

REPORT

To the Honorable Mayor and City Council
From the City Manager

July 11, 2005

Subject

Award of Contract – Lagoon Intake Facility II Replacement Project

Recommendation

Approve the Contract Documents and award the contract for the Lagoon Intake Facility II Replacement Project to the lowest responsible bidder, Power Engineering Contractors, Inc. of Alameda California, for a revised bid amount of \$655,751.00.

Background

The Lagoon Intake Facility II is located near the intersection of Marine Parkway and Shearwater Parkway. This facility is one of the two intake structures designed for conveying Bay water from the Belmont Slough into the interior lagoon of Redwood Shores. The water will then discharge back to the Bay by discharge facilities located at different locations.

The purpose of this project is to replace the existing deteriorated and outdated intake structure, install two (2) new 48-inch diameter reinforced concrete intake pipes, install a new 54-inch diameter reinforced concrete intake pipe, extend 418 lineal feet of new 54-inch intake pipe to the existing dewatering structure at Shearwater Parkway.

Only one bid was received at the bid opening on June 8, 2005. The bid in the amount of \$1,184,915.00 was 136.983% above the City Consultant's estimate of \$500,000 to perform the work.

After review of the bid results, staff has determined that the only bid received has significantly exceeded the budget projection. In order to further evaluate the matter, staff decided to meet with BKF, (City consultant for this project) and the bidder/contractor, Power Engineering Contractors Inc., to perform value engineering in order to conduct a fair evaluation of each of the bid items. After a thorough evaluation, and considering the detailed breakdown of unit cost derivation of both parties, City staff assessed that the bid item for the proposed 418 lineal feet of reinforced concrete pipe is high, approximately \$1,000 per lineal foot, due to dewatering and shoring requirements in the Redwood Shores Area, and also due to the fact that the contractor's specialty is the construction of the intake structure only, and is not very experienced in the storm drain pipe laying and installation.

In this regard, the staff, after careful deliberation of the value engineering, considering the construction time constraints set forth by the permitting regulatory agencies, and taking into consideration the good reputation and reliability of Power Engineering Contractors Inc., decided to negotiate the cost for the project. Staff recommends to perform only the most critical activities of the project, such as installing the two new 48-inch diameter reinforced concrete intake pipes, the new 54-inch diameter reinforced

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concrete intake pipe at Belmont Slough and 8 lineal feet of stub-out pipe from the dewatering structure with an end cap for future connection, installation of new dewatering structure, slide gates, flap gates and other related activities and deleting the cost of installing the 418 lineal feet of reinforced concrete pipe and other related activities.

Per staff request, Power Engineering Contractors Inc. submitted a revised bid excluding the 54-inch reinforced concrete storm drain pipe and manhole for a total amount of \$655,751.00.

The staff recommends awarding the contract to Power Engineering Contractors Inc. for the revised bid amount of \$655,751.00, and deleting the 418 lineal feet of 54-inch reinforced concrete storm drain pipe and manhole.

After staff performed a thorough evaluation, and considered all pertinent factors, it was concluded that the monies appropriated in the GID 1-64 Funds for this project are more than sufficient to compensate for the construction of the 418 lineal feet of 54-inch reinforced concrete storm drain pipe and manhole, which can be advertised at a later date, in order to get more competitive bids.

A complete copy of the agreement is available for review in the City Clerk's office.

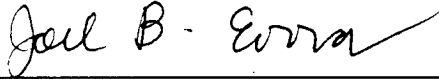
Alternative

Do not award the Contract to Power Engineering Contractors, Inc., and re-advertise the project.

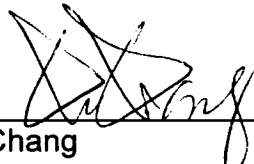
Fiscal Impact

Funds in the amount of \$1,354,000.00 appropriated in the GID 1-64 funds, for lagoon circulation related services.

for:



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Joel Patterson
Community Development Services Director



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