



City of Chula Vista

Staff Report

File#: 16-0588, **Item#:** 2.

- A. RESOLUTION NO. 2017-014 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING BIDS AND AWARDING THE CONTRACT FOR THE "PHASE II - WILLOW STREET BRIDGE REPLACEMENT (STL-261)" PROJECT TO FLATIRON WEST, INC. IN THE AMOUNT OF \$15,186,666; WAIVING CITY COUNCIL POLICY NO. 574-01; AUTHORIZING THE EXPENDITURE OF ALL AVAILABLE CONTINGENCY FUNDS NOT TO EXCEED \$1,518,667; AND APPROPRIATING \$645,976 FROM THE AVAILABLE BALANCE OF TRANSPORTATION DEVELOPMENT IMPACT FEE FUNDS TO STL-261 (4/5 VOTE REQUIRED)
- B. RESOLUTION NO. 2017-015 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING THE AGREEMENTS BY AND BETWEEN THE CITY OF CHULA VISTA AND: SAN DIEGO GAS & ELECTRIC COMPANY (\$18,078), AT&T CALIFORNIA, INC. (\$52,317), AND COX COMMUNICATIONS, INC. (\$15,706) FOR THE REIMBURSEMENT OF COSTS FOR CONSTRUCTING VARIOUS UTILITY FACILITIES; AND APPROPRIATING A TOTAL OF \$86,101 OF NON-DEPARTMENTAL CIP FUNDS BASED ON UNANTICIPATED REVENUE ASSOCIATED WITH SAID AGREEMENTS TO STL-261 (4/5 VOTE REQUIRED)

RECOMMENDED ACTION

Council adopt the resolutions.

SUMMARY

The Director of Public Works advertised the Project and on December 14, 2016, received five (5) sealed bids. The Project is included in the Capital Improvement Program for Fiscal Year 2016/2017. The proposed resolution, if approved, would 1) accept bids; 2) award the contract for the Project, to Flatiron West, Inc. in the amount of \$15,186,666.00; 3) appropriate \$86,101 of non-departmental CIP funds based on the unanticipated revenue associated with Reimbursement Agreements with San Diego Gas & Electric Company, AT&T California, Inc., and Cox Communications, Inc. to STL-261; 4) waive City Council Policy 574-01; 5) authorize the expenditure of all available contingency funds in an amount not to exceed \$1,518,667; and 6) appropriate \$645,976 from the available balance of Transportation Development Impact Fee (TDIF) funds to STL-261.

ENVIRONMENTAL REVIEW

Environmental Notice

The Project was adequately covered in previously adopted Final Mitigated Negative Declaration and associated Addenda 1, 2, and 3 for the Phase II - Willow Street Bridge Replacement Project and previously certified Categorical Exclusion pursuant to Code of Federal Regulations (CFR) Title 23, Section 771. Thus, no further California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) environmental review or determination is required.

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 proposed action(s) were adequately covered in previously adopted Final Mitigated Negative Declaration and its associated Addenda 1, 2, and 3 for the Phase II - Willow Street Bridge Replacement Project. Pursuant to the California Environmental Quality Act (CEQA) on November 14, 2011 the City, acting as Lead Agency, approved IS-10-006. Thus, no further CEQA environmental review or determination is required. In addition, the Director of Development Services has reviewed the proposed project for compliance with the National Environmental Policy Act (NEPA) in conjunction with the California Department of Transportation (Caltrans), the state department designated as Lead Environmental Agency by the U.S. Department of Transportation, Federal Highway Administration (FHWA) for federally funded street projects. It was determined that the Project qualifies for a categorical exclusion pursuant to Title 23 Code of Federal Regulations (CFR) Section 771.117(d); activity:(d)(1) [Modernization of a Street by resurfacing, restoration, rehabilitation or reconstruction]. Thus, no further NEPA environmental review is required.

BOARD/COMMISSION RECOMMENDATION

Not Applicable.

DISCUSSION

The project includes replacement of Willow Street Bridge and improvements to adjacent streets and infrastructure. The approximate limits of the project are along Willow Street approximately between its intersection with Bonita Road and its intersection with Sweetwater Road. The existing right-of-way is approximately 100-feet wide, with the bridge in the approximate center. The project requires inter-agency coordination among the City of Chula Vista, the County of San Diego, and the California Department of Transportation (Federal Oversight).

