



AGENDA ITEM

Public Utilities Commission

City and County of San Francisco



DEPARTMENT Infrastructure AGENDA NO. 12
 MEETING DATE May 26, 2009

Construction Award: Regular Calendar
Project Manager: Annie Li

Contract No. WD-2552 Award, Alameda Siphon No. 4 Project

Summary of Proposed Action:	Approve the plans and specifications, and award Water Enterprise Water System Improvement Program Program-funded Contract No. WD-2552, Alameda Siphon No. 4, in the amount of \$31,933,695, to the lowest, qualified, responsible and responsive bidder, Steve P. Rados.
Background:	The Alameda Siphon No. 4 Project provides (a) construction of a new fourth seismically reliable siphon crossing the Sunol Valley, (b) a blending structure which will combine water from the Sunol Valley Water Treatment Plant and Hetch Hetchy in order to provide consistent water quality to all PUC customers, (c) ventilation improvements at the Alameda East Portal, (d) relocation and extension of the Alameda East Portal overflow pipe, and (e) various other improvements to the four Alameda Siphons.
Budget & Costs:	Baseline Budget: \$41,360,000 Engineer's Estimate: \$41,410,000* Award: \$31,933,695* Funding: Project No. CUW 35902, Alameda Siphon No. 4 *Pre-construction Purchases Orders of \$4,585,347 not included
Schedule:	NTP: August 27, 2009 End: June 13, 2012 Duration: Substantial Completion: Seven hundred thirty seven (737) consecutive calendar days or September 1, 2011. Final Completion: Substantial completion plus 124 calendar days or January 3, 2012.

APPROVAL:

DEPARTMENT / BUREAU _____ COMMISSION SECRETARY <u>Mike Housh</u> _____	FINANCE <u>Todd L. Rydstrom</u> GENERAL MANAGER <u>Ed Harrington</u> _____
--	--

	Project Close Out: Final Completion plus 162 calendar days or June 13, 2012.

HRC goals:	Set: 11% LBE Submitted: 11.3% LBE

Environmental Review:	The San Francisco Planning Department finalized a Mitigated Negative Declaration for Project No. CUW35902, Alameda Siphon No. 4 on May 5, 2008. An addendum to the MND was approved by the Planning Department in February 23, 2009 to incorporate revisions to the project upon completion of the 95% design package.

Bid History:	<p>Advertised: March 23, 2009 Bids Received: Sealed bids were received from four (4) firms on Thursday, May 7, 2009, as follows:</p> <table border="1"> <thead> <tr> <th>Bid Rank</th> <th>Bid Amount</th> <th>Bid Preference</th> <th>Adjusted Bid</th> <th>Adjusted Rank</th> </tr> </thead> <tbody> <tr> <td>1. Mountain Cascade Inc</td> <td>\$30,975,870</td> <td>NA</td> <td>NA</td> <td>*</td> </tr> <tr> <td>2. Steve P. Rados</td> <td>\$31,933,695</td> <td>NA</td> <td>NA</td> <td>1</td> </tr> <tr> <td>3. Ranger Pipelines</td> <td>\$34,299,445</td> <td>NA</td> <td>NA</td> <td>2</td> </tr> <tr> <td>4. Shimmick Construction</td> <td>\$36,488,675</td> <td>NA</td> <td>NA</td> <td>3</td> </tr> </tbody> </table> <p>Application of bid preferences do not apply to this contract as the engineer's estimate is in excess of \$10,000,000.</p> <p>*HRC completed its review of Mountain Cascade's HRC 14B submittals. Based on that review, HRC has determined that Mountain Cascade is non-responsive because Mountain Cascade failed to submit the required supporting documentation for HRC Form 2B by the bid due date/time. See attached HRC Memorandum dated May 19, 2009.</p> <p>Project Review Checklist: (for WSIP contract awards only) The attached Project Review Checklist documents all the reviews performed during the planning and design phases of Contract No. WD-2552.</p>	Bid Rank	Bid Amount	Bid Preference	Adjusted Bid	Adjusted Rank	1. Mountain Cascade Inc	\$30,975,870	NA	NA	*	2. Steve P. Rados	\$31,933,695	NA	NA	1	3. Ranger Pipelines	\$34,299,445	NA	NA	2	4. Shimmick Construction	\$36,488,675	NA	NA	3
Bid Rank	Bid Amount	Bid Preference	Adjusted Bid	Adjusted Rank																						
1. Mountain Cascade Inc	\$30,975,870	NA	NA	*																						
2. Steve P. Rados	\$31,933,695	NA	NA	1																						
3. Ranger Pipelines	\$34,299,445	NA	NA	2																						
4. Shimmick Construction	\$36,488,675	NA	NA	3																						

