



City of Chula Vista

Staff Report

File#: 16-0395, **Item#:** 3.

RESOLUTION NO. 2016-207 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING BIDS; AWARDING A CONTRACT FOR "INDUSTRIAL BOULEVARD AND MAIN STREET SEWER IMPROVEMENTS PROJECT (CIP NO. SW292)" AND "BRANDYWINE AVENUE GUARDRAIL INSTALLATION, ALONG THE WESTSIDE OF BRANDYWINE AVENUE FROM SONORA DRIVE SOUTH TO SONORA DRIVE NORTH PROJECT" TO BLUE PACIFIC ENGINEERING & CONSTRUCTION IN THE AMOUNT OF \$394,799; APPROPRIATING \$210,000 FROM THE AVAILABLE BALANCE OF THE SEWER FACILITY REPLACEMENT FUND, REDUCING THE STL389 CIP BUDGET BY \$150,000 IN TRANSNET FUNDS AND APPROPRIATING THE EQUIVALENT AMOUNT TO CIP SW292; AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO EXECUTE ALL CHANGE ORDERS; AND AUTHORIZING THE EXPENDITURE OF ALL AVAILABLE CONTINGENCY FUNDS IN AN AMOUNT NOT TO EXCEED \$60,000 (4/5 VOTE REQUIRED)

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

On August 17, 2016, the Director of Public Works received three (3) sealed bids for the "Industrial Boulevard and Main Street Sewer Improvements (CIP No. SW292)" and "Brandywine Avenue Guardrail Installation, Along the Westside of Brandywine Avenue from Sonora Drive South to Sonora Drive North" projects. The project consists of the replacement of an existing sewer main along Industrial Boulevard and installation of new guardrail on the westside of Brandywine Avenue.

ENVIRONMENTAL REVIEW

Environmental Notice

The Project qualifies for a Categorical Exemption pursuant to the California Environmental Quality Act State Guidelines Section 15301 Class 1 (Existing Facilities) and/or Section 15303 Class 3 (New Construction or Conversion of Small Structures).

Environmental Determination

The Director of Development Services has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption pursuant to State CEQA Guidelines Section 15301 Class 1 (Existing Facilities) and/or Section 15303 Class 3 (New Construction or Conversion of Small Structures). Thus, no further environmental review is required.

BOARD/COMMISSION RECOMMENDATION

Not Applicable

DISCUSSION

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The Industrial Boulevard and Main Street Sewer Improvement (SW292) involves the removal and replacement of approximately 280 lineal feet of sewer pipes, removal and replacement of existing manholes, installation of new manhole and re-alignment of existing storm drain system.

The Brandywine Avenue Guardrail Installation involves the installation of metal beam guardrail with wooden posts approximately 580 lineal feet and the replacement of existing PCC sidewalk.

On August 17, 2016, the Director of Public Works received three (3) sealed bids as follows:

| Contractor | Submitted Bid Amount |
|---|----------------------|
| Willkom Inc. – National City, California | \$249,928.50 |
| Blue Pacific Engineering & Construction – San Diego, California | \$394,799.00 |
| Just Construction, Inc. - San Diego, California | \$511,440.80 |

**The lowest bidder withdrew prior to award.*

The apparent low bid by Willkom Inc. was retracted based upon mathematical discrepancy made in their bid. The City received a formal withdrawal letter explaining the bidder's calculation error (Attachment 1). As a result, staff proceeded to examine the second apparent low bid presented by Blue Pacific Engineering & Construction. Their bid of \$394,799 is \$171,341 (approximately 30%) lower than the Engineers estimate of \$566,140. Blue Pacific Engineering & Construction is currently an active licensed Class "A", General Engineering Contractor (License No. 824455) and has performed similar work in the City. Staff has reviewed Blue Pacific Engineering & Construction references and bid package, and determined them to be a responsible and responsive bidder; therefore, staff recommends awarding SW292 to Blue Pacific Engineering & Construction.

The proposed resolution would also authorize the Director of Public Works to approve change orders over and above existing policy limits. Under City Council Policy No. 574-01, if an individual change order causes the cumulative increase in change orders to exceed the Director's authority, ("Maximum Aggregate Increase in Change Orders"), City Council approval is required. The corresponding maximum aggregate contract increase that may be approved by the Director of Public Works under Policy No. 574-01 is \$30,635.93. Approval of the resolution would increase the Director of Public Works authority to approve change orders, as necessary, up to contingency amount of \$60,000.00 (approximately 15% of contract), an increase of \$29,364.07 over Policy No. 574-01. Increasing the Director's authority will allow the project to continue without delay should unforeseen circumstances arise resulting in increased project costs during the course of construction, as well as make adjustments to bid item quantities. Unforeseen conditions include such items as utility conflicts, hazardous materials, unexpected underground conflicts, etc. If the contingency funds are not used, they will be returned to the project fund balance.

Wage Statement

The Contractor and its subcontractors are required by bid specifications to pay prevailing wage ("Prevailing Wage Rates") to persons employed by them for work under this Contract. In accordance with the provisions of Section 1773 of the Labor Code of the State of California, the City of Chula Vista has ascertained the general prevailing wage scales applicable to the work to be done. The prevailing wage scales are those determined by the Director of Industrial Relations, State of

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California.

Disclosure Statement

Attachment 2 is a copy of the Contractor's Disclosure Statement.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council and has found no property holdings within 500 feet of the boundaries of the properties, which are the subject of these actions. Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The Industrial Boulevard and Main Street Sewer Improvements and the Brandywine Avenue Guardrail Installation projects supports the Healthy Community and Strong and Secure Neighborhoods Strategic Goal as it improves safety and health to the residents as well as creates appealing communities to live, work and play.

CURRENT YEAR FISCAL IMPACT

Approval of the resolution will award a contract for the Industrial Boulevard and Main Street Sewer Improvements (SW292) and Brandywine Avenue Guardrail Installation Projects and appropriate \$210,000 from the Sewer Facility Replacement Fund and transfer \$150,000 in TransNet Funds from STL389 to SW292. Sufficient Sewer Facility Replacement Funds and TransNet Funds are available for said appropriations. The table below summarizes the anticipated project costs and the funding sources:

| FUNDS REQUIRED FOR CONSTRUCTION | |
|--|---------------------|
| A. Contract Amount | \$394,799.00 |
| B. Contingency (Approximately 15% of contract) | \$60,000.00 |
| C. Construction Inspection, Design and Land Survey Staff Costs | \$118,856.00 |
| D. Material Testing | \$17,000.00 |
| TOTAL FUNDS REQUIRED FOR CONSTRUCTION | \$590,655.00 |
| | |
| Funding Source | |
| Sewer Facility Replacement Fund (SW292) | \$230,655.00 |
| Sewer Facility Replacement Fund (Appropriation) | \$210,000.00 |
| TransNet Fund (Transfer from STL389) | \$150,000.00 |
| Total Funding | \$590,655.00 |

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ONGOING FISCAL IMPACT

Upon completion of the project, the improvements will require routine City maintenance.

ATTACHMENTS

1. Withdrawal Letter
2. Contractor's Disclosure Statement

Staff Contact: Patrick C. Moneda, Senior Civil Engineer