



Legislation Text

File #: 19-462, **Version:** 1

Staff Report for a City of San Leandro City Council Resolution to Award an \$82,420 Construction Contract to Pacific Underground Services for the Heron Bay Levee Maintenance, Project No. 2006.0111; to Authorize the City Manager to Negotiate and Approve Individual Change Orders Up to 5% (or \$4,121) of the Original Contract Amount; to Authorize the City Manager to Negotiate and Approve Change Orders Up to a Cumulative Value of 25% (or \$20,605) of the Original Contract Amount; and to Appropriate \$350,000 from the Heron Bay Maintenance Assessment District Fund Balance for the Project in Fiscal Year 2019-20

SUMMARY AND RECOMMENDATIONS

This contract provides for levee maintenance along the Bay Trail west of the Heron Bay Housing Development.

Staff recommends the following actions:

- Award a construction contract to Pacific Underground Services in the amount of \$82,420;
- Authorize the City Manager to negotiate and approve individual change orders up to 5%, or \$4,121, of the original contract amount;
- Authorize the City Manager to negotiate and approve change orders up to a cumulative value not to exceed 25%, or \$20,605 of the original contract amount; and
- Appropriate \$350,000 from the Heron Bay Maintenance Assessment District Fund Balance, to Account No. 147-42-150-5240 for the 2019-20 project.

BACKGROUND

This project is undertaken as part of the Heron Bay Maintenance Assessment District (Assessment District 96-3) work plan. Services to this District are provided by the City of San Leandro's Engineering and Transportation, Public Works, and Police Departments; the County of Alameda Public Works Agency; outside consultants, and outside contractors. The Assessment District provides funding for the maintenance of certain public improvements constructed as part of the Heron Bay Housing development, including the marshlands and trail areas at the westerly end of Lewelling Boulevard.

In 2015, City staff identified storm surge damage and erosion to the levee directly adjacent to the Bay Trail, north of Long Beach and approximately 1.4 miles south of the Monarch Bay Drive (Neptune Drive) bridge (See the attached sketch). At this location, the Bay Trail is located directly adjacent to the levee without any setback and critically close to ongoing erosion. Existing levee protection at this location consists of un-engineered concrete and asphalt rubble. The rubble has moved or washed away over time and now does not provide protection from erosion of the underlying levee materials during storm events. This project will remove any remaining un-engineered rubble and install engineered structural rip-rap improvements for a distance extending 87 feet south of the current

terminus of the engineered rip-rap to repair and reinforce the failed area. This improvement will protect the levee and the adjacent segment of the Bay Trail.

Permitting for this project was difficult and took longer than prior maintenance projects that typically repaired existing engineered improvements because it includes the installation of new structural rip-rap, which triggered a request for mitigation by the regulatory agencies. City staff is currently responding to agency permit comments and anticipates final permit approvals before the end of the year.

Article V, Section 520 of the City of San Leandro Charter specifies that appropriations of capital funds may be carried forward for no more than five fiscal years. The existing appropriation for the subject project is more than five fiscal years old, and therefore a City Council approved re-appropriation of fund for use on the project is needed.

Analysis

Two bids were received at the August 13, 2019 bid opening. The bids ranged from \$82,420 to \$179,650. The pre-bid engineer's estimate was \$80,400. Staff recommends award to the lowest responsive bidder, Pacific Underground Services. 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.

None of the bidders have an office in San Leandro that would qualify them as a local business. Also, none of the bidders met the Local Business Participation Goal by subcontracting with San Leandro businesses for 25% of the contract value. The apparent low bidder, Pacific Underground Services of Martinez, CA, is not subject to Local Business Preference policy because the value of its bid was below this policy's minimum \$100,000 threshold. Similarly, this project was not subject to the provisions of the Community Workforce Agreement (CWA) because the value of this bid was well below the CWA's \$1,000,000 minimum threshold.

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, staff requests that the City Council authorize the City Manager or his designee to negotiate and approve individual change orders up to 5% (\$4,121) of the original contract amount and cumulative change orders up to 25% (\$20,605) of the original contract amount. This will help to ensure efficient completion of the project on budget and on schedule.

The subject project was originally funded more than five years ago and is still in progress, as described herein. According to the City's Charter, Section 520, "Appropriations to capital funds may be carried for not more than five fiscal years." Therefore, completion of this project will require appropriation of \$350,000 from the Heron Bay Maintenance Assessment District Fund Balance.

Current Agency Policies

- Maintain and enhance San Leandro's infrastructure.

Committee Review and Actions

On September 4, 2019 staff updated the City Council Facilities and Transportation Committee on the project scope, cost and schedule.

Applicable General Plan Policies

- Policy OSC-1.2 Park Maintenance. Provide for the regular, systematic maintenance of San Leandro's parks and recreational facilities to prevent deterioration, ensure public safety, and permit continued public use and enjoyment.

Permits and/or Variances Granted

Permits will be obtained from the following agencies for this project:

- Army Corps of Engineers (including consultations with the National Fish and Wildlife Service)
- Bay Conservation and Development Commission (BCDC)
- San Francisco Bay Regional Water Quality Control Board (RWQCB)

Environmental Review

This project was deemed Categorical Exempt per California Environmental Quality Act (CEQA) section 15310 Class 1 (d) for existing structures. A CEQA Notice of Exemption was recorded on June 12, 2015 with the Alameda County Recorder's Office.

Summary of Public Outreach Efforts

Public Notices of the BCDC permit application were posted along the Bay Trail entrance at the southern end of Monarch Bay Drive, as well as on a bridge crossing west of Bayfront Drive.

Fiscal Impacts

The activities of the Heron Bay Maintenance Assessment District have no fiscal impact on the City since they are supported by annual levy assessments. All administrative and maintenance costs associated with the District are included within these assessments.

The total expected cost of the project, including permitting, design, construction, construction management, biological monitoring, and contingency is \$335,000; as follows:

Permitting	\$93,000
Design	\$64,000
Construction	\$82,240
Construction Contingencies	\$20,560
Construction Management	\$45,200
Biological Monitoring (Permit Requirement)	<u>\$30,000</u>
Total	\$335,000

Budget Authority

This project will be funded from the Heron Bay Maintenance Assessment District (Assessment District 96-3) Fund Balance by the City Council approved appropriation of \$350,000 to account 147-42-150-5240.

Attachment to Staff Report

- Bid Summary
- Project Location Sketch

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