Description of Scope of Work:	This project consists of a 66-inch diameter welded steel pipeline; a 96-inch diameter “blending structure” near the Alameda West Portal that will blend Sunol Valley Water Treatment Plant and Hetch Hetchy water; new isolation/throttling valves on Alameda Siphons Nos. 3 and 4 and new isolation valves on Alameda Siphons Nos. 1 and 2; ventilation improvements at Alameda East Portal; new chemical injection facilities on Siphon No. 4; relocation and extension of the overflow pipe; and road improvements at the intersection with Calaveras Road.
Recommendation:	SFPUC staff recommends that the Commission adopt the attached resolution.
Attachments:	<ol style="list-style-type: none">1. SFPUC Resolution2. HRC Memo3. Project Review Checklist (for WSIP contract awards only)



Gavin Newsom
Mayor

Contract Compliance
Dispute Resolution/Fair Housing
Small and Micro Business Enterprise
Lesbian Gay Bisexual Transgender & HIV Discrimination

Chris Iglesias
Executive Director

MEMORANDUM

Date: May 19, 2009
To: Annie Li, Project Manager, SFPUC
Pauline Lam, Senior Administrative Analyst, SFPUC
From: Alaric Degrafinried, Contract Compliance Officer, HRC
Subject: HRC Award Memo
WD-2552 (Alameda Siphon No. 4)

The Human Rights Commission (“HRC”) has received the bids for the above referenced project and has conducted an evaluation for compliance with HRC requirements. A Local Business Enterprise (LBE) subcontracting participation goal of 11% was established for this contract.

Bid Discount

Bid discounts were not available for this project because the estimated cost is over \$10,000,000.

Bid Calculations

Four (4) firms submitted bids as follows:

Bidder	Bid \$
Mountain Cascade	\$30,975,870
Steve P. Rados	\$31,933,695
Ranger Pipelines	\$34,299,445
Shimmick Construction	\$36,488,675

14B Compliance – Mountain Cascade

HRC completed its review of Mountain Cascade’s HRC 14B submittals. Based on that review, HRC has determined that Mountain Cascade is non-responsive because Mountain Cascade failed to submit the required supporting documentation for HRC Form 2B by the bid due date/time.

Although Mountain Cascade did submit HRC Form 2B, it did not submit the required supporting good faith documentation with that form. Mountain Cascade has confirmed that they did not submit the supporting good faith documentation with their bid because they mistakenly thought it was due with the 5-day submittal packages.

HRC Form 2B states that “This Good Faith Outreach” form, along with the required supporting documentation must be completed and submitted per the instructions in this form...” In addition, HRC Attachment 6, Part I, Section 1.02 (B) clearly states the following:



25 Van Ness Avenue
Suite 800
San Francisco
California 94102-6033



TEL (415) 252-2500
FAX (415) 431-5764
TDD (415) 252-2550
www.sfgov.org/sfhumanrights



FORM 2B: HRC “Good Faith Outreach” Requirements Form: Bidder shall meet the specified LBE subcontractor participation goal and demonstrate adequate good faith efforts to meet the LBE subcontracting goal. Bidder is required to submit Form 2B and all good faith documentation as specified therein. Failure to meet the LBE subcontracting goal and demonstrate/document adequate good faith efforts shall cause the Bid to be determined non-responsive and rejected.

This information is also reiterated in Part III, Section 3.01(A) of HRC Attachment 6.

The HRC items that must be submitted at the time of the bid as opposed to the HRC items that must be submitted five business days after bid opening are clearly defined in HRC Attachment 6, Part I, Section 1.02 (B) and (C). Except for Item #6 on HRC Form 2B, the good faith outreach supporting documentation must be submitted with the bid. Only that documentation identified in Item #6 may be submitted with the 5-Day Submittal Package.

Based on the aforementioned, Mountain Cascade is deemed non-responsive because it failed to submit the supporting documentation required under HRC Form 2B at the time of the bid.

