



CITY COUNCIL STAFF REPORT



October 3, 2023

ITEM TITLE

Contract Award and Appropriation: Award a Public Works Contract to SCW Contracting Corporation for the “Sewer Force Main at G Street Pump Station and G Street Pump Station Upgrade (SWR0275 and SWR0309)” Project and Appropriate Funds for that Purpose

Report Number: 22-0233

Location: G Street, between Marina Parkway and Bay Boulevard

Department: Engineering & Capital Projects

Environmental Notice: The Project qualifies for a Categorical Exemption pursuant to the California Environmental Quality Act State Guidelines Section 15301 Class 1 (Existing Facilities); Section 15302 Class 2 (Replacement or Reconstruction); and Section 15303 class 3 (New Construction or Conversion of Small Structures).

Recommended Action

Adopt a resolution awarding a public works contract to SCW Contracting Corporation for the “Sewer Force Main at G Street Pump Station and G Street Pump Station Upgrade (SWR0275 and SWR0309)” project in the amount of \$10,459,985 and appropriating Trunk Sewer Reserve funds to cover the projected costs of the construction phase of the project. **(4/5 Vote Required)**

SUMMARY

On August 30, 2023, the Director of Engineering and Capital Projects received one bid for the “Sewer Force Main at G Street Pump Station and G Street Pump Station Upgrade (SWR0275 and SWR0309)” projects. After review of the bid, staff recommends awarding a public works contract to the only responsive and responsible bidder, SCW Contracting Corporation. Adoption of the resolution will: 1) waive minor and inconsequential bid errors and accept the bid; 2) appropriate \$11,607,258 from the available balance of the Trunk Sewer Reserve fund to the Sewer Force Main at G Street Pump Station and G Street Pump Station Upgrade (SWR0275 and SWR0309) projects; and 3) award the public works contract for the construction phase of the projects to SCW Contracting Corporation in the amount of \$10,459,985.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption

pursuant to State CEQA Guidelines Section 15301 Class 1 (Existing Facilities); Section 15302 Class 2 (Replacement or Reconstruction); and Section 15303 class 3 (New Construction or Conversion of Small Structures) because the proposed project would not result in a significant effect on the environment, create a cumulative impact, damage a scenic highway, be located on a site pursuant to Section 65962.5, or cause a substantial adverse change in the significance of a historical resource. Thus, no further environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable

DISCUSSION

The “Sewer Force Main at G Street Pump Station and G Street Pump Station Upgrade (SWR0275 and SWR0309)” project will primarily consist of the following improvements:

- Abandonment of existing force main pipeline and installation of new dual force main pipelines.
- Installation of a new wet well, new pumps, valves, discharge piping, and appurtenances.
- Installation of new Automatic Transfer Switch (ATS), pump control panel, new level transmitter panel, and new on-site lighting.
- Commissioning of the Remote Terminal Unit (RTU), ultrasonic level controller, emergency generator, and Supervisory Control and Data Acquisition (SCADA) system.

Bidding Process

On July 14, 2023, Engineering and Capital Projects Staff advertised the project. To provide an opportunity to field and address any potential questions prospective bidders might have on the contract documents, staff held a non-mandatory pre-bid meeting on July 31, 2023, which was attended by two prime contractors. One (1) bid was received on the Bid Proposal date of August 30, 2023. The submitted base bid total from the prime contractor is as follows:

Ranking	Contractor	Submitted Bid Amount
1	SCW Contracting Corporation	\$10,459,985

The bid for the project, submitted by SCW Contracting Corporation, included errors that staff has agreed to be minor and inconsequential. SCW Contracting Corporation currently holds an active Class A General Contractor License (License No. 630435) and has submitted all the required bid submittal documents.

The base bid grand total of \$10,459,985 is approximately 95% higher than the Engineer’s estimate. City staff acknowledges the significant increase from the Engineer’s estimate and contacted the 19 other prospective bidders identified in PlanetBids to solicit feedback on their decision not to submit bids. Staff received no information indicating that the bid documents included any deficiencies or needed any further clarification. The consensus was that contractors were either recently awarded another project or are currently busy and did not possess sufficient staff to perform the work.

Additionally, staff believes the high base bid grand total may be attributed to:

- Accelerated schedule to ensure completion prior to opening of Bayfront resort and convention center.
- Availability of specific expertise in Horizontal Directional Drilling (HDD) construction.
- Mitigation efforts related to hazardous soils and groundwater.
- Limited supply chain and procurement issues.

Staff recommends waiving the minor and inconsequential bid errors, accepting the bid, awarding the public works contract for the “Sewer Force Main at G Street Pump Station and G Street Pump Station Upgrade (SWR0275 and SWR0309)” project to SCW Contracting Corporation, and appropriating \$11,607,258 in Trunk Sewer Reserve funds to cover the projected construction costs as detailed in the Current Year-Fiscal Impact section below.

Disclosure Statement

Attachment 1 is a copy of the Contractor’s Disclosure Statement.

Wage Statement

The Contractor that is awarded the contract and its subcontractors are required to pay prevailing wages to persons employed by them for work under this contract. The prevailing wage scales are those determined by the Director of Industrial Relations, State of California.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov’t Code §87100, et seq.).

Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

Approval of this resolution will appropriate \$11,607,258 in Trunk Sewer Reserve funds into two CIP’s (SWR0275 and CIP SWR0309) to fully fund the projected costs for the construction phase of the project, as well as the staff and consultant costs associated with oversight of the project. There are sufficient funds available in the Trunk Sewer Reserve Fund for this appropriation. The following is a summary of the anticipated project costs:

FUNDS REQUIRED FOR CONSTRUCTION	
A. Contract Amount	\$10,459,985
B. Contract Contingency (Approx. 15%)	\$1,568,998
C. Construction Support (Approx. 16%)	\$1,616,275
D. Project Closeout (Approx. 0.4%)	\$42,000
TOTAL FUNDS REQUIRED FOR CONSTRUCTION	\$13,687,258

FUNDS AVAILABLE FOR CONSTRUCTION	
A. Trunk Sewer Reserve – SWR0275	\$400,000
B. Sewer Service Revenue – SWR0309	\$1,680,000
C. New Appropriation: Trunk Sewer Reserve – SWR0275	\$6,381,760
D. New Appropriation: Trunk Sewer Reserve – SWR0309	\$5,225,498
TOTAL FUNDS AVAILABLE FOR CONSTRUCTION	\$13,687,258

ONGOING FISCAL IMPACT

Upon completion of the project, the improvements will require routine sewer facility maintenance, which will incur additional costs to the Sewer Service Revenue fund. These expenses will be considered in the annual budget process.

ATTACHMENTS

1. Contractor Disclosure Statement

Staff Contact: R. Alan Reyes, Associate Civil Engineer