



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow
Matt Loesch

SUBJECT: SEE BELOW

DATE: May 13, 2024

Approved

Date

5/14/24

**SUBJECT: ACTIONS RELATED TO THE 9895 – REGIONAL WASTEWATER FACILITY
MAIN ENTRANCE IMPROVEMENTS PROJECT AT THE SAN JOSÉ-SANTA
CLARA REGIONAL WASTEWATER FACILITY**

RECOMMENDATION

- (a) Adopt a resolution adopting the Addendum to the Environmental Impact Report for the San José - Santa Clara Water Pollution Control Plant Master Plan (SCH# 201105274), File No. ER23-142, RWF Main Entrance Improvements Project, and incorporating environmental mitigation measures set forth in the Mitigation Monitoring and Reporting Program for the project.
- (b) Accept the report on bids and award of a contract for the 9895 – RWF Main Entrance Improvements Project to the lowest responsive, responsible bidder, W.E. Lyons Construction Co., for the base bid and Bid Alternates Nos. 1, 2 and 3 in the amount of \$8,996,937.
- (c) Approve a 10% construction contingency in the amount of \$899,693.

SUMMARY AND OUTCOME

Award of the contract to W.E. Lyons Construction Co. (W.E. Lyons) will enable the construction and completion of the 9895 – RWF Main Entrance Improvements Project at the San José-Santa Clara Regional Wastewater Facility (RWF). Approval of a 10% contingency will provide funding for unanticipated work that is necessary for the proper completion or construction of the project.

BACKGROUND

The main entrance at the RWF serves as the primary vehicle security checkpoint for employees, visitors, haulers, and delivery trucks. (**Attachment** – Project Location Map). Built in 1988, it is beyond its service life, undersized, and not meeting Americans with Disabilities Act requirements. The existing entry and exit lanes are inadequate for larger delivery trucks, causing traffic flow issues and

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delays on Los Esteros Road. Additionally, the exterior lighting around the guard shack area is insufficient for clear nighttime visibility.

The project will replace the existing guard shack with a new guard shack that meets Americans with Disabilities Act requirements. It will install new lighting at the main entrance; improve traffic circulation for larger delivery trucks by widening the entry/exit lanes; relocate existing utilities; install new asphalt pavement and pedestrian walkways; and build a new canopy covering entry and exit lanes.

Three bid alternates were also considered for inclusion in the project.

Bid Alternate No. 1: Install wayfinding and exterior building signage throughout the RWF.

Bid Alternate No. 2: Improve landscaping in front of the Administration building.

Bid Alternate No. 3: Improve landscaping in front of the Environmental Services building.

Construction is scheduled to start in July 2024, with substantial completion anticipated in February 2026.

ANALYSIS

Bids were opened on March 7, 2024 with the following results.

<u>Contractor</u>	<u>Base Bid</u>	<u>Bid Alt. Total</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
SC Builders Inc., (Sunnyvale) (non-responsive)	\$6,543,819	\$1,132,829	\$7,676,648	(\$1,496,297)	(16%)
Azul Works Inc., (San Francisco) (non-responsive)	\$6,835,000	\$1,018,000	\$7,853,000	(\$1,319,945)	(14%)
W.E. Lyons Construction Co., (Walnut Creek)	\$8,106,380	\$890,557	\$8,996,937	(\$176,008)	(2%)
Engineer's Estimate	\$7,382,945	\$1,790,000	\$9,172,945	--	--
Rodan Builders Inc., (Hayward)	\$8,307,860	\$975,975	\$9,283,835	\$110,890	1%
CWS Construction Group Inc., (Novato) (non-responsive)	\$8,685,000	\$789,000	\$9,474,000	\$301,055	3%
S&H Construction Inc., (Fremont) (non-responsive)	\$10,968,600	\$785,800	\$11,754,400	\$2,581,455	28%

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The bid results of the bid alternates are as follows.