14B Compliance – Steve P. Rados

The bid received from Steve P. Rados (“Rados”) (\$31,933,695) includes claimed LBE participation totaling 11.3% from four firms with various scopes of work including:

Subcontractor	Service	Claimed LBE Participation \$	Claimed LBE Participation %
Brown Sheet Metal & Mechanical, Inc.	HVAC & Misc Metal Supply	\$ 788,000	2.5%
Frank Olsen	Mechanical/Piping/Valves	357,000	1.1%
D&S Trucking, LLC	Trucking	150,000	0.5%
SD Electric, Inc.	Electrical	2,300,000	7.2%
Total		\$ 3,595,000	11.3%

LBE Participation Credit for HVAC/Misc Metals, Mechanical/Piping/Valves, and Trucking – The LBE subcontractor bids provided by Brown Sheet Metal & Mechanical, Inc., Frank Olsen, and D&S Trucking, LLC involve subcontract work and/or supplier services associated with trades that each firm is certified under. Therefore, Rados is eligible to receive full LBE participation credit totaling \$1,295,000 (4.1%) for the planned work to be performed by these firms.

LBE Participation Credit for Electrical – The LBE subcontractor bid provided by SD Electric, Inc. (“SD Electric”), involves the purchase and installation of various electrical bid items including: electrical power systems, flow meters, and PLC/RIO panels. The other three bidders on this project also listed SD Electric to perform the same scopes of work as those planned by Rados.

With regard to the electrical work, the SFPUC posted Addendum #6 which notified prospective bidders that when dealing with the materials and equipment listed in the Technical Specifications, Division 1, Section 1600 (“listed equipment”): (1) If the equipment is manufactured and purchased from an HRC-certified LBE manufacturer, the bidder will receive LBE credit totaling the full amount of the purchase; and (2) If the equipment is purchased from an HRC-certified LBE supplier, only 5% of the purchase price of the equipment will be credited towards meeting the LBE subcontracting participation goal. Historically, HRC has not given LBE participation credit to subcontractors who purchase listed equipment; however, neither the addendum nor HRC Rules & Regulations nor HRC Attachment 6 expressly addresses how much LBE participation credit will be recognized for a subcontractor who purchases listed equipment. Consequently, all four bidders included \$420k of listed equipment (i.e. ultrasonic flow meters, mass flow meters, and PLC/RIO panels) in their LBE participation credit calculation. Therefore, as noted above, Rados claimed LBE participation totaling \$2,300,000 (7.2%) for SD Electric; however, HRC calculates Rados’ LBE participation at \$1,901,000 (6.0%).

Rados' LBE Participation – The LBE participation goal for the Alameda Siphon No. 4 project (WD-2552) is 11.0%. Section 14B.8(B) of the San Francisco Administrative Code states, “Bids that do not meet the LBE participation goal set under 14B.8(A) will be rejected as non-responsive unless the Director finds that the bidder diligently undertook all the good faith efforts required by this Ordinance and that the failure to meet the goal resulted from an excusable error.” (Emphasis added.) Based on the information noted above, Rados’ total LBE participation is:

Subcontractor	Service	Claimed LBE Participation \$	Claimed LBE Participation %	HRC Approved LBE Participation \$	HRC Approved LBE Participation %
Brown Sheet Metal & Mechanical, Inc.	HVAC & Misc Metal Supply	\$ 788,000	2.5%	\$ 788,000	2.5%
Frank Olsen	Mechanical/Piping/Valves	357,000	1.1%	357,000	1.1%
D&S Trucking, LLC	Trucking	150,000	0.5%	150,000	0.5%
SD Electric, Inc.	Electrical	2,300,000	7.2%	1,901,000	6.0%
	Total	\$ 3,595,000	11.3%	\$ 3,196,000	10.0%

Upon a thorough review of the information noted above, the HRC has concluded that Rados diligently undertook all the good faith efforts required by the LBE and Non-Discrimination Ordinance and that their 1.0% LBE participation shortfall was due to the excusable error of failing to properly discount the equipment itemized in Addendum #6. Therefore, upon a thorough review of all the facts and circumstances surrounding the Alameda Siphon No. 4 project, HRC has determined that Rados is the lowest responsive bidder, is compliant with the pre-award HRC 14B requirements and is eligible for award of this contract.

Thanks for your help and should you have any additional questions and/or concerns please feel free to contact me at 415-554-3103.

