



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Carl W. Mosher

SUBJECT: SEE BELOW

DATE: 3-10-04

Approved

Date

SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT, FY 2003/2004 CAPITAL IMPROVEMENT PROGRAM, MCC G1, G2, AND DAFT CONSOLE "A" REPLACEMENT PROJECT

RECOMMENDATION

Report on bids and award of contract for the construction project entitled "San Jose/Santa Clara Water Pollution Control Plant, FY 2003/2004 Capital Improvement Program, MCC G1, G2, and DAFT Console 'A' Replacement Project" to the low bidder, Rosendin Electric Incorporated, in the amount of \$1,096,346 and approval of a contingency in the amount of \$165,000 for a total not to exceed amount of \$1,261,346.

BACKGROUND

The Motor Control Centers (MCCs) and Console "A", located in the Plant's Sludge Control Building have been in service since 1962 and are beyond the end of their useful service life. These motor control centers are a system of electrical components, designed to fit into a single floor-mounted assembly that enables the centralized control for the major sludge processing equipment. This specialized equipment allows an operator to be able to control various functions of a large section of the Plant's sludge processing in a safe and efficient manner. This centralized and automated system is critical to ensuring adequate solids processing and removal as well as the coordination of digesters and their associated compressors to create fuel for onsite electrical generation. This project will replace the current MCCs and Console "A" with new MCCs and control consoles.

ANALYSIS

Bids were opened on February 12, 2004 for the project. The results of the bids are as follows:

<u>Contractor</u>	<u>City</u>	<u>Bid Amount</u>	<u>Amount</u>	<u>Percent</u>	<u>Variance Over/(Under) Engineer's Estimate</u>
Engineer's Estimate		\$1,600,000			
Edward W. Scott Electric, Inc	San Jose	\$1,399,000	-\$201,000	(-12.6%)	
Anderson Pacific Engineering Construction, Inc.	Santa Clara	\$1,259,927	-\$340,073	(-21.3%)	
Rosendin Electric, Inc.	San Jose	\$1,096,346	-\$503,654	(-31.5%)	

The low bid by Rosendin Electric of \$1,096,346 is recommended for approval. This bid is 31.5 percent below the engineer's estimate. In order to be more conservative, the engineer's estimate assumes higher costs for selected items such as provision of a temporary on-site power generator for backup power during construction whereas Rosendin Electric took the approach of tapping into available Plant power. It is also noted that the engineer's estimated labor cost for software programming is three times higher than the more competitive cost offered by Rosendin Electric.

The bid documents have been evaluated and found to be in order. The low bid also reflects the current competitive bidding climate in the area and shows the desire of a local contractor, Rosendin Electric, to work for the City. Rosendin Electric has successfully bid on several CIP projects for the Plant in the past and is familiar with the site. Rosendin Electric received commendable references from their previous clients for similar types of projects.

The project site is located within the Plant's Sludge Control Building and surrounding vicinity, where the work will be in and around methane gas compressors, halon fire suppression system, and various motor drives, HVAC, and electrical equipment. Construction of the project will require provision for a temporary MCC to ensure continuous operations of the solids processing facilities. In addition, due to the age of the current system, there may be an excessive number of abandoned wires that will need to be traced and verified during the project. A contingency in the amount of \$165,000 is requested for any unforeseen conditions that may arise during construction.

PUBLIC OUTREACH

This construction project was listed on City's Internet Bid Line and was advertised in the *San San José Post Record*. The bid packages for all of the Environmental Services Department's construction projects are routinely provided to a standard list of contractor organizations, builder's exchanges, and disadvantaged business organizations.

COORDINATION

This project and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, Public Works' Office of Equality Assurance, Risk Management, the City Attorney's Office and the City Manager's Budget Office and scheduled to be heard at its March 11, 2004 Treatment Plant Advisory Committee (TPAC) meeting.

COST IMPLICATIONS

1. Amount of Recommendation: \$1,261,346

2. Cost of Project:

Construction	\$1,096,346
Contingency	\$165,000
TOTAL	\$1,261,346

3. Source of Funding: 512 – San Jose/Santa Clara Treatment Plant Capital Fund

Fiscal Impact: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it meets the expressed principles by focusing on the protection of a vital core city service, emphasizing expenditures that reduce costs, accelerating a capital improvement project that provides positive externalities, and promoting the use of local businesses.

The contract amount for this project is \$1,096,346; and the recommended contingency for potential change orders related to unforeseen conditions is \$165,000. Existing funds are available for the contract and contingency. No additional appropriation action is required.

The Plant represents an asset of nearly a billion dollars. The electrical system in the Sludge Control Building is a vital element of this facility, and as this system is already beyond the end of its useful life, it is imperative that its rehabilitation be as effective and efficient as possible to ensure the vital treatment of wastewater.

The project is expected to start in May 2004 and be completed in October 2005.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2003-2004 Adopted Capital Budget	Last Budget Action (Date, Ord. No.)
512	4341	Plant Electrical Reliability	071133	\$1,336,000	\$1,261,346	Page 202	10/14/2003, Ord. 26997

NONDISCRIMINATION

The City of San Jose Non-discrimination Requirements are included in this project as required in Chapter 4.08 of the San Jose Municipal Code.

CEQA

Exempt, PP04-02-036

CARL W. MOSHER
Director, Environmental Services Department