



City of San Leandro

Civic Center
835 East 14th Street
San Leandro, California

Legislation Text

File #: 17-544, **Version:** 1

Staff Report for Resolution to Award a Construction Contract to Pacific States Environmental Contractors, Inc. for the Water Pollution Control Plant Dirt Removal 2017, Project No. 2015.0300; Authorization for the City Manager to Negotiate and Approve Individual Change Orders up to 5% of the Original Contract Amount; and Authorization for the City Manager to Negotiate and Approve Cumulative Change Orders up to 15% of the Original Contract Amount

SUMMARY AND RECOMMENDATIONS

The subject project will off haul soil generated by the Water Pollution Control Plant (WPCP) Rehabilitation project.

Staff recommends the following actions:

- Award of a contract to Pacific States Environmental Contractors, Inc. in the amount of \$729,900 for the subject project; and
- Authorize the City Manager to negotiate and approve individual change orders up to 5% (or \$36,495) of the original contract amount; and
- Authorize the City Manager to negotiate and approve change orders up to a cumulative value of 15% (or \$109,485) of the original contract amount.

BACKGROUND

The Water Pollution Control Plant (WPCP) rehabilitation project generated a large volume of soil, most of which was off hauled as part of the original construction project. Staff determined that approximately 40,000 tons of the dirt generated had higher than expected levels of metal and other contaminants, and was stockpiled on site for possible treatment, re-use, or off haul.

The subject dirt was stockpiled on site because staff deemed the cost of treatment, re-use, and/or off haul significant enough to warrant competitive bidding of the work. This contract is for removal of approximately half of the dirt stockpiled on site.

The remainder of the dirt to be removed will likely require treatment before off haul. Staff is evaluating alternatives for disposal of the remaining dirt and will bid this work separately.

Analysis

Bids were opened on September 7, 2017. Two bids were received, ranging from \$729,900 to \$823,030. The pre-bid engineer's estimate for construction was \$971,660. Staff determined that Pacific States Environmental Contractors, Inc. is the lowest responsible bidder. 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.

This contract is subject to the Local Inclusion Policy Ordinance. At the mandatory pre-bid meetings, staff presented the requirements of the Local Inclusion Policy Ordinance, responded to bidder questions, and provided contact information for free technical assistance if needed. Bidders were also provided with a list of contractors performing trades applicable to this project's construction that currently hold business licenses with the City of San Leandro. None of the bidders has an office in San Leandro that would qualify them as a local business per the Local Inclusion Policy Ordinance. In addition, none of the bidders met the Local Business Participation Goal by subcontracting with San Leandro businesses for 25% of the contract value. The lowest bidder provided documentation that demonstrated completion of the required good faith efforts to meet the local business participation goal.

This contract is not subject to the provisions of the Community Workforce Agreement because bids are below \$1,000,000.

Contract Change Orders

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. Unforeseen conditions may be encountered during construction and plan details may need to be adjusted or clarified. In order to minimize delay on the project and ensure that the scope of work is adjusted as needed to provide the highest quality project for the City, staff requests that the City Council authorize the City Manager or his designee to negotiate and approve individual change orders up to 5% (or \$36,495 each) of the original contract amount and cumulative change orders up to 15% (or \$109,485) of the original contract amount. This will ensure efficient completion of the project on budget and on schedule.

Current Agency Policies

Maintain and enhance San Leandro's infrastructure

Previous Actions

On January 21, 2014, via resolution 14-005, Council appropriated funding for off haul of contaminated soil.

Applicable General Plan Policies

Policy CSF 6.4: Wastewater Collection and Treatment. Maintain efficient, environmentally sound, and cost-effective wastewater collection and treatment services in San Leandro.

Environmental Review

This project is categorically exempt from the California Environmental Quality Act (CEQA) per Section 15304(a) of the CEQA guidelines.

Summary of Public Outreach Efforts

- The Notice to Bidders was published in the Daily Review, the South County Post, Visión Hispana and the World Journal.
- Staff also notified twenty-one builders' exchanges and construction data firms as well as a list of contractors that asked to be notified of bidding opportunities via email.
- Two mandatory pre-bid meetings were held on August 29 and August 30, 2017. The intent of these meetings was to inform bidders of the project details including the City's Local Inclusion Ordinance and Community Workforce Agreement.

Fiscal Impacts

The total project cost is undetermined at this time; however, it could be as high as \$4,000,000 if the remaining soil is hauled to a Class I disposal facility.

Design and Bid:	\$ 200,000
This Construction Contract:	\$ 729,900
Next Construction Contract:	\$2,800,000
Construction Management and Inspection:	\$ 50,000
<u>Construction Contingency:</u>	<u>\$ 220,100</u>
Total:	\$4,000,000

Budget Authority

Account No.	Reso, Appropriation Dates & Source	Amount
593-52-229	Reso 14-005, January 21, 2014, WPCP Enterprise Fund	\$2,650,000

Attachment to Staff Report

- *Bid Summary*

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