



# City of San Leandro

Meeting Date: May 1, 2017

## Staff Report

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**File Number:** 17-174

**Agenda Section:** CONSENT CALENDAR

**Agenda Number:** 8.I.

**TO:** City Council

**FROM:** Chris Zapata  
City Manager

**BY:** Keith Cooke  
Engineering & Transportation Director

**FINANCE REVIEW:** David Baum  
Finance Director

**TITLE:** Staff Report for a Resolution to Award a Construction Contract to Cal Electro, Inc. for the Fiber Network Extension Project, Project No. 2013.0320; Authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 10% of the Original Contract Amount; and Authorization for the City Manager to Negotiate and Approve Cumulative Change Orders Up to 25% of the Original Contract Amount

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### SUMMARY AND RECOMMENDATIONS

This contract will install conduit and pull boxes ready for the installation of fiber optic communication cable and accessories for the next phase of the dark fiber network extension.

Staff recommends the following actions:

- Award a construction contract of the Base Bid to Cal Electro, Inc. in the amount of \$427,830.00 for the subject project; and
- Authorize individual change orders up to 10% of the original contract (\$42,783.00), and authorizing a total change order amount up to 25% of the original contract (\$106,957.50).

### BACKGROUND

To promote business growth, the City desires to expand its high speed communication infrastructure into underserved industrial areas of the City. The City applied for and acquired \$2,121,000.00 grant funding from the United States Economic Development Agency (EDA) for installation of communications conduits. With this grant funding, the City expanded its communications network capability with the installation of eight and a half miles of conduit ready to receive fiber optic cable. The expansion includes: an alignment north along Doolittle Drive to the City border and around the Adams Avenue Tract; a loop around Marina Boulevard, Monarch Bay Drive, Fairway Drive and Catalina Street for future Shoreline service; an alignment along the Alvarado Street & Teagarden Street industrial corridors; and a critical

loop separation between City Hall and the Main Library. Utilizing the remaining grant balance of \$133,000, this project will add approximately 1.3 miles of additional conduit, along Washington Avenue completing a network loop between the Public Works Service Center and conduit in San Leandro Boulevard at Polar Way. The alignment also includes conduit to two traffic signals for future signal interconnects and conduit to the San Leandro Hospital and the Ghirardelli Chocolate properties.

The project included a base bid for the installation of a total of 7,000 feet of conduit. Optionally, Deductive Alternate A reduces the total length to 6,500 feet and Deductive Alternate B reduces the total length to 5,300 feet. Deductive alternate bids as opposed to additive alternates are mandated by the grantor.

### **Analysis**

Bids were opened on March 29, 2017. Two (2) bids were received ranging from \$427,830.00 to \$871,905.00 (base bid); the pre-bid engineer's estimate for construction was \$461,465.00 (base bid). Cal Electro, Inc. was determined by staff to be the lowest responsible bidder.

The EDA grant process prohibits additive alternate bidding processes. However, it allows for deductive bidding processes. To ensure that the City maximizes the use of the grant funds, the bid documents were developed to contain Bid Alternates "A" and "B" for a selection of conduit alignments in the project scope. With this setup, there is a greater chance that either the entire project is constructed, or part of it is constructed within the remaining EDA grant funds. The amount of the actual base bid is within the engineer's estimate; and thus, the deductive alternates will not be used.

The San Leandro Local Inclusion Policy Ordinance did not apply to this project because of the EDA grant requirements. Staff verified that the contractor has a valid license with the Contractor's State License Board and is registered with the California Department of Industrial Relations.

### **Contract Change Orders**

As is standard in the construction industry, staff balanced site investigation costs with the risk of finding unforeseen conditions during construction as well as the design costs with the level of detail on the plans. As a result, unforeseen conditions may be encountered during construction and plan details may need to be adjusted or clarified. In order to minimize delays to the project and ensure that the scope of work is adjusted as needed to provide the highest quality project for the City, staff requests that the City Council authorize the City Manager or his designee to negotiate and approve individual change orders up to 10% (or \$42,783.00) of the original contract amount, and cumulative change orders up to 25% (or \$106,957.50) of the original contract amount. This will ensure efficient completion of the project on budget and on schedule.

