



AGENDA ITEM

Public Utilities Commission

City and County of San Francisco



DEPARTMENT Water Enterprise AGENDA NO. _____
 MEETING DATE October 14, 2008

SUMMARY OF PROPOSED COMMISSION ACTION

Approve the plans and specifications and **award** Water Enterprise Water System Improvement Program-funded Contract No. WD-2498, New Crystal Springs Bypass Tunnel in the amount of \$55,674,000, to the lowest, qualified, responsible and responsive bidder, Shank/Balfour Beatty, J.V., and **adopt Findings** pursuant to the California Environmental Quality Act (CEQA).

DESCRIPTION OF CONTRACT ACTION

Construction contract work is located in the vicinity of the decommissioned Polhemus Fluoridation Station, along Polhemus Road in San Mateo County. The work under this contract consists of construction of a tunnel with two shafts at both ends

Detail of Work under this Contract

- Excavation and construction of approximately 4200-ft tunnel, including two shafts, North and South;
- Initial tunnel lining, installation of 96-in diameter steel pipe final lining in tunnel and shafts, and grouting and backfilling of voids between initial tunnel and shaft lining;
- Excavation and construction of valve vaults, installation of valves, communication for control and monitoring system, and emergency power system;
- Connection of the new tunnel and pipelines to the existing Crystal Springs Bypass Pipeline and Tunnel, Sunset Supply Pipeline, and Crystal Springs Pipeline No 2;
- Modification of existing drainage system and realignment of existing roadway; and
- Installation of new security fences and other miscellaneous site improvements.

APPROVAL:

PERFORMING ORGANISATION _____

FINANCE Todd Rydstrom

COMMISSION SECRETARY Michael Housh

GENERAL MANAGER Ed Harrington

Department: Water Enterprise**Contract:** WD-2498, New Crystal Springs
Bypass Tunnel ProjectEstimated Contract Cost

The project's approved baseline budget amount for this construction contract work is \$68,359,000.

The Engineer's Estimate for this construction contract work was posted as \$60,807,000.

The contract is being recommended for award for \$55,674,000.

Summary Of Project Cost Forecasts (September 2008)	
Planning	\$3,137,000
Environmental Review	\$1,864,000
Design	\$4,528,000
Construction Contract (Engineer's Estimate)	\$60,807,000
Contingency For Construction Contract	\$6,081,000
Construction Management	\$10,810,000
Project Management	\$3,057,000
Operations Support	\$842,000
Engineering Support During Construction	\$1,257,000
Project Fund Balance	\$8,239,000
Total Approved Project Budget	\$100,622,000

Project Review Checklist

The attached Project Review Checklist documents all the reviews performed during the planning and design phases of Contract No. WD-2498.

Funding

Funds for this contract are available from Project No. CUW35601, New Crystal Springs Bypass Tunnel Project, pending San Francisco Board of Supervisors' appropriation of funds scheduled for October 28, 2008.

Environmental Determination

The Planning Department's Major Environmental Analysis Section determined that CUW35601, Crystal Springs Bypass Tunnel Project required an Environmental Impact Report (EIR). The Planning Commission certified the Final EIR on June 5, 2008 (Motion No. 17612). This Commission adopted CEQA Findings, the Mitigation, Monitoring and Reporting Program (MMRP), Greenhouse Gas Reduction Measures, and findings of overriding considerations by Resolution 08-0134 at its meeting on

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July 22, 2008 when it approved the project, which Findings, MMRP and Greenhouse Gas Reduction Measures are incorporated by reference as if fully set forth herein.

Schedule

Construction is anticipated to begin in December 2008 and end in September 2011. The time allowance for this contract is 986 consecutive calendar days after Notice to Proceed (NTP).

Liquidated Damages

The contract provides for assessing liquidated damages of \$10,000 per consecutive calendar day of avoidable delay exceeding the specified time allowance for Substantial Completion. \$1,000 per consecutive calendar day of avoidable delay will be assessed for failure to complete final work and submit the closeout documents in the specified time allowance.

There are also additional liquidated damages of \$2,000 to \$5,000 per consecutive calendar day of avoidable delay in meeting intermediate milestones associated with the defined system shutdown period.

