



City of San Leandro

Meeting Date: March 19, 2018

Staff Report

File Number: 18-110 **Agenda Section:** CONSENT CALENDAR

Agenda Number: 8.H.

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 McGuire and Hester; Authorizing the City Manager to Negotiate and Approve Change Orders Up to 5% Individually, and 25% Cumulatively, of the Contract Amount; and City Council Approval to Appropriate \$1,350,000 from the Water Pollution Control Plant Enterprise Fund Balance for the Water Pollution Control Plant Asphalt Replacement Project, Project No 2015.0260

SUMMARY AND RECOMMENDATIONS

This contract provides for repaving areas at the City's Water Pollution Control Plant (WPCP) site, which were not repaved as part of the WPCP Rehabilitation Project, and for installation of water and compressed air underground service piping.

Staff recommends the following actions:

- Award a construction contract to McGuire and Hester in the amount of \$1,605,700 for the subject project;
- Authorize the City Manager to negotiate and approve individual change orders up to 5% (or \$80,285) of the original contract amount;
- Authorize the City Manager to negotiate and approve change orders up to a cumulative value of 25% (or \$401,425) of the original contract amount; and
- Appropriation from the WPCP Enterprise Fund in the amount of \$1,350,000 for the subject project.

BACKGROUND

The Water Pollution Control Plant (WPCP) is a thirty acre facility at the western end of Davis Street that treats sewage from approximately half the City. The recently completed WPCP Rehabilitation project made improvements to many of the structures on site, including the replacement of approximately one third of the onsite pavement. This new project will address the

remaining deteriorated pavement surfaces.

This project will repair or replace approximately three acres of asphalt pavement and install about 1,300 linear feet of joint utility trench to provide compressed air and water to sixteen locations. The project is intended to improve the pavement and drainage conditions at the facility. The project will also improve efficiency at the facility by providing easier access to compressed air and water used for maintaining and operating the onsite equipment.

This is the second bid for this project. The first bid for the project was on August 10, 2017, with the low and only bid being \$1.5 million above the engineer's pre-bid estimate. The engineer's pre-bid estimate was \$1,050,705, while the low bid was \$2,559,000. Because there was only one bidder, and the bid amount was \$1.5 million above the engineer's estimate, staff recommended that the City Council reject all bids. To ensure that the City receives fair bids, staff made some changes to the construction documents and rebid the project. The changes included an expansion to the scope of the project reflecting additional analysis from WPCP staff.

Analysis

Bids were opened on February 15th, 2018 with two contractors submitting bids, which ranged between \$1,605,700 and \$2,583,825. McGuire and Hester submitted the lowest responsive bid of \$1,605,700. The pre-bid engineer's estimate for construction is \$1,630,612.50. Staff determined that McGuire and Hester is the lowest responsible bidder. 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.

Neither bidder has an office in San Leandro that would qualify them as a local business per the Local Inclusion Policy Ordinance, nor did they meet the Local Business Participation Goal of 25% by subcontracting with San Leandro businesses for 25% of the contract value. However, both bidders provided documentation that demonstrated completion of the required good faith efforts to meet the local business participation goal.

This project is subject to the provisions of the Community Workforce Agreement (CWA) and both bidders signed the Community Workforce Agreement commitment form.

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 delay 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 5% (or \$80,285) of the original contract amount, and change orders up to a cumulative value of 25% (or \$401,425) of the original contract amount. Due to known unstable subgrade conditions and shallow plant utilities within the work area, a higher contingency of 25% is recommended for this project.

A supplementary allocation of \$1,350,000 from the Water Pollution Control Plant Enterprise fund is requested for this project because the project does not currently have sufficient funds in the

budget. This additional funding will cover the cost of utility line installation that was not in the original project budget or scope as well as the cost of cement treatment for the subgrade that was added to eliminate soil off haul.

Current Agency Policies

- Maintain and enhance San Leandro’s infrastructure

Previous Actions

- On June 3, 2013, by Resolution No. 2013-072, the City Council approved funding for the project.
- On September 18, 2018, by Resolution No. 2017-131, the City Council rejected bids from the August 10, 2017 bid opening.

