



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Kerrie Romanow  
Jim Shannon

**SUBJECT:** SEE BELOW

**DATE:** February 13, 2020

Approved

*D. D. S. L.*

Date

*2/20/2020*

**COUNCIL DISTRICT: 8**

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR 8927 – FOWLER  
PUMP STATION REPLACEMENT - REBID**

## RECOMMENDATION

- (a) Report on bids and award of contract for 8927 – Fowler Pump Station Replacement project to the low bidder, JMB Construction, Inc., in an amount not to exceed \$2,759,500 and approval of a project contingency in the amount of \$551,900.
- (b) Adopt the following 2019-2020 Appropriation Ordinance amendments in the Water Utility Capital Fund:
  - (1) Increase the Fowler Pump Station Replacement appropriation to the Environmental Services Department in the amount of \$1,190,000; and
  - (2) Decrease the Unrestricted Ending Fund Balance by \$1,190,000.

## OUTCOME

Award of the contract will allow for the replacement of an existing potable water pump station originally constructed 30 years ago to provide the continued reliable delivery of water to San José Municipal Water System (SJMWS) customers. Approval of a 20% contingency in the amount of \$551,900 will provide funding for any unanticipated work that may arise during construction.

## BACKGROUND

SJMWS planned and designed the replacement and upgrade of an existing pump station that has reached the end of its useful service life. The pump station is located on Fowler Road in the Evergreen service area within District 8. A new pump station and pertinent water system infrastructure will increase the security and reliability of the potable water supply of the service area.

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The project scope consists of the purchase and installation of new pumps, pipes, valves, and appurtenances; new electrical facilities; new instrumentation and controls; installation of a new pre-engineered pump station building; and demolition of existing pump equipment. This project was previously advertised for bid on May 29, 2019. The sole bid in the amount of \$3,235,500 was rejected by Council on August 20, 2019. Analysis of the rejected bid was attributed to the high unit prices resulting from the May bid date which was the busy construction season for contractors. Staff rebid the project including minor changes to decrease anticipated project costs and to encourage additional bids. The project was rebid in November which is generally a slower construction season.

**ANALYSIS**

The project was advertised for rebid on November 13, 2019, with three (3) bids received and opened on Thursday, December 19, 2020 with the following results:

| <b><u>Contractor</u></b>     | <b><u>City</u></b> | <b><u>Bid Amount</u></b> | <b><u>Variance Over/(Under)</u></b> |                       |
|------------------------------|--------------------|--------------------------|-------------------------------------|-----------------------|
|                              |                    |                          | <b><u>Amount</u></b>                | <b><u>Percent</u></b> |
| <b>Engineer's Estimate</b>   | --                 | <b>\$2,561,611</b>       | --                                  | --                    |
| JMB Construction, Inc.       | San Francisco, CA  | <b>\$2,759,500</b>       | \$197,889                           | 7.7%                  |
| Anderson Pacific Engineering | Santa Clara, CA    | <b>\$2,928,500</b>       | \$366,889                           | 14.3%                 |
| Anvil Builders Inc.          | San Francisco, CA  | <b>\$3,063,800</b>       | \$502,189                           | 19.6%                 |

The three bids received had a variation of approximately 7.7% to 19.6% over the Engineer's Estimate. The bids were reviewed and analyzed, and the lowest bid by JMB Construction, Inc. was found acceptable. The highest bidder, Anvil Builders Inc. was found non-responsive due to an incomplete bidder's bond submittal. All bids received during the rebid process were lower than the original project bid. Staff identified a 20% contingency due to the complexity of the project as well as the depth of excavation associated with the work. Staff recommends award of the contract to the lowest responsive bidder, JMB Construction, Inc.

**CONCLUSION**

Staff considers the bid submitted by the low bidder to be acceptable for the work involved and recommends awarding the construction contract to JMB Construction, Inc.

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### **EVALUATION AND FOLLOW-UP**

No additional follow-up actions with the City Council are expected at this time.