Construction work includes:

- Complete replacement of the existing two-lane bridge constructed in 1940 with a four-lane bridge that is compliant with current standards and guidance for the hydraulic design of bridges and seismic design of structures;
- Replacement of an existing drainage culvert under Willow Street that conveys runoff from the Bonita Drainage Basin to Sweetwater River;
- Improvement of approach roadways adjacent to the bridge; and
- Reconfiguration of certain utilities within the bridge; the costs of which are reimbursed to the City by the respective owners.

Replacement of the bridge will occur in two stages to ensure continued traffic flow on Willow Street for the duration of construction with planned brief closures to transition between stages. Construction work is anticipated to last approximately two years followed by a five-year maintenance period for habitat restoration, the latter four years of which will be awarded under a separate contract.

Bidding Process

On December 14, 2016, the Director of Public Works received five (5) bids for the project. The following bids were received:

	CONTRACTOR	SUBMITTAL RESULT	BASE BID AMOUNT SUBMITTED
1	Flatiron West, Inc. - San Marcos, CA	Requirements met with minor mathematical error.	\$15,186,666.00
2	Coffman Specialties, Inc. - San Diego, CA	Requirements incomplete with minor mathematical errors, incomplete subcontractor forms	\$15,775,000.00
3	Pulice Construction, Inc. - San Diego, CA	Requirements incomplete with incomplete/late subcontractor forms	\$15,868,624.45
4	LB Civil Construction, Inc. - Escondido, CA	Requirements incomplete with minor mathematical errors, incomplete subcontractor forms.	\$16,603,241.45
5	Granite Construction Company - Carlsbad, CA	Requirements incomplete with incomplete subcontractor forms.	\$16,991,204.10

Staff reviewed the low bid submitted by Flatiron West, Inc. and determined that their bid package met all the submittal requirements. The bid proposal contained one minor multiplication error in determining the total amount for a bid item; however, the total base bid amount was correctly determined, leaving the base bid amount unaffected by said error. The Flatiron West, Inc. base bid amount of \$15,186,666 is below the Engineer's estimate of \$16,750,000 by \$1,563,334 (or approximately 9.3%). The Contractor has acknowledged the mathematical error and has indicated that they will honor the revised total amount for said bid item (Attachment 4).

The Contractor's License No. 772589, as well as all listed sub-contractors' licenses, are current and active as of January 2017. Staff recommends awarding a contract in the amount of \$15,186,666 to Flatiron West, Inc.

Change Orders

The proposed Resolution "A" 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"), then 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 \$782,333. Approval of the resolution would increase the Director of Public Works' authority to approve change orders, as necessary, up to the 10% contingency amount of \$1,518,667, an increase of \$736,334 over Policy No. 574-01. Increasing the contingency funds will allow staff to continue the project without delay should unforeseen circumstances resulting

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in increased project costs arise during the course of construction, as well as make adjustments to bid item quantities. Unforeseen conditions include such items as utility conflicts, hazardous materials, other unexpected underground conditions, etc. If the contingency funds are not used, then they will be returned to the project fund balance.

Reimbursement Agreements

The existing Willow Street Bridge includes an existing gas pipeline along its east side. San Diego Gas & Electric Company (SDG&E), the owner of the pipeline, desires to construct a replacement gas pipeline within the bridge cell (below the deck) of the new Willow Street Bridge. In order to do so, a reimbursement agreement to be approved by Resolution "B" proposes to allow for the City's bridge contractor to construct pipe support components that are integral to the bridge structure. SDG&E will reimburse the City for the costs of constructing the support components that will anchor the replacement pipeline.

Similarly, the replacement Willow Street Bridge will include a bundle of nine conduits within the bridge cell in addition to seven conduits in each sidewalk. AT&T California, Inc. and Cox Communications, Inc. desire to utilize fourteen and four of the conduits, respectively, reserving the remaining five for City use. Therefore, reimbursement agreements to be approved by Resolution "B" provide for the respective utility owner to reimburse the City for costs of constructing the conduits dedicated to them.

