



Legislation Text

File #: 11-391, **Version:** 1

Staff Report for Rescinding Resolution No. 2011-15, Award of Construction Contract to Musco Excavation, Inc.; and Award of Construction Contract to VEM General Engineering, Inc. for the 14901 East 14th Street Demolition Project, Project No. 11-962-39-001

RECOMMENDATIONS

Staff recommends rescinding the previously awarded contract to Musco Excavators, Inc. and awarding of a contract to the second low bidder, VEM General Engineering, Inc. in the amount of \$48,000.00, for the subject project. The subject project will remove the existing building and other structures as the first step in the site preparation for the intersection improvement project.

BACKGROUND

In 1997, the City identified the intersection of East 14th Street/ Hesperian Boulevard/ 150th Avenue, known as "The Triangle", as an area requiring improvement to reduce traffic congestion and improve safety. In 2002, this project was approved as part of the Alameda County Transportation Authority (ACTIA) Measure B 1/2-cent tax reauthorization program.

The primary improvements will include: 1) widening East 14th Street at 150th Avenue to add an additional eastbound left turn lane; 2) adding a dedicated southbound left turn lane on Bancroft Avenue at East 14th Street; and 3) installing dual northbound left turn lanes on Hesperian Boulevard at East 14th Street.

Additional right-of-way is required to perform these improvements. In 2009, the former gas station located at 14901 East 14th Street, currently operating as a Quality Tune-up Shop, was acquired by the Redevelopment Agency. The Redevelopment Agency then entered into a month-to-month lease agreement with the tenant, which allowed the tenant to stay on the site until the project was ready to move forward. The tenant recently concluded relocation to another facility in San Leandro and has vacated the property.

This project will demolish the existing building at this location, including abatement of any hazardous materials contained within the structure. The site will be graded and fenced. A subsequent project will perform soil remediation to remove contaminated soil materials prior to the main intersection improvements.

Analysis

The bids were opened on June 21, 2011. Six (6) bids were received ranging from \$41,394.50 to \$66,674.50. Musco Excavators, Inc. was the lowest responsible bidder. On September 6, 2011 the City Council awarded the contract to Musco Excavators, Inc. Subsequently, Musco Excavators, Inc. failed to execute the contract and notified staff of its inability to

execute the contract. Staff took the appropriate actions to secure the bid guarantee submitted by Musco Excavators, Inc. in accordance with the requirements of its bid. To proceed with the required work, staff is requesting that the contract be awarded to VEM General Engineering, Inc., the second lowest responsible bidder.

The engineer's estimate for the work was \$78,210.00. Staff has also verified through the Contractors State License Board that the contractor is in good standing.

Current Agency Policies

To improve safety of bicyclists, pedestrians and vehicular traffic on City roadways.

Previous Actions

- On May 1, 2000, by Resolution No. 2000-63, the City Council recommended that Alameda County place Measure B (extension of the ½-cent sales tax for transportation projects) on the November ballot
- On March 18, 2002, by Resolution No. 2002-35, the City Council authorized the City Manager to enter into a Master Funding Agreement with ACTIA for Measure B Programmatic Pass-Through Funds
- On July 1, 2002, by Resolution No. 2002-96, the City Council authorized the City Manager to enter into a Master Funding Agreement with ACTIA for Measure B capital project funds
- On September 16, 2002, by Resolution No. 2002-129, the City Council authorized the City Manager to enter into a Project Scoping Agreement with ACTIA for ACTIA Project No. 19--East 14th Street/Hesperian Boulevard/150th Avenue Improvements for Measure B 2000 Capital Project Funds
- On September 2, 2008, by Resolution No. 2008-108, the City Council authorized the City Manager to execute real property agreements for the properties required for this project
- On December 15, 2008 by Resolution No. 2008-025 RDA, the Redevelopment Agency of the City approved a cooperative agreement between the City and the Redevelopment Agency for the purpose of undertaking redevelopment activities within the redevelopment area at a cost of \$1,300,000 to the Redevelopment Agency for the East 14th Street/Hesperian Boulevard/150th Avenue Intersection Improvement project, Project No. 144-39-001
- On January 18, 2011, by Resolution No. 2011-006, the City Council approved a Contractual Services Agreement with Ninyo & Moore relating to the East 14th Street/Hesperian Boulevard/150th Avenue Intersection Improvement project (provided for consultant services related to soil remediation at 14901 East 14th Street for the subject project)
- On May 16, 2011, by Resolution No. 2011-090, the City Council approved Plans and Specifications and Called for Bids for the subject project
- On September 6, 2011 by Resolution No. 2011-154, the City Council awarded a construction contract to Musco Excavators, Inc. for the subject project.

Applicable General Plan Policies

Policy 18.02 - Capital Improvements: Identify capital improvements and other measures, which improve the safety of bicyclists, pedestrians, and motor vehicles on San Leandro streets.

Environmental Review

A Negative Declaration was previously prepared for this project and referenced as State Clearinghouse Number SCH 2005102131.

Board/Commission Review and Actions

On August 28, 2008, the Planning Commission found that the acquisition(s) of the property(ies) necessary for this project was in conformance with the General Plan.

Fiscal Impacts

The total estimated cost of the 14901 East 14th Street Demolition project is \$93,990, for design, construction and construction contingencies and administration.

Budget Authority

The demolition component of the project is fully funded by existing appropriation in Account No. 962-39-022.

ATTACHMENT

- Bid Summary

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