### **Current Agency Policies**

- Advance projects and programs promoting sustainable economic development, including transforming San Leandro into a center for innovation
- Maintain and enhance San Leandro's infrastructure

### **Previous Actions**

On March 7, 2016 by Resolution No. 2016-029, the City Council accepted the work completed by Flatiron Electric Group, Inc.

On June 15, 2015 by Resolution No. 2015-107, the City Council increased the construction contract change order cap from 25% to 40%

On July 7, 2014 by Resolution No. 2014-068, the City Council awarded a contract for construction of the work to Flatiron Electric Group, Inc.

### **Applicable General Plan Policies**

**Economic Development Goal ED-1** Attract jobs and investment across all economic sectors.

**Economic Development Goal ED-3** Adapt, reimagine, and reinvent traditional business models to put San Leandro on the leading edge of the innovation economy.

**Community Services and Facilities Goal CSF-4** Maximize access to information and communication services for San Leandro residents and businesses.

### **Environmental Review**

This project is categorically exempt from the California Environmental Quality Act (CEQA) per Section 15304(f) of the CEQA guidelines. The Notice of Exemption was filed with the Alameda County Recorder on May 10, 2013.

### **Permits and/or Variances Granted**

Union Pacific has issued Wireline Crossing Agreements for the locations where the project will cross railroad right of way.

### **Summary of Public Outreach Efforts**

- The Notice to Bidders was published in the Daily Review, the South County Post, Visión Hispana and the World Journal.
- Staff also notified twenty-one builders' exchanges and construction data firms as well as a list of contractors that asked to be notified of bidding opportunities via email.
- The project is described on the Engineering and Transportation Department website.
- Residents and businesses adjacent to the work will receive notice of temporary no parking zones 3 days in advance of the work.

### **Fiscal Impacts**

The total project cost, including work previously completed under this grant funding, conduit installation construction, contingencies and construction management, is estimated at \$2,715,673.85 as follows:

Previously Completed Conduit Installations through a Separate Contract	\$2,104,909.35
Design, Bid and Award	\$ 46,812.00
Cost of this Contract	\$ 427,830.00
<u>Construction Management, Inspection, and Contingency</u>	<u>\$ 136,122.50</u>
Total Estimated Cost of Project	\$2,715,673.85

The subject contract is in the amount of \$ 427,830.00. If change orders are needed, the maximum authorized total contract amount by this action is \$534,787.50. Change orders that increase the project cost beyond the budget authority will not be issued without Council approval of an additional appropriation.

**Budget Authority**

The funding for the entire project is as follows:

<u>Account No.</u>	<u>Source. &amp; Approp. Date</u>	<u>Approp. Amount</u>	<u>Funds Available</u>
150-38-347	EDA Grant, FY 2012-13	\$2,121,000.00	\$ 133,000.00
120-38-347	DFSI, FY 2012-13	\$ 150,000.00	\$ 0.00
210-38-347	CIP Fund, FY 2012-13	\$ 352,000.00	\$ 336,000.00
<u>120-28-196</u>	<u>DFSI, FY 2016-17</u>	<u>\$ 491,000.00</u>	<u>\$ 491,000.00</u>
Subtotal		\$3,114,000.00	\$ 960,000.00

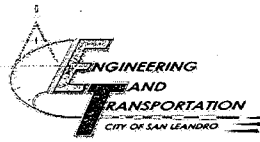
ATTACHMENTS

- Bid Summary - Fiber Conduit Network Extension Project

**PREPARED BY:** John O'Driscoll, Associate Engineer, Engineering and Transportation Department

# BID SUMMARY

This document is a summary of bids received for the subject project and are provided only as a convenience. Listing of a particular bid is not a finding that such bid has been found to be responsive or accepted as complete by the City. An award of contract, if any, is subject to approval of the City Council and/or the City Manager. Contractors should refer to the contract documents for bidding information.