<u>Contractor</u>	<u>Bid Alternate No.1</u>	<u>Bid Alternate No.2</u>	<u>Bid Alternate No.3</u>
SC Builders Inc., (Sunnyvale) <i>(non-responsive)</i>	\$523,048	\$419,674	\$190,107
Azul Works Inc., (San Francisco) <i>(non-responsive)</i>	\$400,000	\$406,000	\$212,000
W.E. Lyons Construction Co., (Walnut Creek)	\$446,000	\$300,340	\$144,217
Engineer's Estimate	\$570,000	\$880,000	\$340,000
Rodan Builders Inc., (Hayward)	\$496,175	\$320,800	\$159,000
CWS Construction Group Inc., (Novato) <i>(non-responsive)</i>	\$432,000	\$197,000	\$160,000
S&H Construction Inc., (Fremont) <i>(non-responsive)</i>	\$368,600	\$248,600	\$168,600

In accordance with the procurement documents Section 3-1.01D of the City of San José Special Provisions, the low bidder was determined by adding the Base Bid to any bid alternates until a ceiling price is reached. The low bidder will be the bidder whose total amount calculated under the preceding sentence: (1) includes the greatest number of Bid Alternates or (2) offers an equal number of Bid Alternates for the lowest price. If the addition of the first Bid Alternate to the Base Bid results in a figure greater than the ceiling amount for every responsive bidder, the low bid will be determined by the Base Bid alone. In this instance, the addition of all three Bid Alternates to the Base Bid resulted in a figure less than the ceiling price.

In addition to the base bid scope of work, Bid Alternates No. 1, 2 and 3 are recommended for award. W.E. Lyons' bid is 2% under the Engineer's Estimate and is considered reasonable for the work involved. The Engineer's Estimate is based on construction costs experienced over the last several years for similar municipal projects as well as recent quotes obtained from equipment and material vendors.

Procurement Issues

The bid submitted by the following bidders were deemed non-responsive for the following reasons as outlined below.

- SC Builders, Inc., Sunnyvale
Irregularities: Non-responsive, Statement of Bidder's Experience form did not provide the information requested by City.

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- Azul Works, Inc., San Francisco
Irregularities: Non-responsive, Statement of Bidder's Experience form did not provide the information requested by City.
- CWS Construction Group, Inc., Novato
Irregularities: Non-responsive, CARB Certificate of Reported Compliance is missing or invalid (subcontractor), Schedule of Quantities has math errors.
- S&H Construction, Inc., Fremont
Irregularities: Non-responsive, CARB Certificate of Reported Compliance is missing or invalid, CARB Certificate of Reported Compliance is missing or invalid (subcontractor), Schedule of Quantities has math errors, Statement of Bidder's Experience form did not provide the information requested by City, List of Equipment Manufacturers not complete.

W.E. Lyons has prior experience working with the City and has completed similar projects for other public agencies. The completed projects demonstrate the bidder's experience and ability to complete the construction work. Some of W.E. Lyons projects with the City include:

- Children's Discovery Museum Elevator Upgrade Project;
- 45 N Market St, 95 N Third St, and Fourth/San Fernando St Garage Project; and
- Pab and Pac Building Elevators Upgrade Project.

Contingency

San José Municipal Code Section 27.04.050 provides a standard contingency of 10% of the total contract amount for all public works contracts other than those involving the renovation of a building or buildings. The standard 10% contingency is appropriate for this project.

Project Labor Agreement Applicability

The City's Project Labor Agreement is applicable to this project because the Engineer's Estimate is over \$1.22 million.

Wage Theft Prevention Policy Check

The Department of Public Works Office of Equality Assurance reviewed bidders for compliance with the City's Wage Theft Prevention Policy on March 7, 2024 and again on April 8, 2024. No wage theft violations were identified.

Local and Small Business Outreach

The recommended contractor is not a local or a small business enterprise. However, the following local business enterprises have been listed as subcontractors:

- SJP Signs will be performing signage, work valued at approximately \$446,000;
- O.C. McDonald will be performing plumbing, work valued at approximately \$75,000; and,
- Preston Pipeline will be performing utilities, work valued at approximately \$400,000.

EVALUATION AND FOLLOW-UP

No follow-up action with City Council is expected at this time. A progress report on this project and other RWF capital projects will be made to the Transportation and Environment Committee on an annual basis. Quarterly progress reports of the RWF Capital Improvement Program will also be submitted to the Treatment Plant Advisory Committee and posted on the City's website.