### **CLIMATE SMART SAN JOSE**

The recommendations in this memo align with one or more Climate Smart San José energy, water, or mobility goals.

### **PUBLIC OUTREACH**

To solicit contractors, this project was published with the complete bid package and project information on *Biddingo* for interested contractors, contractor organizations, and builders' exchanges. This memorandum will be posted on the City's Council Agenda website for the March 3, 2020 Council Meeting.

### **COORDINATION**

This memo has been coordinated with the Public Works Department, Finance Department (Risk Management), and the City Attorney's Office.

### **COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

|                                    |                    |
|------------------------------------|--------------------|
| Project Delivery                   | \$225,000          |
| Construction                       | \$2,759,500        |
| Contingency                        | <u>\$551,900</u>   |
| <b>TOTAL PROJECT COSTS</b>         | <b>\$3,536,400</b> |
| Total Available Funding            | <u>\$2,346,400</u> |
| <b>ADDITIONAL FUNDING REQUIRED</b> | <b>\$1,190,000</b> |
  
2. COST ELEMENTS OF AGREEMENT/CONTRACT

|   | TOTAL              |
|---|--------------------|
| Mobilization                                      | \$50,000           |
| Underground Piping (DIP)                          | \$215,000          |
| Aboveground Piping (DIP)                          | \$90,000           |
| Connection to 18" Zone 2 Main                     | \$128,000          |
| Connection to 18" Zone ¾ Discharge Main           | \$45,000           |
| Pumps and Motors                                  | \$925,000          |
| Pre-Engineered Building/Foundations (S)           | \$360,000          |
| Electrical Installation                           | \$716,000          |
| Abandon Existing Facilities                       | \$42,000           |
| Collect and Provide GPS Data                      | \$13,000           |
| Painting  | \$50,000           |
| Install Altitude Valve                            | \$45,000           |
| Existing Vault Piping Rehab                       | \$17,000           |
| Archaeologist                                     | \$10,000           |
| Cleaning, Disinfecting, and Water Quality Testing | \$10,000           |
| Additional Pothole (Revocable)                    | \$2,500            |
| Replacement of Existing Vault Facilities          | <u>\$41,000</u>    |
| <b>TOTAL AGREEMENT/CONTRACT AMOUNT</b>            | <b>\$2,759,500</b> |
  
3. SOURCE OF FUNDING: 500 — Water Utility Capital Fund
  
4. FISCAL IMPACTS: Approval of the recommended action will have no impact on the Water Utility Fund or General Fund operating budgets.

**BUDGET REFERENCE**

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

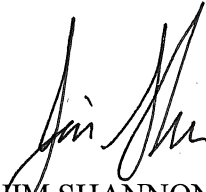
| Fund # | Appn # | Appn Name                        | Current Total Appn | Rec. Budget Action | Amt. for Contract | 2019-2020 Adopted Capital Budget Page | Last Budget Action (Date, Ord. No.) |
|--------|--------|----------------------------------|--------------------|--------------------|-------------------|---------------------------------------|-------------------------------------|
| 500    | 402N   | Fowler Pump Station Replacement  | \$2,211,000        | \$1,190,000        | \$2,759,500       | V-172                                 | 10/22/2019, Ord. No. 30325          |
| 500    | 5366   | Infrastructure Improvements      | \$810,000          | N/A                | N/A*              | V-172                                 | 6/18/2019, Ord. No. 30286           |
| 500    | 8999   | Unrestricted Ending Fund Balance | \$1,464,718        | (\$1,190,000)      | N/A               | IV-217                                | 2/11/2020, Ord. No. 30361           |

\*This appropriation will provide funding for project delivery costs. Amount For Contract is not applicable since the appropriation will not fund the contract.

**CEQA**

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment and File No. PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment.

/s/  
KERRIE ROMANOW  
Director, Environmental Services

  
JIM SHANNON  
Budget Director

For questions, please contact Jeff Provenzano, Deputy Director, Environmental Services Department, at (408) 277-3288.