PROJECT TITLE: Fiber Conduit Network Extension Project  
 PROJECT NO.: 2013.0320  
 BID NO.: 16-17.019  
 EDA AWARD NO.: 07-01-06893

BID OPENING			ENGINEER'S ESTIMATE		Cal Electro, Inc.		Ray's Electric	
DATE: Wednesday, March 29, 2017			Date Approved: 3/21/2017		3710 Electro Way		411 Pendleton Way, Suite B	
TIME: 3:00 p.m.			Prepared by: J. O'Driscoll		Redding, CA 96002		Oakland, CA 94621	
LOCATION: City Clerk's Office					Phone: (530) 223-5937		Phone: (510) 577-7700	
				Fax: (530) 221-7038		Fax: (510) 577-7706		
ITEM NO.	ITEM	QUANTITY	UNIT COST	ITEM COST	UNIT COST	ITEM COST	UNIT COST	ITEM COST
<b>BASE BID</b>								
1	Mobilization	1 LS	\$50,000.00	\$50,000.00	\$5,000.00	\$5,000.00	\$155,000.00	\$155,000.00
2	Traffic Control	1 LS	\$35,000.00	\$35,000.00	\$36,000.00	\$36,000.00	\$90,000.00	\$90,000.00
3	Shoring & Bracing	1 LS	\$18,000.00	\$18,000.00	\$2,500.00	\$2,500.00	\$15,000.00	\$15,000.00
4	Potholing	1 LS	\$75,000.00	\$75,000.00	\$23,000.00	\$23,000.00	\$50,000.00	\$50,000.00
5	Install bundle of 3x(1.25") Conduit in Ground (Final Quantity)	6207 LF	\$30.00	\$186,210.00	\$40.00	\$248,280.00	\$65.00	\$403,455.00
6	Install 3" Conduit in Ground (Final Quantity)	730 LF	\$45.00	\$32,850.00	\$35.00	\$25,550.00	\$65.00	\$47,450.00
7	Install Pull Box	16 EA	\$3,000.00	\$48,000.00	\$2,500.00	\$40,000.00	\$4,500.00	\$72,000.00
8	Install Manhole	5 EA	\$6,000.00	\$30,000.00	\$8,500.00	\$42,500.00	\$6,000.00	\$30,000.00
9	Replace (e) pull box	1 EA	\$2,500.00	\$2,500.00	\$2,000.00	\$2,000.00	\$4,500.00	\$4,500.00
10	Extend conduit into (e) pull box	3 EA	\$1,800.00	\$5,400.00	\$1,000.00	\$3,000.00	\$1,500.00	\$4,500.00
<b>TOTAL BASE BID:</b>				\$482,960.00		\$427,830.00		\$871,905.00
<b>DEDUCTIVE BID A</b>								
A1	Reduce Potholing	1 LS	\$3,000.00	\$3,000.00	\$1,630.00	\$1,630.00	\$2,700.00	\$2,700.00
A2	Reduce Install bundle of 3x(1.25") Conduit in Ground (Final Quantity)	489 LF	\$20.00	\$9,780.00	\$30.00	\$14,670.00	\$65.00	\$31,785.00
A3	Reduce Install Pull Box	1 EA	\$2,500.00	\$2,500.00	\$1,500.00	\$1,500.00	\$4,500.00	\$4,500.00
A4	Reduce Install Manhole	1 EA	\$5,000.00	\$5,000.00	\$8,500.00	\$8,500.00	\$6,000.00	\$6,000.00
<b>TOTAL DEDUCTIVE BID A:</b>				\$20,280.00		\$26,300.00		\$44,985.00

