City of Palo Alto
City Council Staff Report

(ID # 5634)

Report Type: Consent Calendar **Meeting Date: 6/29/2015**

Summary Title: BAO Seismic Upgrade of 4 Tanks & 3 Turnouts

Title: Approval and Authorization of the City Manager to Execute a Contract with Anderson Pacific Engineering Construction, Inc., in the Amount of $4,679,100, for the Seismic Upgrade of Four Steel Tanks and Three Receiving Stations Project, WS-07000, WS-08001 and WS-09000 and Approval of a Budget Amendment Ordinance Increasing the Water Regulation System Improvements Project Budget (WS-08000) in the Amount of $786,375

From: City Manager

Lead Department: Utilities

Recommendation
Staff recommends that Council:

1. Approve and authorize the City Manager or his designee to execute the attached contract with Anderson Pacific Engineering Construction, Inc. (Attachment A) in a total not-to-exceed amount of $4,679,100 for seismic upgrades to four steel tanks and three turnouts (Projects WS-07000, WS-08001 and WS-09000).

2. Approve and authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Anderson Pacific Engineering Construction, Inc. for related additional but unforeseen work, which may develop during the project, the total value of which shall not exceed $467,910 or 10% of the contract's not-to-exceed amount, which when combined with the contract's not to exceed amount of $4,679,100 shall not exceed a total in the amount of $5,147,010.

3. Approve the attached Budget Amendment Ordinance (Attachment B) increasing the Water Regulation System Improvements project (WS-07000) in the amount of $786,375, offset by reductions to the Water Reservoir Coating Improvements project (WS-08001) in the amount of $393,188 and the Seismic Water System Upgrades project (WS-09000) in the amount of $393,187, with no impact to the reserve levels in the Water Fund.

Background

The City of Palo Alto (City) maintains a water system consisting of nine pressure zones, five receiving stations, or turnouts, from the SFPUC's Hetch Hetchy aqueduct system, seven reservoirs, seven booster pumping stations, eight wells and approximately 234 miles of water transmission and distribution mains. The City's primary source of potable water, since 1962, has been the Hetch Hetchy aqueduct system.

This construction contract supports the City's ongoing efforts to improve the reliability of the City's water distribution system during emergency periods, when the traditional supply is not available. The California Department of Public Health (CDPH) recommends that water systems have the ability to supply an 8 hour maximum day demand plus have a sufficient supply of water to fight fires during periods of supply curtailment. The improvements recommended in as part of this contract were addressed in the Water Wells, Regional Storage and Distribution System Study (1999 Study), which the Utilities Advisory Commission (UAC) and Council supported.

During the project development, an Environmental Impact Report (EIR) titled "City of Palo Alto Emergency Water Supply and Storage Project" was prepared and approved by Council on March 5, 2007 (CMR 161:07). The project description in the EIR proposed implementing capital improvements which would allow the City to provide water in the event of an emergency. The seismic upgrade of the Corte Madera, Park, Dahl and Montebello Reservoirs and Page Mill, Arastradero and California Turnouts is one of the recommended capital improvements projects that will provide stored water supply during an emergency, in the event the Hetch Hetchy regional water supply system cannot deliver water to Palo Alto. A project location map is provided in Attachment C.

Discussion

The work covered by this construction contract will provide construction services to seismically upgrade the Corte Madera, Park, Dahl and Montebello Reservoirs, all of which are above ground steel tanks, and the Page Mill, Arastradero and California Turnouts, to ensure reliability during a seismic event or other emergency. Work at the Corte Madera, Park, Dahl and Montebello Reservoir sites will bring each reservoir up to current seismic performance codes and will include removal of all existing interior and exterior paint/coatings and application of new interior and exterior coating systems. Tank seismic improvements include the installation of new concrete ring footings, rock anchors, anchor bolts, column and wall stiffener plates for seismic reliability, seismic bracing for pipes, anchorage for each reservoir roof and miscellaneous appurtenances. Additional improvements include replacement of existing access safety systems and rehabilitation of the cathodic protection system. Work at the Page Mill, Arastradero and California Turnouts include seismic restraints, base isolation and pipe supports, recoating and/or replacement of existing pipe and electrical upgrades.