COST SUMMARY/IMPLICATIONS

1. TOTAL COST OF PROJECT

Project Delivery*	\$5,197,403
Construction	\$8,996,937
Contingency (10%)	\$899,693
TOTAL PROJECT COSTS	<u>\$15,094,033</u>
Prior Years' Expenditures and Encumbrances	\$1,468,034
TOTAL REMAINING PROJECT COSTS	\$13,625,999

*Project delivery includes \$527,975 for project management and environmental permitting during feasibility and development, \$1,259,283 for project management during design, \$217,427 for bid and award, and \$2,729,373 for construction management and inspection services, and \$463,345 for post construction and project close-out. The project delivery cost is approximately 58% of the construction estimate, which is in line with project delivery costs for similar size capital projects in RWF.

2. COST ELEMENTS OF CONTRACT:

Mobilization, Demobilization, Shoring, and Bracing	\$460,000
Guard Shack Building	2,675,000
Canopy	1,450,000
Landscaping (Guard Shack and Admin West Area)	300,000
Allowances	185,000
Completion of Remainder of Work	3,036,380
Bid Alternates	890,557
TOTAL CONTRACT AMOUNT	<u>\$8,996,937</u>

3. SOURCE OF FUNDING: 512 – San José-Santa Clara Treatment Plant Capital Fund.

4. FISCAL IMPACT: This project will have no additional impacts on the San José-Santa Clara Treatment Plant Operating Fund (Fund 513) or the General Fund.

5. PROJECT COST ALLOCATION: In accordance with the recommendations set forth in the Capital Project Cost Allocations Technical Memorandum (Carollo Engineers, March 2016), this project is allocated between the four billable parameters relative to the rolling weighted average distribution of all RWF assets.

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BUDGET REFERENCE

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

Fund #	Appn #	Appn. Name	Total Appn	Amount for Contract	2023-2024 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
512	426E	Plantwide Security Systems Upgrade	14,842,000	\$8,106,380	283	10/17/2023 Ord. No. 30966
512	7681	Support Buildings Improvements	\$11,334,000	\$890,557	285	01/09/2024 Ord. No. 31003

COORDINATION

This memorandum has been coordinated with the City Attorney’s Office, the City Manger’s Budget Office, the Finance Department, and the Planning, Building, and Code Enforcement Department. This memorandum will be presented at the May 23, 2024 Treatment Plant Advisory Committee meeting for consideration.

PUBLIC OUTREACH

This memorandum will be posted on the City’s Council Agenda website for the June 4, 2024 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

This item is scheduled to be heard at the May 23, 2024 Treatment Plant Advisory Committee meeting. A supplemental memorandum with Treatment Plant Advisory Committee’s recommendation will be included in the June 4, 2024 City Council meeting agenda.

CEQA

The Plant Master Plan Environmental Impact Report was adopted by City Council in November 2013. The Environmental Impact Report evaluated potential environmental impacts and provided applicable mitigation to reduce impacts. Since the completion of the Plant Master Plan Environmental Impact Report, the City has further refined necessary improvements to the facility’s main entrance. Given that the City proposed these changes following the Environmental Impact Report adoption, an initial study and addendum to the Plant Master Plan Environmental Impact Report was completed to meet CEQA

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requirements. The City’s Planning, Building and Code Enforcement Department finalized the CEQA Addendum and Mitigation Monitoring Reporting Program in November 2023. The Mitigation Monitoring Reporting Program was prepared to ensure compliance with the mitigation measures during project implementation, some of these include protection of sensitive species and avoidance of nearby wetlands.

Addendum to the Environmental Impact Report for the San José - Santa Clara Water Pollution Control Plant Master Plan (Resolution No. 76858), for the RWF Main Entrance Improvements Project, File No. ER23-142.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City’s Open Government Resolution.

/s/

KERRIE ROMANOW
Director, Environmental Services

/s/

MATT LOESCH
Director, Public Works

For questions, please contact Mariana Chavez-Vazquez, RWF General Manager, Environmental Services Department, at mariana.chavez-vasquez@sanjoseca.gov or (408) 535-8550.

ATTACHMENT - Project Location Map

Attachment – Project Location Map

Legend

Existing Main Entrance



New Main Entrance



New Landscaping



Wayfinding Signage



Exterior Building Signage

