



# AGENDA ITEM

## Public Utilities Commission

*City and County of San Francisco*



DEPARTMENT Water Enterprise AGENDA NO. \_\_\_\_\_  
 MEETING DATE December 8, 2009

**Construction Award:** Regular Calendar  
**Project Manager:** Joseph L. Ortiz

**Contract No. WD-2542, Award, Bay Division Pipeline No. 5 - Peninsula Reaches**

<b>Summary of Proposed Commission Action:</b>	<b>Approve</b> the plans and specifications, and <b>award Water Enterprise Water System Improvement Program</b> Program-funded Contract No. WD-2542, Bay Division Pipeline No. 5 - Peninsula Reaches, in the amount of \$52,183,400 to the lowest, qualified, responsible and responsive bidder, Mountain Cascade, Inc., to construct the 9-mile Peninsula segment of the new Bay Division Pipeline (BDPL) No. 5, as part of the BDPL Reliability Upgrade Project.
<b>Background:</b>	<p>The purpose of the BDPL Reliability Upgrade Project is to provide a seismically engineered conduit to continue water deliveries following a major earthquake, and allow the SFPUC to safely take portions of the system out of service for regular maintenance, without jeopardizing the reliability of local water supplies. The project proposes to build a fifth BDPL No. 5, approximately 16 miles long, running alongside BDPL Nos. 1 and 2 and connected by a 5-mile long tunnel beneath San Francisco Bay (Bay Tunnel).</p> <p>The pipeline portion of the project is split into two contracts: a 7-mile East Bay segment and a 9-mile Peninsula segment. The 7-mile BDPL No. 5 - East Bay Segment was awarded under Contract No. WD-2541 in October 2009. The Bay Tunnel is currently being procured under Contract No. WD-2531.</p>
<b>Result of Inaction:</b>	A delay or denial to award this contract will prevent one of the Water System Improvement Program's (WSIP) seismic reliability projects from moving into construction.

<b>Budget &amp; Costs:</b>	<b>Baseline Budget:</b> \$77,698,071
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**APPROVAL:**

DEPARTMENT / BUREAU _____  COMMISSION SECRETARY <u>Mike Housh</u> _____	FINANCE <u>Todd L. Rydstrom</u>  GENERAL MANAGER <u>Ed Harrington</u> _____
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	<p><b>Engineer's Estimate:</b> \$74,203,836  <b>Award:</b> \$52,183,400  <b>Funding:</b> Project No. CUW36802, Bay Division Pipeline No. 5</p>																																			
<b>Schedule:</b>	<p><b>NTP:</b> January 11, 2010  <b>End:</b> February 14, 2012  <b>Duration:</b> Seven-hundred sixty-four (764) consecutive calendar days (25 months plus 14 days)</p>																																			
<b>Compliance With Chapter 14B: Local Business Enterprise (LBE) And Non-Discrimination In Contracting Ordinance:</b>	<p><b>Set:</b> 4% Local Business Enterprise (LBE)  <b>Submitted:</b> 5.96 % LBE</p>																																			
<b>Environmental Review:</b>	<p>The San Francisco Planning Commission certified a Final Environmental Impact Report (EIR) for Project Nos. CUW36801/CUW36802, Bay Division Pipeline Reliability Upgrade Project, on July 9, 2009.</p>																																			
<b>Bid History:</b>	<p><b>Advertised:</b> August 18, 2009  <b>Bids Received:</b> Sealed bids were received from 6 firms on October 29, 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>Mountain Cascade, Inc.</td> <td>\$52,183,400</td> <td>0%</td> <td>\$52,183,400</td> <td>1</td> </tr> <tr> <td>Ranger Pipelines, Inc.</td> <td>\$53,511,481</td> <td>0%</td> <td>\$53,511,481</td> <td>2</td> </tr> <tr> <td>Don Kelly Construction</td> <td>\$57,424,050</td> <td>0%</td> <td>\$57,424,050</td> <td>3</td> </tr> <tr> <td>Steve P. Rados, Inc.</td> <td>\$60,295,200</td> <td>0%</td> <td>\$60,295,200</td> <td>4</td> </tr> <tr> <td>McGuire and Hester</td> <td>\$60,436,800</td> <td>0%</td> <td>\$60,436,800</td> <td>5</td> </tr> <tr> <td>S. J. Luois Construction</td> <td>\$67,515,400</td> <td>0%</td> <td>\$67,515,400</td> <td>6</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><b>Project Review Checklist:</b>                  The attached Project Review Checklist documents all the reviews performed during the planning and design phases of Contract No. WD-2542.</p> <p><b>Protest:</b> A bid protest was received from Ranger Pipelines, Inc., on November</p>	Bid Rank	Bid Amount	Bid Preference	Adjusted Bid	Adjusted Rank	Mountain Cascade, Inc.	\$52,183,400	0%	\$52,183,400	1	Ranger Pipelines, Inc.	\$53,511,481	0%	\$53,511,481	2	Don Kelly Construction	\$57,424,050	0%	\$57,424,050	3	Steve P. Rados, Inc.	\$60,295,200	0%	\$60,295,200	4	McGuire and Hester	\$60,436,800	0%	\$60,436,800	5	S. J. Luois Construction	\$67,515,400	0%	\$67,515,400	6
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	<p>2, 2009. The protest involved Mountain Cascade Inc.'s apparent failure to include the name of the traffic control subcontractor with the original bid. After review by the project team and in consultation with the Office of the City Attorney, the protest was denied. A response was sent on November 19, 2009, informing Ranger Pipelines that their protest was denied.</p>
<p><b>Description of Scope of Work:</b></p>	<p>The proposed pipeline will be built almost entirely within the existing right of way of BDPL Nos. 1 and 2. The pipeline will commence at the Ravenswood Valve Lot in Menlo Park, cross the cities of East Palo Alto, Menlo Park, Redwood City, parts of unincorporated San Mateo County, and end at the Pulgas Valve Lot in San Mateo County, where it will connect to the Pulgas Tunnel manifold.</p> <p>The proposed pipeline is a 60-inch diameter welded steel pipeline. With few exceptions, the existing right-of-way is owned in fee by the SFPUC, and it crosses open areas, streets, parks, schools, parking lots, etc. For certain crossings, such as major highways, freeways and railroads, the new pipeline will be either jack-and-bored or micro-tunneled under these features to minimize construction impacts. Valve structures and control buildings will also be built at several locations along the new pipeline alignment.</p>
<p><b>Recommendation:</b></p>	<p>SFPUC staff recommends that the Commission adopt the attached resolution.</p>
<p><b>Attachments:</b></p>	<ol style="list-style-type: none"> <li>1. SFPUC Resolution</li> <li>2. HRC Memo</li> <li>3. Project Review Checklist</li> </ol>

# PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 09-0204

WHEREAS, Contract No. WD-2542, Bay Division Pipeline No. 5 - Peninsula Reaches was advertised on August 18, 2009; and

WHEREAS, The baseline budget amount is \$77,698,071 and the Engineer's Estimate: \$74,203,836 for this construction contract work to construct the new Bay Division Pipeline No. 5 - Peninsula Reaches; and

WHEREAS, The contract duration is 764 consecutive calendar days; and

WHEREAS, Six (6) bids were received and opened publicly on October 29, 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 Mountain Cascade, Inc., Contractor as the lowest, qualified, responsible and responsive bidder; and

WHEREAS, A HRC subcontracting goal of 4% Local Business Enterprise (LBE) participation has been established 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. CUW36802, Bay Division Pipeline No. 5; and

WHEREAS, on July 14, 2009, this Commission, by Resolution No. 09-0120, approved the Project and adopted findings (CEQA findings) and a Mitigation Monitoring and Reporting Program (MMRP) required by the California Environmental Quality Act (CEQA); and

WHEREAS, the Project files, including the Final Environmental Impact Report (FEIR) and SFPUC Resolution No. 09-0120 have been made available for review by the SFPUC and the public, and those files are part of the record before this Commission; and

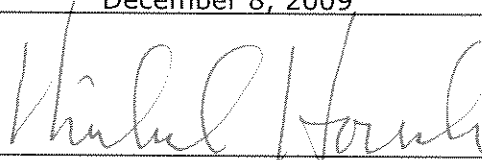
WHEREAS, the Commission has reviewed and considered the information contained in the FEIR, the findings contained in SFPUC Resolution No. 09-0120 and all written and oral information provided by the Planning Department, the public, relevant public agencies, SFPUC and other experts and the administrative files for the Project; now, therefore, be it

RESOLVED, the Commission has reviewed and considered the FEIR and record as a whole, finds that the FEIR is adequate for its use as the decision-making body for the action taken herein to award the construction contract and incorporates the CEQA findings contained in Resolution No. 09-0120, including the Statement of Overriding Considerations by this reference thereto as though set forth in this Resolution; and be it further

RESOLVED, the Commission further finds that since the FEIR was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FEIR 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 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-2542, Bay Division Pipeline No. 5 - Peninsula Reaches, in the amount of \$52,183,400 to the lowest, qualified, responsible and responsive bidder, Mountain Cascade, Inc.

*I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of \_\_\_\_\_ December 8, 2009*



\_\_\_\_\_  
*Secretary, Public Utilities Commission*



Gavin Newsom  
Mayor

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

Theresa Sparks  
Executive Director

**MEMORANDUM**

TO: Joseph Ortiz, Project Manager, SFPUC  
FROM: Andrew Houston, Contract Compliance Officer, Human Rights Commission  
DATE: November 25, 2009  
RE: Award Eligibility for Contract No. WD-2542, Bay Division Pipeline Reliability Upgrade Pipeline #5 (Peninsula)

The Human Rights Commission (“HRC”) has received the bids on the above referenced project and has conducted an evaluation for compliance with HRC requirements. An LBE subcontracting participation goal of 4% was established for this contract.

Six firms submitted bids as follows:

Bidder	Base Bid
Mountain Cascade, Inc.	\$52,183,400
Ranger Pipelines, Inc.	\$53,511,481
Don Kelly Construction	\$57,424,050
Steve P. Rados, Inc.	\$60,295,200
McGuire & Hester	\$60,436,800
SJ Louis Construction, Inc	\$67,515,400



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### **LBE Subcontractor Participation Goals**

The lowest bidder, Mountain Cascade, Inc. (“Mountain”), listed 5.96% participation by HRC-certified LBE subcontractors, as detailed below:

<b>LBE Subcontractor</b>	<b>LBE Status</b>	<b>LBE Listed Amount</b>	<b>LBE Participation</b>
Ron Nelson Contractor	OBE	\$ 547,000	1.05%
Calco Fence Co.	OBE	\$ 273,410	0.52%
Bayline Cutting & Coring	MBE	\$ 81,000	0.15%
Angels of Ireland	WBE	\$ 258,000	0.50%
EK Trucking	OBE	\$ 1,813,000	3.47%
Vibro Acoustic Consultants	MBE	\$140,000	0.27%
<b>TOTAL</b>		<b>\$ 3,112,410</b>	<b>5.96%</b>

Based on the above analysis, HRC has determined that Mountain is the lowest responsive bidder, has complied with pre-award HRC 14B requirements and is eligible for award of this contract. If you have any questions, please do not hesitate to contact me at 415-551-4335 or ahouston@swater.org.