Applicable General Plan Policies

- *Policy CSF 6.4: Wastewater Collection and Treatment.* Maintain efficient, environmentally sound, and cost-effective wastewater collection and treatment services in San Leandro.
- *Policy CSF 6.8: Maintenance.* Ensure that sufficient funding is provided for the ongoing maintenance of City-owned facilities, including streets, street lights, traffic signals, landscaping, street trees, storm drains, public buildings and other infrastructure.

Environmental Review

This project is categorically exempt from the California Environmental Quality Act (CEQA) per Section 15301(c) of the CEQA guidelines. The Notice of Exemption was filed with the Alameda County Recorder on March 24, 2017.

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.

Two mandatory pre-bid meetings were held on January 25th and January 29th, 2018. The intent of these meetings was to inform bidders of the project details including the City’s Local Inclusion Ordinance and Community Workforce Agreement.

Fiscal Impacts

The total project cost is estimated at \$2,210,000 as follows:

Design and Bid:	\$25,000
Consulting Services (Survey, Geotechnical, Environmental):	\$120,500
Construction Contract:	\$1,605,700
Construction Management and Inspection:	\$57,375

<u>Construction Contingency:</u>	<u>\$401,425</u>
Total:	\$2,210,000

Budget Authority

The project is funded as follows:

<u>Account No.</u>	<u>Reso, Appropriate Dates & Source</u>	<u>Amount</u>
<i>Current appropriation:</i>		
593-52-258	Reso. 2013-072, FY 2014-15 Budget document WPCP Enterprise Fund	\$860,000
<i>Appropriation requested via this action:</i>		
	<u>WPCP Enterprise Fund</u>	<u>\$1,350,000</u>
Total Project Appropriation:		\$2,210,000

Attachment to Staff Report

- *Bid Summary*

PREPARED BY: Mark Goralka, Associate Engineer, Engineering and Transportation

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: **WPCP Asphalt Rehabilitation**
 PROJECT NO.: **2015.0260**
 BID NO.: **17-18.021**

BID OPENING		ENGINEER'S ESTIMATE			McGuire and Hester		DeSilva Gates Construction LP	
DATE: February 15, 2018		Date Approved: 2/13/2018			2810 Harbor Bay Parkway		11555 Dublin Boulevard	
TIME: 3:00 p.m.		Prepared by: M. Goralka			Alameda, CA 94502		Dublin, CA 94568	
LOCATION: City Clerk's Office					Phone: (510) 632-7676		Phone: (925) 829-9220	
					Fax: (510) 562-5209		Fax: (925) 803-4263	
ITEM NO.	ITEM	QUANTITY	UNIT COST	ITEM COST	UNIT COST	ITEM COST	UNIT COST	ITEM COST
1	Mobilization and General Conditions per Section 9-3.4	1 LS	\$148,237.50	\$148,237.50	\$105,420.00	\$105,420.00	\$250,000.00	\$250,000.00
2	Pothole (5-10' depth) per Section 306-0	3 EA	\$1,000.00	\$3,000.00	\$2,600.00	\$7,800.00	\$4,000.00	\$12,000.00
3	Remove AC Pavement per Section 300-1.2.2	2,300 TN	\$60.00	\$138,000.00	\$67.00	\$154,100.00	\$80.00	\$184,000.00
4	Remove Concrete Slab per Section 300-1.2.3.2	2,500 SF	\$10.00	\$25,000.00	\$2.00	\$5,000.00	\$15.00	\$37,500.00
5	Remove Abandoned Utility Box per Section 300-1.2	19 EA	\$100.00	\$1,900.00	\$1,200.00	\$22,800.00	\$1,800.00	\$34,200.00
6	Sheeting and Shoring per Section 306-4	1 LS	\$2,500.00	\$2,500.00	\$500.00	\$500.00	\$5,000.00	\$5,000.00
7	Handling Lead-Containing Trench Spoils per Section 306-3.1	80 CY	\$200.00	\$16,000.00	\$65.00	\$5,200.00	\$50.00	\$4,000.00
8	Dewatering per Section 306-5	1 LS	\$1,500.00	\$1,500.00	\$1,000.00	\$1,000.00	\$5,000.00	\$5,000.00
9	8"Ø C900 Storm Line per Section 306	240 LF	\$200.00	\$48,000.00	\$115.00	\$27,600.00	\$180.00	\$43,200.00
10	Utility Supply Trench - Occupancy A (1"Ø air, two 2"Ø water) per Section 306-8.6	720 LF	\$180.00	\$129,600.00	\$108.00	\$77,760.00	\$180.00	\$129,600.00
11	Utility Supply Trench - Occupancy B (1"Ø air, two 1"Ø water) per Section 306-8.6	325 LF	\$160.00	\$52,000.00	\$110.00	\$35,750.00	\$180.00	\$58,500.00
12	Utility Supply Trench - Occupancy C (1"Ø air, 2"Ø water) per Section 306-8.6	215 LF	\$180.00	\$38,700.00	\$80.00	\$17,200.00	\$180.00	\$38,700.00

