

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow
Matt Cano

SUBJECT: SEE BELOW

DATE: September 28, 2020

Approved



Date

9/28/2020

**SUBJECT: REPORT ON BIDS AND AWARD OF CONSTRUCTION CONTRACT
FOR 9588 – EXPLORATORY TRENCHES PROJECT AT THE SAN
JOSE-SANTA CLARA REGIONAL WASTEWATER FACILITY**

RECOMMENDATION

Report on bids and award a construction contract for the 9588 – Exploratory Trenches Project to the low bidder, Westland Contractors, Inc., in the amount of \$345,000, and approve a 20 percent contingency in the amount of \$69,000.

OUTCOME

Award of the construction contract to Westland Contractors, Inc., (Westland) will allow for the construction and completion of the Exploratory Trenches Project at the San José-Santa Clara Regional Wastewater Facility (RWF) to help inform the design of the Facility-wide Water Systems Improvements Project (Project). Approval of a 20 percent construction contingency will provide funding for unanticipated work that is necessary for the proper and timely completion of the Project.

BACKGROUND

The RWF has over 300,000 linear feet (LF) of piping, 160,000 LF of which are water distribution pipes of the RWF water systems. These pipes provide potable water, utility water, and process water to support continuous operations of the RWF, as well as providing water to fire hydrants for fire protection. The water systems were constructed over time with various RWF expansions and need rehabilitation and upgrades due to performance issues, age, and corrosion. The Project will rehabilitate and upgrade the RWF water systems to improve reliability for water supplied to existing and future facilities within the RWF.

The exploratory trenches for the Project will verify and confirm location, depth, size, and material information of the existing underground utilities that the City has been unable to obtain

from record drawings and/or conventional survey methods. The scope of work includes 27 exploratory trenches with a total trench length of 661 feet. Trenches will be excavated in areas with a high density of underground utilities which potentially conflict with proposed rehabilitation and upgrades of the RWF water systems.

The exploratory trenching work is scheduled to begin in November 2020, with substantial completion anticipated in February 2021.

ANALYSIS

Bids were opened on August 6, 2020 with the following results:

Contractor	Bid Amount	Variance Amount	Over/ (Under) Percent
Westland Contractors, Inc. (Oakland)	\$345,000	(\$110,000)	(26)
Storesund Construction, Inc. (Kensington)	369,141	(95,859)	(21)
Yerba Buena Engineering and Construction, Inc. (San Francisco)	375,000	(90,000)	(19)
Subterra Construction, Inc. (San Francisco)	395,000	(70,000)	(15)
Pacific Underground Construction, Inc. (San Jose)	413,000	(52,000)	(12)
Demolition Services and Grading, Inc. (Manteca)	436,795	(28,205)	(6)
Engineer's Estimate	465,000	-	-
Mitchell Engineering (San Francisco)	480,475	15,475	3
ASG Builders (San Francisco)	550,000	85,000	18

A total of eight bids were received. Two bids were located after the bid opening but were determined by staff to have been timely submitted, responsive and responsible. Six bids were below, and two bids were above the Engineer's Estimate. The discrepancy between the Engineer's Estimate and the bid amounts may be attributed to the following factors:

- Current competitive bidding environment, and
- The Engineer's Estimate for mitigation costs for encountering possible hazardous materials during construction may have been more conservative than the bidders' estimates.

The low bid submitted by Westland is 26 percent below the Engineer's Estimate. Staff considers this acceptable for the work involved and recommends awarding the construction contract to Westland.

Staff recommends a 20 percent construction contingency for the exploratory trenching work. This contingency is recommended due to the lack of record drawings and possibility of encountering conflicting utilities during excavation.

Project Labor Agreement Applicability

The Director of Public Works determined that a project labor agreement (PLA) is not applicable to this contract because the Engineer's Estimate is under three million dollars.

