



# AGENDA ITEM

## Public Utilities Commission

*City and County of San Francisco*



DEPARTMENT Water Enterprise AGENDA NO. \_\_\_\_\_  
 MEETING DATE December 18, 2009

**Construction Award:** Regular Calendar  
**Project Manager:** Johanna I. Wong

**Contract No. WD-2531, Award, Bay Division Pipelines Reliability Upgrade – Bay Tunnel**

<b>Summary of Proposed Commission Action:</b>	<p><b>Approve</b> the plans and specifications, and <b>award Water Enterprise Water System Improvement Program (WSIP)</b>-funded Contract No. WD-2531, Bay Division Pipelines Reliability Upgrade – Bay Tunnel, in the amount of \$215,294,530 to the lowest, qualified, responsible and responsive bidder, Michels/JayDee/Coluccio, Joint Venture, to construct the tunnel segment of the Bay Division Pipeline (BDPL) Reliability Upgrade Project which includes the new BDPL No. 5.</p>
<b>Background:</b>	<p>The BDPL Reliability Upgrade Project proposes to build a fifth BDPL (BDPL No. 5), approximately 16 miles long, running alongside the existing BDPL Nos. 1 and 2 in both the East Bay and the Peninsula, and connected by a 5-mile long tunnel beneath San Francisco Bay. The purpose of the project is to provide seismic reliability, as well as delivery reliability, for SFPUC’s customers.</p> <p>The tunnel segment, which is referred to as the Bay Tunnel, will consist of a 108-inch internal diameter pipeline that will extend 5 miles from Newark Valve Lot to Ravenswood Valve Lot, crossing under San Francisco Bay and adjacent marshlands. Existing BDPL Nos. 1 and 2, and the pipeline portions of the BDPL Reliability Upgrade Project, will tie into the tunnel at both ends.</p> <p>The construction contracts for the East Bay Pipeline segment and the Peninsula Pipeline segment of the BDPL Reliability Upgrade Project were awarded on October 27, 2009 and December 8, 2009 respectively.</p>
<b>Result of Inaction:</b>	<p>A delay in or denial of the award of this contract will prevent one of the WSIPs most critical seismic reliability projects from moving into construction. The new BDPL No. 5 and Bay Tunnel will provide a</p>

**APPROVAL:**

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

	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.
--	--

<b>Budget &amp; Costs:</b>	<b>Baseline Budget:</b> \$ 255, 898, 730 <b>Engineer’s Estimate:</b> \$ 250,343,078 <b>Award:</b> \$215,294,530 <b>Funding:</b> Project No. CUW36801, BDPL Reliability Upgrade – Tunnel				
<b>Schedule:</b>	<b>NTP:</b> January 11, 2010 <b>End:</b> February 10, 2015 <b>Duration:</b> One thousand eight hundred and fifty-six (1856) consecutive calendar days (61 months)				
<b>Compliance With Chapter 14B: Local Business Enterprise (LBE) And Non-Discrimination In Contracting Ordinance:</b>	<b>Set:</b> 1% Local Business Enterprise (LBE) <b>Submitted:</b> 1.44%				
<b>Environmental Review:</b>	The San Francisco Planning Commission certified a Final Environmental Impact Report (EIR) for Project No. CUW36801/CUW36802, BDPL Reliability Upgrade Project, on July 9, 2009.				
<b>Bid History:</b>	<b>Advertised:</b> July 31, 2009 <b>Bids Received:</b> Sealed bids were received from four (4) firms on November 12, 2009, as follows:				
	<b>Bid Rank</b>	<b>Bid Amount</b>	<b>Bid Preference</b>	<b>Adjusted Bid</b>	<b>Adjusted Rank</b>
	Michels/JayDee/Coluccio, Joint Venture	\$215,294,530	0%	\$215,294,530	1
	Bay Tunnel Constructors	\$215,391,455	0%	\$215,391,455	2
	Traylor-Shea, Joint Venture	\$224,723,278	0%	\$224,723,278	3
	Flatiron West, Inc..	\$245,630,000	0%	\$245,630,000	4
	Application of bid preferences do not apply to this contract as the engineer’s estimate is in excess of \$10,000,000.				
	<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-2531.				
	<b>Protest:</b> A bid protest was received from Obayashi Corporation (Bay Tunnel				