In addition, a performance incentive is included for early completion of the tunneling/night work at \$10,000 per day ahead of the specified 175 calendar days. The total amount of any performance incentive will not exceed \$500,000.

Compliance with Affirmative Action Requirement

An HRC subcontracting goal of 4% LBE participation has been established and approved for this contract by the HRC Contract Compliance Officer (CCO) assigned to the SFPUC. The lowest, qualified, responsible and responsive bidder, Shank/Balfour Bewatty, J.V, is committed to meet the goal of 6.5% LBE submitted in its bid which exceeds the goal established by HRC.

The CCO has approved this agenda item.

Department: Water Enterprise**Contract:** WD-2498, New Crystal Springs
Bypass Tunnel ProjectBid History

The San Francisco Public Utilities Commission authorized advertising for proposals. The contract was advertised in the San Francisco Chronicle on June 9, 2008.

Sealed bids were received from four firms on October 1, 2008, as follows:

Bid Rank	Bid Amount	Bid Preference	Adjusted Bid	Adjusted Rank
1. Shank/Balfour Beatty, JV	\$55,674,000	N/A	\$55,674,000	1
2. Southland Contracting	\$59,968,200	N/A	\$59,968,200	2
3. McNally/Kiewit Pacific, JV	\$61,873,328	N/A	\$61,873,328	3
4. Michels Corporation	\$64,935,100	N/A	\$64,935,100	4

Application of bid preferences do not apply to this contract as the engineer's estimate is in excess of \$10,000,000.

Protest

There was no protest of the award of this contract.

Contractor Background

- Previous Contracts Awarded: None, Contractor is new to SFPUC
- LBE Certified: No
- Liquidated Damages Assessed: None

Recommendation

SFPUC staff recommends that the Commission adopt the attached resolution.

CONTEXT OF THIS ACTION

The New Crystal Springs Bypass Tunnel (NCSBT) is one of the Peninsula Regional seismic upgrade projects of the SFPUC's Water System Improvement Program (WSIP). The NCSBT will reinforce a critical link in the water system that will provide reliable water delivery from Hetch Hetchy and East Bay reservoirs to northern San Mateo County and the City of San Francisco. The project is necessary because of a landslide that occurred during the winter of 1996-1997 along the northeast side of Polhemus Road in San Mateo County. The landslide threatened the structural integrity of a portion of the existing Crystal Springs Bypass Pipeline (CSBP). The potential for re-occurrence of landslides (resultant from seismic activity or

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Bypass Tunnel Project

excessive wet weather) along Polhemus Road raised concerns regarding system reliability for the existing CSBP. Due to these concerns, studies were initiated and alternatives evaluated to replace/repair the existing pipeline and a tunnel was determined to be the preferred alternative.

On July 22, 2008, the SFPUC Commission reviewed and considered the Final EIR and adopted the CEQA Findings, Mitigation, Monitoring and Report Program (MMRP) and Greenhouse Gas Reduction Measures (Resolution 08-0134). The Commission also approved the Project, WSIP Project No. CUW35601, New Crystal Springs Bypass Tunnel, and authorized staff to proceed with actions necessary to implement the Project, including but not limited to obtaining an Easement Deed for the new tunnel and any required permits, and provided that subsequent Commission action will be required to award the construction contract, which is the subject of this agenda item.

The Commission has also authorized the SFPUC General Manager to request that the Mayor recommend, to the Board of Supervisors, approval of a supplemental appropriation in the amount of \$86,367,000 to fund the New Crystal Springs Bypass Tunnel Project through the Construction and Close-Out phases. This has been submitted to the BOS and is currently scheduled for hearing by the Budget and Finance Committee on October 15, 2008.

Per authorization and direction of the Commission, the General Manager of the San Francisco Public Utilities Commission has worked with the Director of Real Estate to seek San Francisco Board of Supervisors' approval of the Easement Deed, and to accept and/or execute said Easement Deed from San Mateo County. On September 16, 2008, the San Mateo County Board of Supervisors approved the Easement Deed, covering the tunnel alignment and an encroachment permit for the Project. The San Francisco Board of Supervisors is anticipated to consider the Easement Deed in November 2008.

This request to award the construction contract will allow the SFPUC to proceed with the implementation of the Project, subject to San Francisco Board of Supervisors' approval of the appropriation of funds and of the Easement Deed.