A portion of the project also includes construction on a segment of Sweetwater Road in the County of San Diego ("County"). During the project planning process, the County requested that Class II Bikeway Facilities be constructed along the segment of Sweetwater Road as part of this project. As this additional work constitutes a betterment beyond replacing the existing condition of the roadway, an agreement has been drafted for the County to reimburse the City for the cost of constructing the facility. County approval of the agreement is planned for January 25, 2017, and the agreement will subsequently be submitted for City Council approval at a later meeting date.

In addition, some improvements and facilities such as the bridge and certain traffic signal facilities cross City Limits into unincorporated County territory and vice-versa. The City and County have prepared an Ownership, Operation, and Maintenance Agreement to define ongoing ownership and maintenance responsibilities of each party for the facilities that existing in both jurisdictions. This agreement will also be subsequently submitted for City Council approval at a later meeting date.

Disclosure Statement

Attachment 7 is a copy of the Contractor's Disclosure Statement.

Wage Statement

The City source of funding for this project is the Transportation Development Impact Fee fund in addition to grant funding under the Federal Highway Administration (FHWA) Highway Bridge Program. Contractors bidding this project are required to pay prevailing wages to persons employed by them for the work under this project. Disadvantaged businesses were required to bid in the Notice to Contractors for various trade publications.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 500 feet of the limits of the project that is the subject of this action. Consequently, this

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item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(11), for purposes of the Political Reform Act (Cal. Gov't Code §87100, et seq.).

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. This project supports Strong and Secure Neighborhoods by ensuring sustainable and well-maintained infrastructure to provide safe and appealing communities to live, work, and play.

CURRENT YEAR FISCAL IMPACT

The following is a summary of anticipated project costs:

FUNDS REQUIRED FOR CONSTRUCTION		
A.	Contract Amount	\$ 15,186,666
B.	Contingencies (10%)	\$ 1,518,667
C.	Construction Engineering	
C1.	City Staff Time & Other Costs (4%)	\$ 607,467
C2.	Structural & Geotechnical Consultant Construction Support (Third Amendment awarded to Kleinfelder, Inc. by Reso. 2016-223)	\$ 383,877
C3.	Construction Management, Materials Testing, Surveying, Biological Monitoring (Awarded to T.Y. Lin International by Reso. 2016-222)	\$ 2,157,242
CONSTRUCTION TOTAL		\$ 19,853,918

FUNDING SOURCES (ROUNDED) 12/21/2016	
A. Federal Highway Bridge Program 88.53% of \$14,827,182 (participating items) 88.53% of Contingencies 88.53% of Construction Engineering	\$15,008,770
B. Transportation Development Impact Fee (TDIF) Funds in STL261 11.47% of \$14,827,182 (participating items) Non-participating items \$359,484 Less Reimbursements below	\$ 1,532,174
Appropriation from TDIF Fund	\$ 645,976
C. Reimbursement from SDG&E ¹	\$ 18,078
D. Reimbursement from AT&T ¹	\$ 52,317
E. Reimbursement from Cox Communications ¹	\$ 15,706
F. Reimbursement from County of San Diego ²	\$ 39,778
G. Funds encumbered by Reso. 2016-223	\$ 383,877
H. Funds encumbered by Reso. 2016-222	\$ 2,157,242
TOTAL	\$ 19,853,918

1. Per Reimbursement Agreement with respective owners approved by Resolution "B"
2. Per Reimbursement Agreement with County of San Diego to be approved by a forthcoming resolution once County of San Diego approves the agreement

Approval of the resolution will initiate the construction phase of STL261 and appropriate \$645,976 from the TDIF fund. Sufficient TDIF funds are available to cover the construction and staff costs associated with STL261. Therefore, there is no additional impact to these funds.

ONGOING FISCAL IMPACT

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

ATTACHMENTS

1. Resolution "A"
2. Resolution "B"
3. Agreement - San Diego Gas & Electric Company
4. Agreement - AT&T California, Inc.
5. Agreement - Cox Communications, Inc.
6. Attachment - Contractor Bid Error Acknowledgment
Letter from Flatiron West, Inc. acknowledging minor mathematical error and honoring the revised bid item total price
7. Attachment - California Disclosure Statement

Staff Contact: Paul Oberbauer, Senior Civil Engineer