



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 16, 2008

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Construction Of The Water Main Replacement Project, Fiscal Year 2008-2009

RECOMMENDATION: That Council:

- A. Award and authorize the Public Works Director to execute a contract with Lash Construction, Inc. (Lash), waiving a minor bid irregularity, for \$1,636,562, for the construction of the Water Main Replacement Project, Fiscal Year 2008-2009, Bid No. 3538, which includes their low bid amount of \$1,137,102 and expenditures of \$499,460 to construct Bid Alternate C, and authorize the Publics Works Director to approve expenditures up to \$164,000 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment; and
- B. Authorize the General Services Manager to issue a purchase order to Fugro West, Inc. (Fugro), in the amount of \$9,300 for material testing services, and approve expenditures up to \$900 for extra services that may result from necessary changes in the scope of work.

DISCUSSION:

PROJECT DESCRIPTION

The work consists of all labor, materials, and equipment to replace approximately 10,800 linear feet of water main, water valves, fittings, concrete thrust blocks, service connections, fire hydrant assemblies, trench bedding, backfill, compaction, resurfacing, and all other appurtenances necessary to construct the water mains complete, in place, and operable.

CONTRACT BIDS

The Project bid schedule consists of three parts:

- The base bid including contingency items;
- Bid Alternate C, which includes five additional replacement locations to be awarded for construction in the event of an exceptionally low bid; and
- Bid Alternate D, which is for the replacement of a concrete street through the Streets Program.

Specifications indicated that the award of contract is based upon the total bid for all items in the base bid, including contingency items. Acceptance or rejection of awarding all or any of the Bid Alternates C and D is at the option of the City.

A total of five bids were received for the subject work. The base bid totals are summarized as follows:

BIDDER	AMOUNT
Lash Construction, Inc., Santa Barbara, CA	\$1,137,102.00*
Tierra Contracting, Inc., Santa Barbara, CA	\$1,300,314.00
Tiffany Group Inc., Tarzana, CA	\$1,760,458.20*
MGE Underground, Inc., Paso Robles, CA	\$1,832,143.00
Cedro Construction, Santa Maria, CA	\$1,957,624.00*
Engineer's Estimate	\$1,451,850.00

*Indicates calculated unit price bid amount. Contractor summation of unit price totals had mathematical errors for total amounts.

Staff recommends that Council waive a minor bid irregularity associated with Lash's bid, whereby the contractor incorrectly summed the unit prices in the base bid, resulting in a greater total bid amount. As stated in the bid documents, the total amount of the bid will be the sum of the total prices of all items in the base bid. This amount was calculated by staff, and confirmed by Lash. Lash remains the lowest bidder with the recalculated totals.

Staff recommends that Council award and authorize the Public Works Director to execute a contract with Lash in the amount of \$1,636,562 which includes their low base bid amount of \$1,137,102 and expenditures of \$499,460 to construct Bid Alternate C. The base bid is an acceptable bid that is responsive to, and meets the requirements of the bid specifications. Bid Alternate C is the lowest bid for the proposed work and is under the engineer's estimate of \$647,300. The change order funding recommendation is \$164,000, or 10%, is typical for this type of work and size of project.

The bid of \$122,940 for Bid Alternate D was substantially higher than the Engineer's Estimate of \$24,300, and is not recommended to be awarded in this contract.

CONSTRUCTION PHASE CONTRACT SERVICES

Material testing and certification services will be required continuously throughout the contract period. Fugro is recommended to provide these services for \$9,300. The firm is a local material testing laboratory that has successfully provided services of similar scope for the City on past projects.

FUNDING

There are sufficient funds in the Water Capital Fund to cover the cost of this Project.

The following summarizes the expenditures recommended in this report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

Firm	Base Contract	Change Funds	Total
Lash Construction, Inc.	\$1,636,562	\$164,000	\$1,800,562
Fugro West, Inc.	\$9,300	\$900	\$10,200
Total	\$1,645,862	\$164,900	\$1,810,762

The following summarizes all Project design costs, construction contract funding, and other Project costs:

ESTIMATED TOTAL PROJECT COST

Design (City staff)	\$42,968
Other Design Costs (Drafting Services)	\$22,681
Subtotal	\$65,649
Construction Contract	\$1,636,562
Construction Change Order Allowance	\$164,000
Construction Management/Inspection (City Staff)	\$164,000
Subtotal	\$1,964,562
Other Construction Costs (Material testing)	\$9,300
Other Construction Costs (Material testing) Change Order Allowance	\$900
Subtotal	\$10,200
TOTAL PROJECT COST	\$2,040,411

SUSTAINABILITY IMPACT:

Replacing aged infrastructure reduces the chances of significant water loss due to leaks and conserves potable water.

PREPARED BY: Joshua Haggmark, Acting Principal Engineer/AS/sk

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office