PROS/CONS:

PROS

- Approval of this agenda item will allow the SFPUC to move forward with the construction of the New Crystal Springs Bypass Tunnel Project consistent with the project objectives to provide seismic reliability, and allow the Bypass System to transmit water to customers in San Mateo and San Francisco Counties.

CONS

- Disapproval of this agenda item could greatly constrain the SFPUC in its ability to deliver water to its customers in the northern Peninsula and City of San Francisco in the event of a major earthquake or a landslide along the alignment of the existing pipeline.

ATTACHMENTS

WSIP Construction Contract/Bid Documents – Review and Approval Checklist
SFPUC Resolution
HRC memo

Project Manager: Husam Masri

WSIP Construction Contract/Bid Documents - Review and Approval Checklist

PROJECT/CONTRACT INFORMATION

Project No.: CUW38801 Project Name: New Crystal Springs Bypass Tunnel
 Contract No.: WD-2498 Contract Name: Construction Contract

ENGINEER OF RECORD

Project Designed by (check all that apply): EMB DPW Consultant(s) - List below

Name of Prime Consultant(s): Arup/Brierley

Name (and Firm/Organization) of Engineer of Record: Gilbert Tang/EMB; Greg Sherry/Arup/Brierley

RESPONSIBLE FOR OVERSEEING PREPARATION OF DESIGN DOCUMENTS

I hereby confirm that I have reviewed the design documents (drawings and specifications) for the WSIP project referenced herein and that I find them to be complete and ready to be advertised.

TITLE	PRINT NAME	SIGNATURE	DATE
Project Manager (PM)	Husam Masri/Mario Valdez	<i>Mario Valdez</i>	10/3/08
Regional Project Engineer (RPE)	Sam Young	<i>Sam Young</i>	10/3/08
Project Engineer (PE)	Gilbert Tang	<i>Gilbert Tang</i>	10/3/08

VERIFICATION OF REVIEWS OF DESIGN DOCUMENTS

I hereby confirm that (1) the design documents (drawings and specifications) for the WSIP project referenced herein are complete and ready to be advertised, (2) the design documents have been reviewed thoroughly by key WSIP Team members, including those listed below, and (3) all review comments were incorporated in the final design documents or were addressed separately.

- | | |
|---|---|
| <input checked="" type="checkbox"/> EMB Manager <i>JK</i> | <input checked="" type="checkbox"/> Environmental PM (EPM)* <i>R.O.</i> |
| <input type="checkbox"/> Regional Construction Manager (RCM) | <input type="checkbox"/> WSIP Shutdown Coordinator* |
| <input checked="" type="checkbox"/> EMB Operations Representative <i>CF</i> | <input checked="" type="checkbox"/> WSIP ROW Manager* <i>BCD</i> |

* Only review section(s) relevant to area of responsibility.

TITLE	PRINT NAME	SIGNATURE	DATE
Regional PM (RPM)	Husam Masri	<i>Husam Masri</i>	3 Oct 08

FINAL APPROVAL OF DESIGN DOCUMENTS

I hereby approve the submittal of the design documents (drawings and specifications) to the Contract Administration Bureau (CAB) for advertisement of the bid package.

TITLE	PRINT NAME	SIGNATURE	DATE
WSIP Pre-Const. Deputy Director	Jeet Bajwa	<i>Jeet Bajwa</i>	6 Oct 08
WSIP Construction Deputy Director	Harvey Elwin	<i>Harvey Elwin</i>	10/3/08

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 08-0182

WHEREAS, Contract No. WD-2498, New Crystal Springs Bypass Tunnel was advertised on September 9, 2008; and

WHEREAS, The project's approved baseline budget amount is \$68,359,000 and the Engineer's Estimate is \$60,807,000 for this construction contract work to build the tunnel and associated facilities; and

WHEREAS, The contract duration is 986 consecutive calendar days; and

WHEREAS, The Planning Department's Major Environmental Analysis Section determined that CUW35601, Crystal Springs Bypass Tunnel Project required an Environmental Impact Report, pursuant to the California Environmental Quality Act (CEQA); and

WHEREAS, The Planning Commission certified the Final Environmental Impact Report (FEIR) on June 5, 2008 (Motion No. 17612); and