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DATE: February 15, 2018 TIME: 3:00 p.m. LOCATION: City Clerk's Office			Date Approved: 2/13/2018 Prepared by: M. Goralka		2810 Harbor Bay Parkway Alameda, CA 94502 Phone: (510) 632-7676 Fax: (510) 562-5209		11555 Dublin Boulevard Dublin, CA 94568 Phone: (925) 829-9220 Fax: (925) 803-4263	
ITEM NO.	ITEM	QUANTITY	UNIT COST	ITEM COST	UNIT COST	ITEM COST	UNIT COST	ITEM COST
13	Utility Supply Trench - Occupancy D (1"Ø air, 1"Ø water) per Section 306-8.6	40 LF	\$160.00	\$6,400.00	\$260.00	\$10,400.00	\$180.00	\$7,200.00
14	Service Risers (Air / Water) per Section 306-8.6	48 EA	\$500.00	\$24,000.00	\$500.00	\$24,000.00	\$1,800.00	\$86,400.00
15	Unclassified Fill per Section 300-4	150 CY	\$50.00	\$7,500.00	\$80.00	\$12,000.00	\$50.00	\$7,500.00
16	Subgrade Grading, Tilling, and Stabilization per Section 301-3.2	9,700 SY	\$35.00	\$339,500.00	\$40.00	\$388,000.00	\$90.00	\$873,000.00
17	Cement for Soil Stabilization per 301-3.2	350 TN	\$175.00	\$61,250.00	\$165.00	\$57,750.00	\$165.00	\$57,750.00
18	Field Inlet per Section 303-1	2 EA	\$5,500.00	\$11,000.00	\$2,900.00	\$5,800.00	\$5,000.00	\$10,000.00
19	Replace Inlet Grate per Section 303-1	3 EA	\$2,500.00	\$7,500.00	\$3,700.00	\$11,100.00	\$4,000.00	\$12,000.00
20	Utility Box Adjustment per Section 301-1.6	75 EA	\$250.00	\$18,750.00	\$700.00	\$52,500.00	\$1,000.00	\$75,000.00
21	Manhole Adjustment per Section 302-5.8	3 EA	\$3,000.00	\$9,000.00	\$1,200.00	\$3,600.00	\$10,000.00	\$30,000.00
22	Electrical Vault Lid Adjustment per Section 301-1.6	6 EA	\$7,500.00	\$45,000.00	\$4,000.00	\$24,000.00	\$8,000.00	\$48,000.00
23	Install 8" Cleanout Cover per Section 302-5.8	2 EA	\$750.00	\$1,500.00	\$3,000.00	\$6,000.00	\$1,500.00	\$3,000.00
24	Concrete Valley Gutter per Section 303-5	1,670 SF	\$45.00	\$75,150.00	\$27.00	\$45,090.00	\$30.00	\$50,100.00
25	Concrete Slab per Section 303-5	475 SF	\$20.00	\$9,500.00	\$40.00	\$19,000.00	\$30.00	\$14,250.00
26	Headerboard per Section 302-5.8.1	785 LF	\$10.00	\$7,850.00	\$13.00	\$10,205.00	\$25.00	\$19,625.00