# BID SUMMARY

PROJECT TITLE: Fiber Conduit Network Extension Project

PROJECT NO.: 2013.032

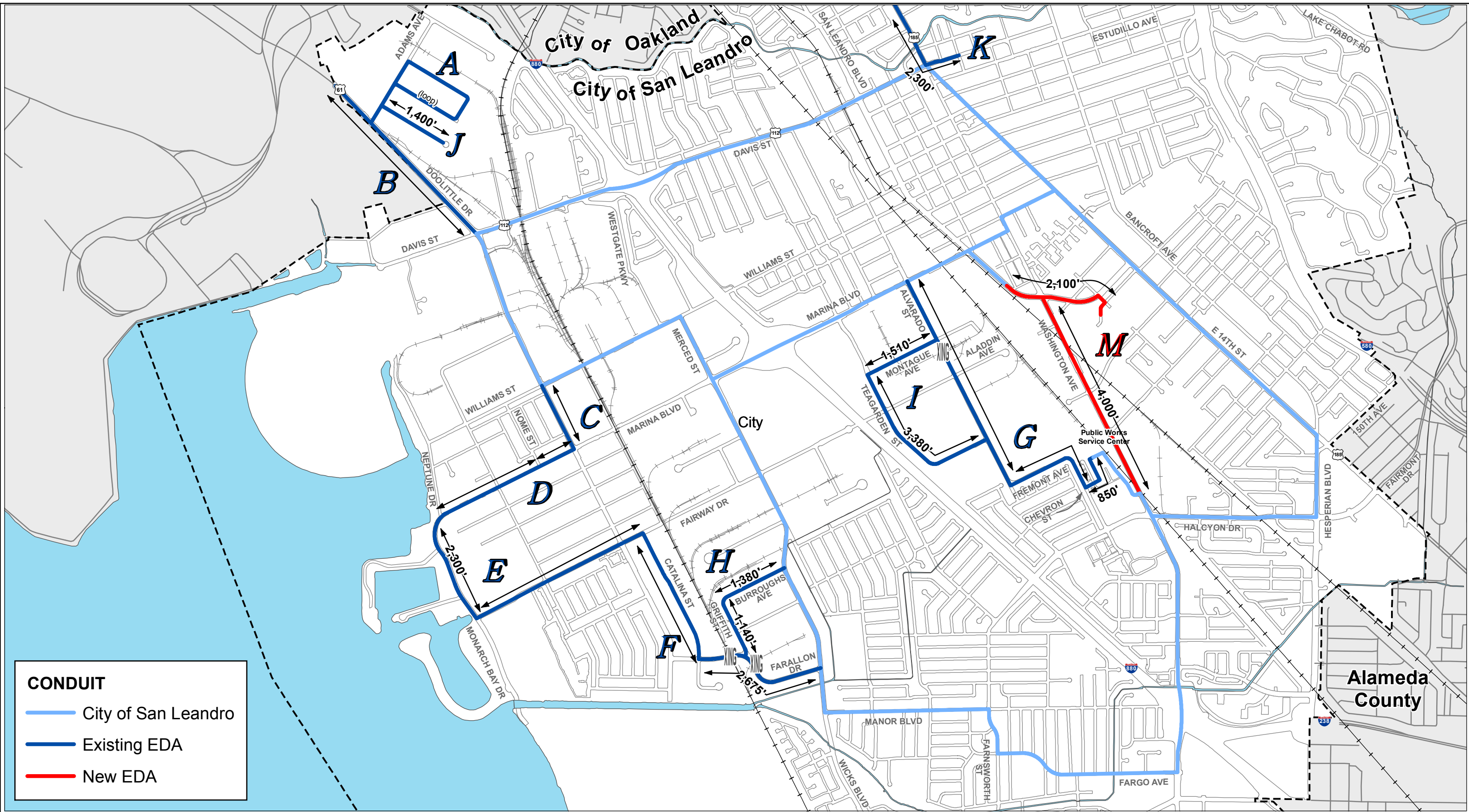
BID NO.: 16-17.019

EDA AWARD NO.: 07-01-06893

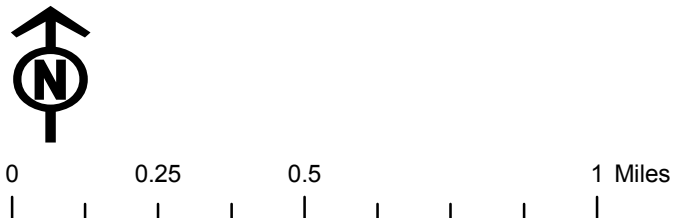
<b>BID OPENING</b> DATE: Wednesday, March 29, 2017 TIME: 3:00 p.m. LOCATION: City Clerk's Office			<b>ENGINEER'S ESTIMATE</b> Date Approved: 3/21/2017 Prepared by: J. O'Driscoll			Cal Electro, Inc. 3710 Electro Way Redding, CA 96002 Phone: (530) 223-5937 Fax: (530) 221-7038		Ray's Electric 411 Pendleton Way, Suite B Oakland, CA 94621 Phone: (510) 577-7700 Fax: (510) 577-7706	
ITEM NO.	ITEM	QUANTITY	UNIT COST	ITEM COST	UNIT COST	ITEM COST	UNIT COST	ITEM COST	
<b>DEDUCTIVE BID B</b>									
B1	Reduce Potholing	1 LS	\$7,000.00	\$7,000.00	\$3,970.00	\$3,970.00	\$6,750.00	\$6,750.00	
B2	Reduce Install bundle of 3x(1.25") Conduit in Ground	1191 LF	\$25.00	\$29,775.00	\$30.00	\$35,730.00	\$65.00	\$77,415.00	
B3	Reduce Install Pull Box	4 EA	\$2,500.00	\$10,000.00	\$1,500.00	\$6,000.00	\$4,500.00	\$18,000.00	
<b>TOTAL DEDUCTIVE BID B:</b>				\$46,775.00			\$45,700.00	\$102,165.00	
<b>TOTAL BASE BID:</b>			\$482,960.00		\$427,830.00		\$871,905.00		
<b>TOTAL DEDUCTIVE BID A:</b>			\$20,280.00		\$26,300.00		\$44,985.00		
<b>TOTAL DEDUCTIVE BID B:</b>			\$46,775.00		\$45,700.00		\$102,165.00		
<b>TOTAL BASE BID LESS DEDUCTIVE A:</b>			\$462,680.00		\$401,530.00		\$826,920.00		
<b>TOTAL BASE BID LESS DEDUCTIVE BIDS A AND B:</b>			\$415,905.00		\$355,830.00		\$724,755.00		
<b>SUBCONTRACTORS:</b>					None		Precision Drilling Inc. Traffic Control Pros Bayline Cutting & Coring		
<b>SECURITIES:</b>					10% Bid Bond		10% Bid Bond		
<b>NOTES:</b>					** Addendum #1 Received		** Addendum #1 Received		

Reviewed by: John O'Driscoll Date: 3/30/17  
John O'Driscoll, Project Manager

Reviewed by: Austine Osakwe Date: 3/30/17  
Austine Osakwe, Senior Engineer



# Fiber Conduit Network Extension





# City of San Leandro

Meeting Date: May 1, 2017

## Resolution - Council

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**File Number:** 17-175

**Agenda Section:** CONSENT CALENDAR

**Agenda Number:**

**TO:** City Council

**FROM:** Chris Zapata  
City Manager

**BY:** Keith Cooke  
Engineering & Transportation Director

**FINANCE REVIEW:** David Baum  
Finance Director

