



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

SUBJECT: ALBANY-KIELY STORM
DRAIN IMPROVEMENT PHASE II

DATE: 03-09-05

Approved

Date

3/15/05

Council District: 1

RECOMMENDATION

Report on bids and award of contract for the Albany-Kiely Storm Drain Improvement Phase II Project to the lowest responsive bidder, Shaw Pipeline, Inc., for the base bid in the amount of \$1,972,510, and approval of a contingency in the amount of \$197,000.
CEQA: Exempt, PP04-316.

BACKGROUND

The proposed Albany-Kiely Storm Drain Improvement Phase II Project is located in a medium low density commercial and residential area bounded by Stevens Creek Boulevard on the north, Interstate 280 on the south, Richfield Drive on the west and Saratoga Avenue on the east (map attached).

A storm drain master plan completed prior to 1980 identified the need to construct storm drainage improvements in the Albany-Kiely drainage shed. Prior to design, these existing master plan recommendations were reviewed and updated with additional information to properly scope desired improvements with the current infrastructure needs of the drainage shed. Upon completion of the project, the neighborhood will have storm drainage protection from a 10-year-return storm.

This project supports continued economic growth and development along the Stevens Creek Boulevard retail corridor by enhancing the storm collection system, eliminating localized ponding and ensuring local businesses access in not impacted during large storm events.

The new storm drainage facilities will connect to the existing storm drainage system constructed in 1996 as Phase I of this project. Additional projects are warranted to provide the entire drainage shed with protection from a 10-year-return storm, but are not yet programmed due to funding constraints.

The project is scheduled to begin construction in June 2005 with substantial completion by October 2005.

ANALYSIS

The project proposal consists of a base bid and four add alternate bids. The scope of work of the base bid includes the installation of approximately 3,000 linear feet of 36-inch and 60-inch diameter reinforced concrete pipe (RCP) including associated storm sewer inlets, laterals, and manholes. It is located along Albany Drive between Auburn Way and Kiely Boulevard, along Palace Drive between Albany Drive and Stevens Creek Boulevard, and along Kiely Boulevard between Albany Drive and Stevens Creek Boulevard. The scopes of work of the four add alternate bids are as follows:

- Add Alternate No. 1: The installation of approximately 500 linear feet of 54-inch and 60-inch diameter RCP and associated storm sewer inlets, laterals, and manholes along Albany Drive between Richfield Drive and Auburn Way.
- Add Alternate No. 2: The installation of approximately 400 linear feet of 21-inch diameter RCP and associated storm sewer inlets, laterals, and manholes along Auburn Way.
- Add Alternate No. 3: The installation of approximately 400 linear feet of 21-inch diameter RCP and associated storm sewer inlets, laterals, and manholes along Greendale Way.
- Add Alternate No. 4: The installation of approximately 440 linear feet of 21-inch diameter RCP and associated storm sewer inlets, laterals, and manholes along Richfield Drive.

Bids were opened on February 17, 2005 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
M.J.B. Pipeline, Inc. (Mt. Eden)	\$2,893,818	\$985,723	52
Pacific Underground Const., Inc. (San José)	2,248,254	340,159	18
K.J. Woods Construction, Inc. (San Francisco)	2,204,000	295,905	16
Granite Rock / Pavex Const. (Redwood City)	2,101,403	193,308	10
Shaw Pipeline, Inc. (San Francisco)	1,972,510	64,415	3
Engineer's Estimate	1,908,095	--	--
McGuire and Hester (Oakland)	1,717,784	(190,311)	(10)

<u>Contractor</u>	<u>Alternate 1</u>	<u>Alternate 2</u>	<u>Alternate 3</u>	<u>Alternate 4</u>	<u>Total Alternates</u>
M.J.B. Pipeline, Inc.	\$555,963	\$165,496	\$149,972	\$122,780	\$994,211
Pacific Underground Construction, Inc.	410,444	123,250	127,690	104,980	765,964
K.J. Woods Construction, Inc.	356,000	144,000	140,000	130,000	770,000
Granite Rock / Pavex Construction	381,633	145,356	150,423	164,510	841,922
Engineer's Estimate	302,306	170,224	169,541	182,809	824,880
Shaw Pipeline, Inc.	342,810	107,280	105,145	115,205	670,440
McGuire and Hester	322,715	104,026	102,432	96,179	625,352

The apparent low bid submitted by McGuire and Hester is ten percent below the Engineer's Estimated base bid. However, five (5) working days following the opening of the bids, McGuire and Hester submitted a letter requesting relief of its bid proposal due to a mistake. McGuire and Hester asserted that the mistake consisted of a mathematical error regarding the cost for buying and hauling imported backfill. The letter contained documentation that McGuire and Hester had based its proposal upon a \$1.051 per ton rate rather than the intended \$10.51 per ton rate and that this resulted in the bid being \$310,236 lower than they intended.

Section 2-1.095 of the Standard Specifications, titled "Relief of Bidders," states that a contractor may be relieved of its bid if a mistake was made and resulted in a bid materially different than the contractor intended it to be. After a review of the documentation submitted by McGuire and Hester, staff concluded that an error had indeed been made and, therefore, recommends that McGuire and Hester be relieved of its bid.

Shaw Pipeline, Inc., submitted a bid 3 percent greater than the Engineer's Estimated base bid. An evaluation of Shaw's bid indicates higher unit costs for pipeline appurtenances than estimated by City staff. However, the bid is acceptable for the work involved in this project and with the relief provided to McGuire and Hester, Shaw Pipeline, Inc. becomes the lowest responsive bidder. Based on available funds, only the base bid is recommended for award.

Council policy provides for a standard contingency of ten percent on public works utility projects. A contingency in the amount of \$197,000 is appropriate for this project.