	<p>Constructors) on November 19, 2009. The protest alleged that Michels/JayDee/Coluccio, Joint Venture (MJCJV) did not 1) meet the qualifications required for the contract and 2) did not meet the LBE subcontracting goal. After review of all bid documents by SFPUC and HRC Staff, further Staff due diligence in reviewing qualifications and references, and in consultation with the City Attorney’s Office, it was determined that the bid submitted by MJCJV did meet the project qualification criteria and all other City requirements. Therefore, the protest was deemed to be without merit.</p>
<p><b>Description of Scope of Work:</b></p>	<p>The tunnel will extend 5 miles under San Francisco Bay and adjacent marshlands, between the Ravenswood Valve Lot and the Newark Valve Lot. Tunnel construction will be performed with an Earth Pressure Balance Machine (EPBM) and the final tunnel liner will consist of in a 9-foot internal diameter welded steel pipeline. The tunnel will terminate on each end with vertical shafts and a connection to the piping manifolds of BDPL Nos. 1, 2, and 5.</p> <p>There will be no intermediate shaft involved in the tunnel construction. The main construction EPBM launch shaft will be located on the Peninsula side of the facility (Ravenswood Shaft); and the secondary construction EPBM extraction shaft will be located on the East Bay side of the facility (Newark Shaft). Both shafts will be constructed and provided with shaft conduits that will be permanent fixtures of the BDPL No. 5.</p> <p>Site preparation and restoration at the Ravenswood and Newark construction sites will include: development of construction lay-down areas; upgrades of access roads to both surface construction areas; installation of temporary site fencing; the provision of security systems; and the handling, transport, and disposal of surplus excavated materials and groundwater encountered during construction of the facilities.</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. 09-0207

WHEREAS, Contract No. WD-2531, Bay Division Pipelines Reliability Upgrade - Bay Tunnel was advertised on July 31, 2009; and

WHEREAS, The baseline budget amount is \$255,898,730 and the Engineer's Estimate is \$250,343,078 for this construction contract; and

WHEREAS, The contract duration is 1856 consecutive calendar days; and

WHEREAS, Four (4) bids were received and opened publicly on November 12, 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 Michels/JayDee/Coluccio, Joint Venture as the lowest, qualified, responsible and responsive bidder; and

WHEREAS, A HRC subcontracting goal of 1% 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. CUW36801, BDPL Reliability Upgrade – Tunnel; 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

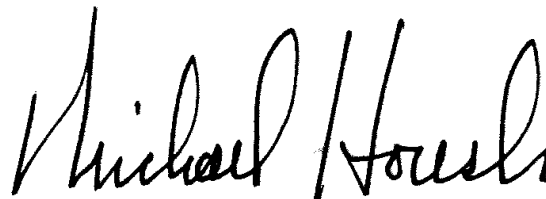
RESOLVED, the Commission has reviewed and considered the FEIR and record as a whole, finds that the FEIR is adequate for its use as the decision-making body for the action taken herein to award the construction contract and incorporates the CEQA findings contained in Resolution No. 09-120, including 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-2531, Bay Division Pipelines Reliability Upgrade – Bay Tunnel, in the amount of \$215,294,530, to the lowest, qualified, responsible and responsive bidder, Michels/JayDee/Coluccio, Joint Venture; and be it further

RESOLVED, the Commission waives any minor technical deviations in the bid.

*I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of* \_\_\_\_\_ *December 18, 2009*

A handwritten signature in black ink, reading "Michael Housh". The signature is written in a cursive style with a large, prominent "M" and "H".

\_\_\_\_\_  
*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: Johanna Wong, Project Manager, SFPUC

FROM: Andrew Houston, Contract Compliance Officer, Human Rights Commission

DATE: December 18, 2009

RE: Award Eligibility for Contract No. WD-2531, Bay Division Pipeline Reliability Upgrade Pipeline (Bay Tunnel)

---

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 1% was established for this contract.

Four firms submitted bids as follows:

Bidder	Base Bid
Michels/Jay Dee/Coluccio JV	\$ 215,294,530
Bay Tunnel Constructors (a JV of Obayashi/Kenny Construction Co.)	\$215,391,455
Traylor Bros/Shea JV	\$224,723,078
Flatiron West, Inc.	\$245,630,000

**LBE Subcontractor Participation Goals**

The lowest bidder, Michels/Jay Dee/Coluccio JV (“Michels”), listed 1.44% participation by HRC-certified LBE subcontractors, as detailed below:

LBE Subcontractor	LBE Status	LBE Listed Amount	LBE Participation



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



TEL (415) 252-2500  
FAX (415) 431-5764  
TDD (415) 252-2550  
<http://www.sfhumanrights.org>



J. Higgins Trucking	MBE	\$ 822,000	0.38%
Apex Testing Laboratories	MBE	\$ 270,000	0.12%
Tri-Valley Excavating	OBE	\$ 2,000,000	0.93%
Hernandez Engineering	MBE	\$ 13,500	0.01%
TOTAL		\$ 3,105,500	1.44%

Based on the above analysis, HRC has determined that Michels 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.