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ITEM NO.	ITEM	QUANTITY	UNIT COST	ITEM COST	UNIT COST	ITEM COST	UNIT COST	ITEM COST
27	Asphalt Concrete Paving per Section 302-5	2,250 TN	\$150.00	\$337,500.00	\$183.00	\$411,750.00	\$180.00	\$405,000.00
28	Asphalt Concrete Overlay per Section 302-5	70 TN	\$120.00	\$8,400.00	\$220.00	\$15,400.00	\$240.00	\$16,800.00
29	Asphalt Concrete Dike per Section 302-5.8.1	275 LF	\$25.00	\$6,875.00	\$35.00	\$9,625.00	\$20.00	\$5,500.00
30	Microsurfacing per Section 302-15	350 SY	\$20.00	\$7,000.00	\$29.00	\$10,150.00	\$30.00	\$10,500.00
31	Geogrid per Section 310-3.2	2,000 SY	\$10.00	\$20,000.00	\$6.00	\$12,000.00	\$10.00	\$20,000.00
32	4" Ø Contact Tank Skimmer Drain per Section 306	75 LF	\$100.00	\$7,500.00	\$140.00	\$10,500.00	\$100.00	\$7,500.00
33	Skimmer Tank Point of Connection per Detail 5/12	1 LS	\$5,000.00	\$5,000.00	\$1,700.00	\$1,700.00	\$3,000.00	\$3,000.00
34	Manhole Per City Standard Detail 214.	1 LS	\$10,000.00	\$10,000.00	\$5,000.00	\$5,000.00	\$20,000.00	\$20,000.00
TOTAL BASE BID:				\$1,630,612.50		\$1,605,700.00		\$2,583,825.00
REQUIRED DOCUMENTATION:			Bid Bond		YES		YES	
			San Leandro Local Business		NO		NO	
			25 % Participation		NO		NO	
			Good Faith Effort		RECEIVED		RECEIVED	
			Agreement to be Bound		RECEIVED		RECEIVED	
SUBCONTRACTORS:			Griffin Soil		M.F. Maher Inc. Tennyson Electric Griffin Soil TDW Construction			



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PROJECT TITLE: WPCP Asphalt Rehabilitation
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 BID NO.: 17-18.021

BID OPENING DATE: February 15, 2018 TIME: 3:00 p.m. LOCATION: City Clerk's Office		ENGINEER'S ESTIMATE Date Approved: 2/13/2018 Prepared by: M. Goralka		McGuire and Hester 2810 Harbor Bay Parkway Alameda, CA 94502 Phone: (510) 632-7676 Fax: (510) 562-5209		DeSilva Gates Construction LP 11555 Dublin Boulevard Dublin, CA 94568 Phone: (925) 829-9220 Fax: (925) 803-4263		
ITEM NO.	ITEM	QUANTITY	UNIT COST	ITEM COST	UNIT COST	ITEM COST	UNIT COST	ITEM COST
SECURITIES:					10% Bid Bond		10% Bid Bond	
NOTES:								

Reviewed by: *M. Goralka* Date: 2/16/18
 Mark Goralka, Project Manager
 Reviewed by: _____ Date: _____
 Austine Osakwe, Senior Engineer



City of San Leandro

Meeting Date: March 19, 2018

Resolution - Council

File Number: 18-111 **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 \$1,605,700 Construction Contract to McGuire and Hester for the Water Pollution Control Plant Asphalt Replacement Project, Project No. 2015.0260; Authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 5% (or \$80,285) of the Original Contract Amount; Authorization for the City Manager to Negotiate and Approve Change Orders Up to a Cumulative Value of 25% (or \$401,425) of the Original Contract Amount; and City Council Approval to Appropriate \$1,350,000 from the Water Pollution Control Plant Enterprise Fund Balance (Provides for replacement of aging and deteriorated pavement at the Water Pollution Control Plant site)

WHEREAS, the City of San Leandro did, on January 12, 2018, 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 has found that the proposal hereinafter mentioned is the lowest responsive bid by a responsible bidder for doing said work; 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; and

WHEREAS, in order to fund the project, the City Council authorizes the City Manager to appropriate \$1,350,000 from the Water Pollution Control Plant Fund 593 Balance to the Water Pollution Control Plant Asphalt Replacement project account.

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 to the lowest responsible bidder therefore, to wit McGuire and Hester, in the amount of \$1,605,700; and

That the City Manager or his designee is authorized to negotiate and approve individual change orders up to a maximum of 5% of the original contract amount, or \$80,285 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 \$401,425; and

That the City Manager is authorized to appropriate \$1,350,000 from the Water Pollution Control Plant Fund Balance, Fund 593, to the project account 593-52-258 Water Pollution Control Plant Asphalt Replacement Project; 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.