PUBLIC OUTREACH

To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

COORDINATION

This project and memorandum have been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Departments of Planning, Building and Code Enforcement, Transportation, and Finance.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$1,972,510

2. COST OF PROJECT:

Project Delivery	\$ 435,000*
Construction	1,972,510
Contingency	<u>197,000</u>

TOTAL PROJECT COSTS **\$2,604,510**

Prior Year Expenditures (68,689)

REMAINING PROJECT COSTS **\$2,535,821**

* Project delivery includes \$148,000 for design services and \$287,000 for construction management and inspection services.

3. SOURCE OF FUNDING: 469 - Storm Sewer Capital Fund
413 - Storm Drainage Fee Fund

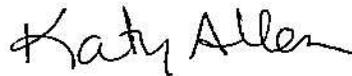
4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The proposed operating and maintenance costs of this project have been reviewed, and it has been determined that the project will have no significant adverse impact on the General Fund operating budget.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn.	Amount for Contract	2004-2005 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$2,535,821			
Current Funding Available						
469	4693	Albany-Kiely Storm Drainage Improvement Phase II	\$2,431,000	\$1,800,000	Capital V-215	10/12/04 Ord. No. 27267
413	4272	Miscellaneous Projects	\$614,000	\$172,510	Capital V-219	10/12/04, Ord. No. 27267
Total Current Funding Available			\$3,045,000	\$1,972,510		
Total Funding For Remaining Project Costs			\$2,535,821	1,972,510		

CEQA

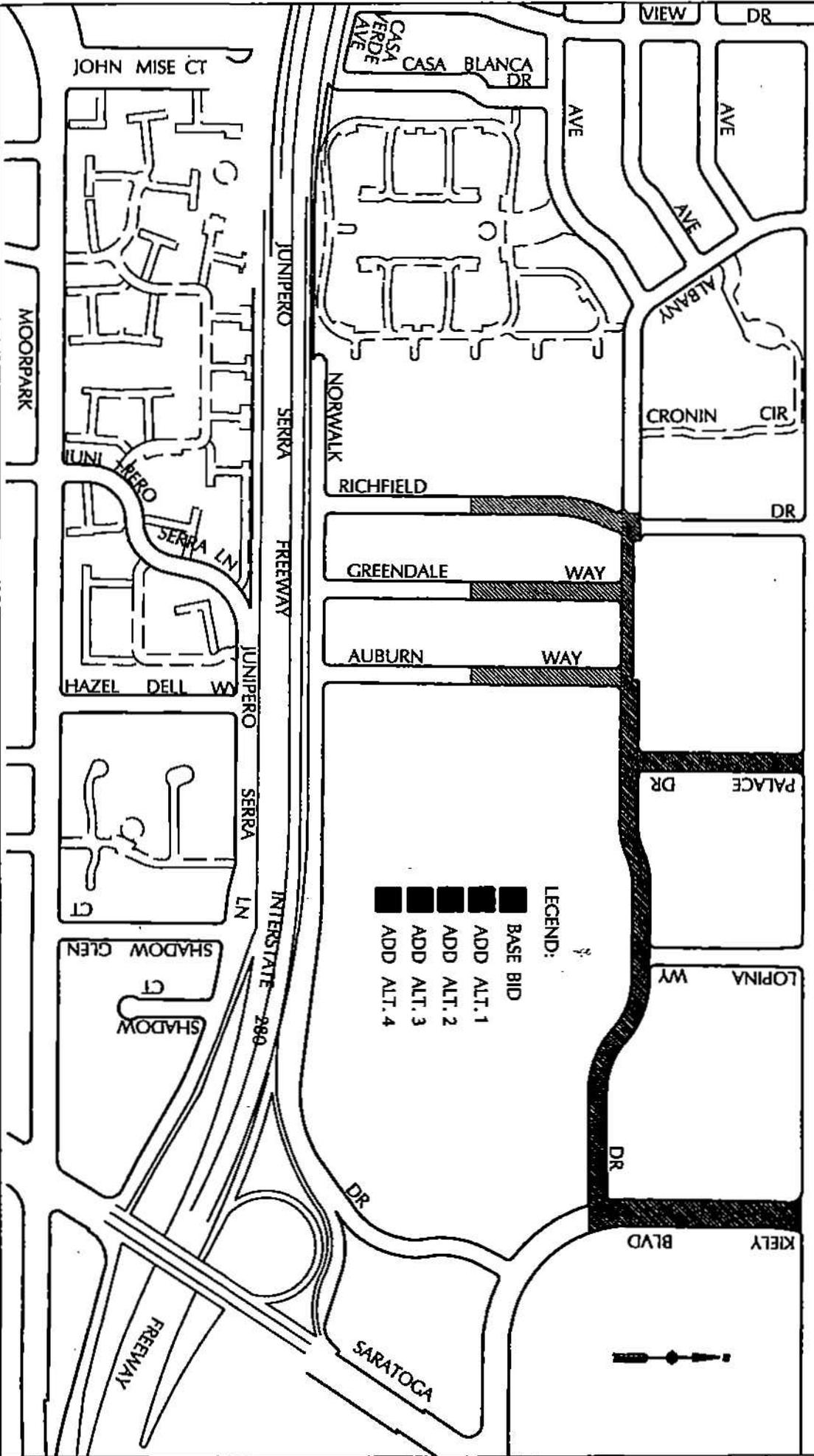
Exempt, PP04-316 dated November 23, 2004.



KATY ALLEN
Director, Public Works Department

ALBANY-KIELY STORM DRAIN IMPROVEMENT PHASE II

STEVENS CREEK BLVD



LOCATION MAP

NOT TO SCALE