

**6.1 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, 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 construction contract for the 9895 – Regional Wastewater Facility 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.

CEQA: 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. (Environmental Services/Public Works)



# 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.

<b><u>Contractor</u></b>	<b><u>Base Bid</u></b>	<b><u>Bid Alt. Total</u></b>	<b><u>Total Bid</u></b>	<b><u>Variance Amount</u></b>	<b><u>Over/ (Under) Percent</u></b>
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%)
<b>Engineer's Estimate</b>	<b>\$7,382,945</b>	<b>\$1,790,000</b>	<b>\$9,172,945</b>	--	--
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.

<b><u>Contractor</u></b>	<b><u>Bid Alternate No.1</u></b>	<b><u>Bid Alternate No.2</u></b>	<b><u>Bid Alternate No.3</u></b>
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
<b>Engineer's Estimate</b>	<b>\$570,000</b>	<b>\$880,000</b>	<b>\$340,000</b>
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
<b>TOTAL PROJECT COSTS</b>	<b>\$15,094,033</b>
Prior Years' Expenditures and Encumbrances	\$1,468,034
<b>TOTAL REMAINING PROJECT COSTS</b>	<b>\$13,625,999</b>

\*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
<b>TOTAL CONTRACT AMOUNT</b>	<b>\$8,996,937</b>

## 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](mailto:mariana.chavez-vasquez@sanjoseca.gov) or (408) 535-8550.

**ATTACHMENT - Project Location Map**



# Attachment – Project Location Map

## Legend

Existing Main Entrance



New Main Entrance



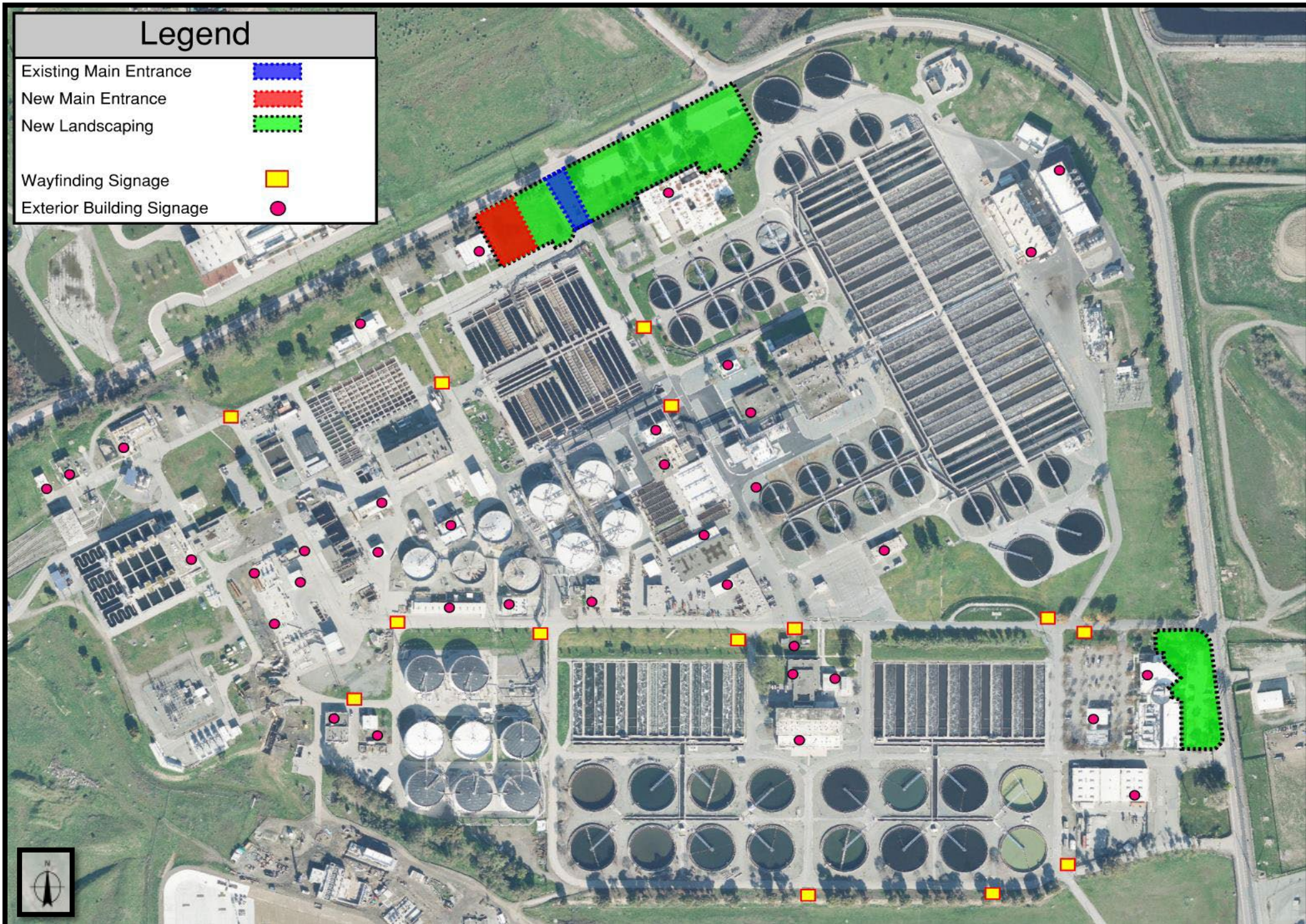
New Landscaping



Wayfinding Signage



Exterior Building Signage





RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE ADOPTING THE ADDENDUM TO THE SAN JOSE-SANTA CLARA WATER POLLUTION CONTROL PLANT MASTER PLAN ENVIRONMENTAL IMPACT REPORT FOR THE REGIONAL WASTEWATER FACILITY'S MAIN ENTRANCE IMPROVEMENTS PROJECT, FOR WHICH AN INITIAL STUDY WAS PREPARED, ALL IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AS AMENDED**

