



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: May 28, 2013

Approved  Date 5/29/13

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR 6835 –
HANDRAIL REPLACEMENT – PHASE V PROJECT**

RECOMMENDATION

Report on bids and award of construction contract for 6835 - Handrail Replacement – Phase V Project to the lowest responsive bidder, Rodan Builders, in the amount of \$1,254,630, and approval of a 10% contingency in the amount of \$125,463.

OUTCOME

Award of this construction contract will enhance safety around the secondary aeration tanks by replacing aging, corroded steel handrails with new OSHA-compliant aluminum handrails and allow for associated concrete repair work. Approval of the contingency of 10% will provide funding for any unanticipated work necessary for the completion of the project.

BACKGROUND

The existing steel handrails and the supporting concrete structures for the handrails around the Secondary Aeration Tanks at the San José/Santa Clara Regional Wastewater Facility (RWF), formerly known as the San José/Santa Clara Water Pollution Control Plant, are more than 40 years old. Due to age and long-term exposure to harmful gases from the tanks, the handrails are showing signs of deterioration and corrosion.

This project will replace approximately 8,500 linear feet of existing corroded handrails with new OSHA-compliant aluminum handrails and toe boards; repair concrete cracks and spalls on the walkways of the tanks; and, seal coat approximately 2,000 square yards of existing asphalt surfaces to reduce vegetation growth and facilitate maintenance work.

ANALYSIS

Bids were opened on April 18, 2013 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
JMD Construction (South San Francisco)	\$1,698,140	\$555,640	49
Bugler Construction (Pleasanton)	1,470,600	328,100	29
Spieß Construction (Santa Maria)	1,453,850	311,350	27
Rodan Builders (Burlingame)	1,254,630	112,130	10
Engineer's Estimate	1,142,500	---	---

A total of four bids were received; all bids were higher than the Engineer's Estimate. The lowest responsive bid received from Rodan Builders of Burlingame, CA in the amount of \$1,254,630 is ten percent above the Engineer's Estimate. The other three bids range from 27% to 49% above the Engineer's Estimate.

Although 12 prospective bidders attended the mandatory pre-bid site walk-through for the project, only 4 bids were received. The low turnout can be attributed to the project's complexity which includes coordinating with RWF operations on shutdowns and working next to deep tanks and narrow passageways. The project also requires significant safety provisions such as fall protection measures and confined space entry. Although the bid received from Rodan Builder is 10% higher than the Engineer's Estimate, staff believes the bid is acceptable.

Council Policy provides for a standard contingency of ten percent on public works projects of this nature to cover for unforeseen conditions that may be encountered during construction. Staff considers the standard contingency appropriate for this project.

EVALUATION AND FOLLOW-UP

The project is currently within budget with a projected completion date of August 2014. No additional follow up actions with Council is expected at this time.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

A “Notice to Contractors” inviting qualified contractors to submit bids was posted on BidSync and *San José Post Record*. This memo will be posted on the City’s website for June 18, 2013 Council agenda.

COORDINATION

This project and memorandum have been coordinated with the Office of Risk Management, Equality Assurance, the Public Works Department, the Planning, Building and Code Enforcement Department, City Manager’s Budget Office, and the City Attorney’s Office. This item is scheduled to be heard at the June 13, 2013 Treatment Plant Advisory Committee meeting.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$1,254,630
Project Delivery	\$ 475,000*
Construction	1,254,630
Contingency	125,463
Total Project Costs	\$1,855,093
Expenditures to Date:	178,479
REMAINING PROJECT COSTS:	\$1,676,614

**Project delivery includes \$185,000 for design services, \$200,000 for construction management and inspection, \$50,000 for special inspection services related to epoxy and anchor bolt installation, and \$40,000 for support services during procurement and close-out phases.*

- 2. COST ELEMENTS OF CONTRACT: \$1,254,630
This is a unit rate contract.

3. SOURCE OF FUNDING: 512 - San José / Santa Clara Treatment Plant Capital Fund – 5690 Plant Infrastructure Improvements.
4. FISCAL IMPACT: Existing funds are available for this project. No additional appropriation action is required.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn	Amt. for Contract	Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
<u>Remaining Project Costs</u>				\$1,676,614			
<u>Remaining Funding Available</u>				\$3,893,530			
<u>Total Current Funding Available</u>							
512	5690	Plant Infrastructure Improvements	170025	\$4,665,000	\$1,254,630	V-172	6/19/2012 Ord. 29102
<u>Total Funding for Projects</u>				\$4,665,000	\$1,254,630		

CEQA

Exempt, File No. PP11-028.

/s/ Ashwini Kantak for
 KERRIE ROMANOW
 Director, Environmental Services
 Department

For questions please contact Ashwini Kantak, Assistant Director, Environmental Services Department at (408) 975-2553.