**TITLE:** RESOLUTION to Award a Construction Contract to Cal Electro, Inc. for the Fiber Network Extension Project, Project No. 2013.0320; Authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 10% of the Original Contract Amount; and Authorization for the City Manager to Negotiate and Approve Cumulative Change Orders Up to 25% of the Original Contract Amount

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WHEREAS, the City of San Leandro, on March 29, 2017, did publicly open, examine and declare all sealed proposals or bids for doing the work described in the bid documents for the subject project; and

WHEREAS, said proposals were submitted to the Engineering and Transportation Director who finds that the proposal hereinafter mentioned is the lowest responsive bid by a responsible bidder for doing said work of the Base Bid; and

WHEREAS, the subject project is categorically exempt from the California Environmental Quality Act; and

WHEREAS, change orders to clarify the work or respond to unusual existing conditions are a normal aspect of public contracting and construction; and

WHEREAS, in order to expedite the delivery of public projects on schedule and on budget, provide that subcontractors and workers are paid in a timely fashion, avoid as much as possible costly delay claims, and insure that the City completes projects that are to the City's highest standards, the City Council finds that providing authorization to the City Manager to negotiate and approve change orders is in the best interest of public health, safety and welfare.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:



That said City Council hereby rejects all of said proposals or bids except that herein mentioned; hereby waives any irregularities in the proposal or bid of the lowest responsible bidder; and hereby awards the contract for doing said work of the Base Bid to the lowest responsible bidder therefore, to wit, Cal Electro, Inc., in the amount of \$427,830.00; and

That the City Manager or his designee is authorized to negotiate and approve individual change orders up to a maximum of 10% of the original contract amount, or \$42,783.00 each; and

That the City Manager or his designee is authorized to negotiate and approve cumulative change orders up to a maximum of 25% of the original contract amount, or \$106,957.50; and

BE IT FURTHER RESOLVED:

That if the above named contractor is unable to execute the contract, then the City Manager is authorized to award this contract to the next lowest responsive bid by a responsible bidder, execute all documents to effect the award, and take all actions necessary to recover any bid security from the low bidder necessary to make the City whole in its acceptance of the lowest bid.