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 09-0091

WHEREAS, Contract No. WD-2552, Alameda Siphon No. 4 was advertised on March 23, 2009; and

WHEREAS, The baseline budget amount is \$41,360,000 and the Engineer's Estimate is \$41,410,000 (without pre-construction purchase orders) for this construction contract which involves building a 66-inch diameter welded steel pipeline and a 96-inch diameter "blending structure" near the Alameda West Portal that will blend Sunol Valley Water Treatment Plant and Hetch Hetchy water; installing new isolation/throttling valves on Alameda Siphons Nos. 3 and 4 and new isolation valves on Alameda Siphons Nos. 1 and 2; adding ventilation improvements at Alameda East Portal and new chemical injection facilities on Siphon No. 4; relocating and extending an overflow pipe; and completing road improvements at the intersection with Calaveras Road; and

WHEREAS, The contract duration is one thousand and twenty three days (1,023) consecutive calendar days; and

WHEREAS, Four (4) bids were received and opened publicly on May 7, 2009; and

WHEREAS, San Francisco Public Utilities Commission (SFPUC) staff and Human Rights Commission (HRC) review of the bids for qualifications, responsibility, responsiveness and application of bid preferences resulted in the establishment of Steve P. Rados as the lowest, qualified, responsible and responsive bidder; and

WHEREAS, An HRC subcontracting goal of 11% Local Business Enterprise (LBE) participation has been established for this contract; and

WHEREAS, Steve P. Rados has committed to an LBE participation of 11.3% for this contract; and

WHEREAS, The firm being awarded a contract by the SFPUC must be in compliance with the Equal Benefits Provisions of Chapter 12B of the City's Administrative Code either at the time of the award, or within 2 weeks of the date of the Commission award; failure of the bidder to obtain compliance certification from HRC may result in award of the contract to the next lowest, responsible and responsive bidder, or re-bidding of the contract at the discretion of the City; and

WHEREAS, Failure to reach successful agreement on contract terms and conditions within 60 days of the date of the Commission award may result in award of the contract to the next lowest, responsible and responsive bidder, or re-bidding of the contract at the discretion of the City; and

WHEREAS, Funds are available from Project No. CUW35902, Alameda Siphon No. 4; and

WHEREAS, a Mitigated Negative Declaration (MND) was prepared for this Project to comply with the requirements of the California Environmental Quality Act (CEQA); and

WHEREAS, the Final MND was approved by the San Francisco Planning Department on May 5, 2008; and

WHEREAS, on July 8, 2008, this Commission, by Resolution No. 08-0120, approved the Project and adopted CEQA findings and a Mitigation Monitoring and Reporting Program (MMRP) required by the CEQA; and

WHEREAS, the Project files, including the Final MND and SFPUC Resolution No. 08-0120 have been made available for review by the SFPUC and the public, and those files are part of the record before this Commission; and

WHEREAS, this Commission has reviewed and considered the information contained in the Final MND, the findings contained in SFPUC Resolution No. 08-0120, all written and oral information provided by the San Francisco Planning Department, the public, relevant public agencies, SFPUC and other experts, and the administrative files for the Project; and

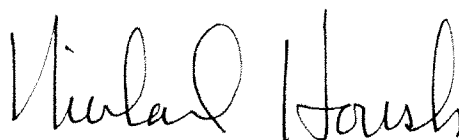
WHEREAS, An addendum to the MND was approved by the San Francisco Planning Department on February 23, 2009 to incorporate revisions to the Project upon completion of the 95% design package; now, therefore, be it

RESOLVED, this Commission has reviewed and considered the Final MND and record as a whole, finds that the Final MND is adequate for its use as the decision-making body for the action taken herein and incorporates the CEQA findings contained in Resolution No. 08-0120 by this reference thereto as though set forth in this Resolution; and be it

FURTHER RESOLVED, The Commission further finds that since the Final MND was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the Final MND due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final MND; and be it

FURTHER RESOLVED, That this Commission hereby approves the plans and specifications and awards Water Enterprise Water System Improvement Program Program-funded Contract No. WD-2552, Alameda Siphon No. 4, in the amount of \$31,933,695, to the lowest, qualified, responsible and responsive bidder, Steve P. Rados.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of _____ *May 26, 2009*



Secretary, Public Utilities Commission