Local and Small Business Outreach

Staff used Biddingo to outreach to local and small business enterprises. Staff sent bid invitations to 10,155 vendors via Biddingo and conducted additional outreach to the 35 contractors that participated in the Public Works Department's Construction Contracting Seminar Series. Documents were downloaded by 18 bidders, 5 of which were local. The recommended contractor Westland is not a local or a small business enterprise

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 prior to bid advertisement, was held in February 2020 and attended by 24 companies. One-fifth of the attendees represented small businesses and over one-half represented local businesses.

CONCLUSION

Based on staff's evaluation of the bids, staff recommends awarding the construction contract to Westland Contractors, Inc.

EVALUATION AND FOLLOW-UP

No follow-up action with City 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 City Council on a semiannual basis. Monthly progress reports of the RWF Capital Improvement Program (CIP) will also be submitted to the Treatment Plant Advisory Committee (TPAC) and posted on the City's website.

CLIMATE SMART SAN JOSE

The recommendation in this memo will have no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This contract was advertised on Biddingo.com on July 15, 2020 and in the San José Post Record. This memorandum will be posted on the City's Council Agenda website for the October 20, 2020 City Council meeting.

COORDINATION

This contract and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, Fire, Finance, the City Manager's Budget Office, and the City Attorney's Office. This memorandum will be presented at the October 8, 2020 TPAC meeting for consideration.

COMMISSION RECOMMENDATION/INPUT

This item is scheduled to be heard at the October 8, 2020 TPAC meeting. A supplemental memo with the committee's recommendation will be included in the amended October 20, 2020 City Council meeting agenda.

FISCAL/POLICY ALIGNMENT

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

COST SUMMARY/IMPLICATIONS

1.	AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$345,000
	Project Delivery	\$282,500
	Construction	\$345,000
	<u>Contingency (20%)</u>	\$69,000
	Total Project Costs	\$696,500
	<u>Prior Year Expenditures</u>	<u>\$35,600</u>
	REMAINING PROJECT COSTS	\$660,900

** Project delivery includes \$66,500 consultant costs for design, bid and award and engineering services during construction, and \$216,000 for City construction management, post-construction and project closeout.*

The estimated project delivery cost is 82% of the construction cost, which is higher than usual due to the size of the project and the low bid amount.

2. COST ELEMENTS OF AGREEMENT/CONTRACT:
This is a lump sum contract. \$345,000
3. SOURCE OF FUNDING: Fund 512 – San José-Santa Clara Treatment Plant Capital Fund.
4. FISCAL IMPACT: This work will have no additional impact on the San José-Santa Clara Treatment Plant Operating Fund (Fund 513) or the General Fund.
5. OPERATING COSTS: The annual costs to operate and maintain the upgraded facilities are not anticipated to impact the San José-Santa Clara Treatment Plant Operating Fund as this is an equipment replacement project, and therefore there will be no additional annual operations and maintenance costs.
6. PROJECT COST ALLOCATION: In accordance with the recommendations set forth in Capital Project Cost Allocations Technical Memorandum (Carollo Engineers, March 2016), the cost will be 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 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	2020-2021 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$660,900			
512	7679	Facility Wide Water Systems	\$4,005,000	\$345,000	V-78	06/23/2020 Ord. No. 30437

* Council adopted the 2020-2021 Capital Budget with adjustments per Manager's Budget Addendum #33 on June 23, 2020.

CEQA

Determination of Consistency with the San Jose/Santa Clara Water Pollution Control Plant Master Plan Final Environmental Impact Report (SCH#201105274) and Addenda Thereto, File No. ER20-118, CEQA Guidelines 14 CCR § 15168(c)(2).

/s/
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Director, Environmental
Services Department

/s/
MATT CANO
Director of Public Works

For questions, please contact Napp Fukuda, Assistant Director, Environmental Services Department at (408) 793-5353.

Attachment A – 9588 Exploratory Trenches Project Map

Attachment A: Aerial Map of Trench Locations

Service Layer Credits: Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community
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