the Project:
Lawrence Schlagel
Is Foreman still Employed with the Firm: **Yes**

m. Names of Certified Electrical Workers employed on this Project:
Winford Chew - Electrical Apprentice
Josuel Cortez - Electrical Apprentice
Brock Kohel - Electrical Foreman
Zackry Nash - Electrical Journeyman

Becker Electric, Inc.
500 Sansome Street, 408, San Francisco, CA 94111
CA License# 909450 | San Francisco HRC/LBE 041615983
Travis Becker / President
travisb@beckerelectricsf.com

PROTEST OF BID AWARD

M4 SWITCHGEAR REPLACEMENT & G3 & G3A REMOVAL PROJECT

Attn: Lauren Profeit
CIP Procurement
Public Works Department
408-535-8304
lauren.profeit@sanjoseca.gov

From: Travis Becker
Becker Electric Inc.
415-740-2080
travisb@beckerelectricsf.com

To Whom it may concern:

Becker Electric Inc. has been in business for 11 years and 9 months. During that time we have performed complex electrical scopes of work for the SF DPW, SFO, SFPUC and several private clients on hospitals, data centers, public safety buildings, etc. Prior to starting Becker Electric, I, Travis Becker, worked as a General Foreman for Cupertino Electric in SF and the South Bay. I was responsible for taking two building out of the ground and completing each project before moving on to the next. Each of these projects averaged around 2.5 years to complete and during that time was exposed to every scope of electrical work you can imagine in the construction process. During my 29 years of electrical construction, I have personally worked on the largest industrial paper machines in the world (Norpac, Weyerhauser, Longview Fibre), chemical plants, large industrial boilers, and multiple Data Centers (as the world was introduced to the world wide web), Charles Schwab HQ, and Compaq computer before they were acquired.

Between Becker Electric's Project Executive Vadim Vydrug, BEI Superintendent Jorge Preciado, BEI Superintendent Larry Slagel and myself we have about 115 years of electrical construction experience with 80% of that performed in the Bay Area. There is no one more qualified to perform the work on your project than us.

Becker Electric has 100+ Union Electricians from all of the Bay area locals working for us that have been trained to perform any and all of the electrical work the city of San Jose needs.

If you would like references, I would gladly put you in contact with the Division Manager of SF Rosendin Electric as well as the Division Manager of Cupertino Electric SF and SJ for you to verify if Becker Electric has the skills to perform this work. Becker Electric employs 10-15 electricians that can manage the electrical work on your project.

We ask respectfully that you look deeper into Becker Electric's abilities, background, and wherewithal to perform on your project.

Thank You,

Travis Becker
President
Becker Electric Inc.