WHEREAS, This Commission reviewed and considered the Final EIR, adopted the CEQA Findings, Mitigation, Monitoring and Report Program (MMRP), and Greenhouse Gas Reduction Measures, and made findings of overriding considerations for potentially significant and unavoidable impacts on July 22, 2008 by Resolution 08-0134, pursuant to CEQA, the State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code; and

WHEREAS, This Commission, by Resolution 08-0134 also approved the Project, WSIP Project No. CUW35601, New Crystal Springs Bypass Tunnel, and authorized staff to proceed with actions necessary to implement the Project, including but not limited to obtaining an Easement Deed for the new tunnel and any required permits, provided that subsequent Commission action would be required to award the construction contract, which is the subject of this Resolution; and

WHEREAS, This action is consistent with the project description contained in the Final EIR and would not result any significant impacts not identified in the Final EIR or cause significant effects already identified in the Final EIR to be substantially more severe; and

WHEREAS, The SFPUC has reviewed and considered the relevant environmental information contained in the Final EIR and finds that there are no changed circumstances or other factors present that would trigger the need or requirement for additional environmental review for this action; and

WHEREAS, four bids were received and opened publicly on October 1, 2008; and

WHEREAS, San Francisco Public Utilities (SFPUC) and Human Rights commission (HRC) staff review of the bids for qualifications, responsibility, responsiveness and application of bid preferences resulted in the establishment of Shank/Belfour Beatty, JV as the lowest, qualified, responsible and responsive bidder; and

WHEREAS, An HRC subcontracting goal of 4% LBE participation has been established

and approved for this contract by the HRC Contract Compliance Officer assigned to the SFPUC. Shank/Belfour Beatty, JV is committed to meet the LBE goal submitted in its bid which exceeds the HRC goal established; 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 for this contract would be available from Project No. CUW35601 – New Crystal Springs Bypass Tunnel Project (Project) pending San Francisco Board of Supervisors' approval of an appropriation of funds, scheduled for October 28, 2008; now, therefore, be it

RESOLVED, That this Commission hereby adopts, and incorporates by reference as if fully set forth herein, the CEQA Findings, MMRP, Greenhouse Gas Reduction Measures, and findings of overriding considerations previously adopted by the Commission by Resolution 08-0134 on July 22, 2008 for this Project and finds that the plans, specifications and award of this construction contract are within the scope of the Project and activities evaluated in the FEIR; and, be it

FURTHER RESOLVED, That this Commission hereby approves the plans and specifications and awards Water Enterprise Water System Improvement Program-funded Contract No. WD-2498, New Crystal Springs Bypass Tunnel, in the amount of \$55,674,000, to the lowest, qualified, responsible and responsive bidder, Shank/Belfour Beatty, JV, subject to the Board of Supervisors' approval of the Easement Deed and adoption of the appropriation ordinance.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of _____
October 14, 2008

Secretary, Public Utilities Commission



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: October 9, 2008
 To: Husam Masri, Project Manager, SFPUC
 Pauline Lam, Principal Contracts Analyst, SFPUC
 From: Alaric Degrafinried, Contract Compliance Officer, HRC
 Subject: WD-2498 (New Crystal Springs Bypass Tunnel)

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 4% 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 firms submitted bids as follows:

Bidder	LBE Status	Bid \$
Shank/Balfour Beatty, JV	-	\$55,674,000
Southland Contracting	-	\$59,968,200
McNally/Kiewit Pacific, JV	-	\$61,873,328
Michels Corporation	-	\$64,935,100

LBE Subcontractor Participation Goals

Shank/Balfour Beatty listed 6.4% participation by HRC-certified LBE subcontractors, as detailed below:

Subcontractor	Service	LBE Status	LBE %
Cowhey Pacific Drilling	Furnish Tunnel Segments	SF LBE-OBE	4.5%
Ronald R. Nelson Contractor	Form and Place Vault Concrete	SF LBE-OBE	1.4%
Eighteen Trucking Co.	Trucking and Exc. Disposal	SF LBE-MBE	0.5%
Total			6.4%



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Based on the information noted above, HRC has determined that Shank/Balfour Beatty is the lowest responsive bidder, has complied with 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.



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