**WHEREAS**, the City of San José (“City”) acting as lead agency under the California Environmental Quality Act of 1970 (“CEQA”), prepared the Environmental Impact Report (“EIR”) for the San José-Santa Clara Water Pollution Control Plant Master Plan Project which analyzed the environmental impacts of planned improvements to the San José-Santa Clara Regional Wastewater Facility through the year 2040; and

**WHEREAS**, in connection with the adoption of a resolution approving said San José-Santa Clara Water Pollution Control Plant Master Plan (“PMP”) Project EIR (Planning File No. PP11-043), the City Council adopted Resolution No. 76858 on November 19, 2013, setting forth certain findings pertaining to the PMP EIR and adopting a mitigation monitoring and reporting program, all pursuant to the provisions of CEQA; and

**WHEREAS**, prior to the adoption of this Resolution, the Director of Planning, Building and Code Enforcement of the City of San José prepared and approved an Addendum to the PMP EIR, all in accordance with CEQA; and

**WHEREAS**, the Regional Wastewater Facility’s Main Entrance Improvements Project (the “Project”) analyzed under the Addendum consists of construction of a new main guard shack and canopy structure, as well as a new entry location to the Facility located approximately 60 feet west of the existing entry road, new landscaping and planting of trees, and new and replacement utility connections; and

**WHEREAS**, as further described in the Addendum, the implementation of the Project would not result in new significant effects on the environment beyond those already identified in the previously approved PMP EIR, nor will the Project result in an increase in the severity of significant effects identified in the PMP EIR, and identified mitigation measures would continue to reduce each of those significant effects to a less-than-significant level; and

**WHEREAS**, the City of San José is the lead agency on the Project, and the City Council is the decision-making body for the proposed approval to undertake the Project; and

**WHEREAS**, the City Council has reviewed and considered the PMP EIR and the Addendum for the Project and intends to take actions on the Project in compliance with CEQA and state and local guidelines implementing CEQA; and

**WHEREAS**, the PMP EIR and the Addendum thereto for the Project are on file in the Office of the Director of Planning, Building and Code Enforcement, located at 200 East Santa Clara Street, 3rd Floor Tower, San José, California, 95113, are available for inspection by any interested person at that location and are, by this reference, incorporated into this Resolution as if fully set forth herein;

**NOW, THEREFORE**, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE:

**THAT THE CITY COUNCIL** does hereby incorporate the foregoing recitals into this Resolution.

**THAT THE CITY COUNCIL** does hereby make the following findings: (1) it has independently reviewed and analyzed the Addendum and other information in the record and has considered the information contained therein, prior to acting upon or approving

the Project, (2) the Addendum prepared for the Project has been completed in compliance with CEQA and is consistent with state and local guidelines implementing CEQA, and (3) the Addendum represents the independent judgment and analysis of the City of San José, as lead agency for the Project. The City Council designates the Director of Planning, Building and Code Enforcement at the Director's Office at 200 East Santa Clara Street, 3rd Floor Tower, San José, California, 95113, as the custodian of documents and records of proceedings on which this decision is based.

**THAT THE CITY COUNCIL** does hereby find that based upon the entire record of proceedings before it and all information received that there is no substantial evidence that the Project will have a significant effect on the environment and does hereby adopt the Addendum prepared for the Project (Planning File No. ER23-142). The Addendum is: (1) on file in the Office of the Director of Planning, Building and Code Enforcement, located at 200 East Santa Clara Street, 3rd Floor Tower, San José, California, 95113 and (2) available for inspection by any interested person.

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ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2024 by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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MATT MAHAN  
Mayor

ATTEST:

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TONI J. TABER, CMC  
City Clerk

## SAN JOSE / SANTA CLARA WATER POLLUTION CONTROL PLANT

TREATMENT PLANT ADVISORY COMMITTEE

May 23, 2024

The Honorable Mayor and City Council  
City of San José  
200 East Santa Clara Street,  
San José, CA 95113

Dear Mayor Mahan and City Council:

At its meeting on May 23, 2024, the Treatment Plant Advisory Committee (TPAC) reviewed this item:

### **5. G. Actions Related to The 9895 – Regional Wastewater Facility Main Entrance Improvements Project At The San José-Santa Clara Regional Wastewater Facility Staff**

#### **Recommendation to Committee for City Council:**

- 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.

**Action: On a motion made by Committee Member Turner and a second by Committee Member Kwok, TPAC recommended approval of item 5. G.**

**Ayes - 9** (Batra, Candelas, Davis, Gillmor, Kwok, Harkness, Montano, Turner, Watanabe)

**Nays - 0**

**Abstain - 0**

Sincerely,



Kathy Watanabe, Chair (Alternate)  
TREATMENT PLANT ADVISORY COMMITTEE