The work is being performed by contract because the project resource requirements are beyond City's personnel and equipment capacity. AECOM (formerly known as URS Corporation) will be the Engineer of Record for this project and will provide construction management and

specialty inspections throughout construction, pursuant to the April 7, 2014 Council-approved Contract No. C14152781 (ID #4444). Construction is currently expected to begin in July 2015 and will be completed by the middle of Fiscal Year 2018 (December 2017).

Summary of Solicitation Process

Bid Name/Number	Seismic Upgrade of Four Steel Tanks and Three Turnouts, IFB Number **157871**	
Proposed Length of Contract	790 Calendar Days	
Number of Bids Mailed to Contractors	0 (electronic documents were available on CPA website)	
Number of Bids Notices Emailed to Contractors and Builder's Exchanges	13	
Total Days to Respond to Bid	27 Calendar Days	
Pre-Bid Meeting?	Yes (Mandatory)	
Number of Company Attendees at Pre-Bid Meeting	18	
Number of Bids Received	6	
Bid Price Range	$4,679,100 to $6,472,700	
Company Name	Location (City, State)	Amount*
Anderson Pacific Engineering Construction, Inc.	Santa Clara, CA	$4,679,100

*Bid summary provided in Attachment D.

As noted above, the City received six qualified bids for this work as listed on the attached bid summary (Attachment D). Additional details concerning Anderson Pacific Engineering Construction, Inc.'s qualifications and experience is provided in the IFB Construction Contract Agreement Justification attached to this staff report (Attachment E). Staff has reviewed the submitted bids and recommends that the bid of $4,679,100 submitted by Anderson Pacific Engineering Construction, Inc. be accepted and Anderson Pacific Engineering Construction, Inc. be declared the lowest responsible bidder. The bid is 10% percent below the engineer's estimate of $5,207,068. The engineer's final project estimate was prepared after the final project design plans were completed in March 2015. Staff believes the apparent low bid is the lowest cost the City can expect for this project. Staff recommends Council approve a BAO for $786,375 to complete all construction.

The change order amount of $467,910, which equals 10% of the total contract, is requested for additional unforeseen work that may develop during the project. This 10% contingency amount is requested to address unknown existing conditions of the reservoir foundations, and other unknown factors such as irregularity in existing soil conditions, underground obstacles and current interior reservoir conditions. This 10% contingency fund will be used for the reservoir, reservoir vault and turnout work associated with this project. This contingency amount is appropriate and typical industry standard for this type of construction work.

Staff confirmed with the Contractor's State License Board that the contractor has an active license on file, and checked the references supplied by the contractor for previous work performed and found no significant complaints.

Resource Impact

The attached BAO requests an additional appropriation of $786,375, for the Seismic Upgrade of Four Steel Tanks and Three Turnouts Project, to be transferred from funds in Water Enterprise Fund Projects WS-08001 ($393,188; Water Reservoir Coating Improvements) and WS-09000 ($393,187; Seismic Water System Upgrades) to Water Enterprise Fund Project WS-07000 (Water Regulation Station Improvements). Original budget numbers for Project WS-07000 (Water Regulation Station Improvements) were based on a preliminary Design Report that was completed in 2010. This additional funding is needed to account for changes in scope and economic fluctuations in construction costs over the past five years. There will be no excavations in City roads; therefore, Street Cut Fees do not apply to this project.

Funding for this project, including contingency, totals to $5,147,010. The project is budgeted in the current Fiscal Year 2015, CIP WS-07000, WS-08001 and WS-09000. Funding is recommended to be shifted between these three projects as part of this report to ensure that each phase of the project is accounted for within the correct capital improvement project. See below for a breakdown of the construction costs associated with each project number. Staff does not have the ability to perform the specialized work in-house. This project will be managed by AECOM through a previously approved contract (ID #4444).

Summary of Construction Costs per Project Number

	Total Cost of Construction	Staff Time	Total Cost
WS-07000 – Water Regulation System Improvements	$669,350	$117,025	$786,375
WS-08001 – Water Reservoir Coating Improvements	$1,430,000	$526,613	$1,956,613
WS-09000 – Seismic Water System Upgrades	$3,047,660	$526,613	$3,574,273
TOTAL	$5,147,010	$1,170,251	$6,317,261

Policy Implications

The approval of this Water Enterprise Fund construction contract is consistent with existing City policies. This recommendation is consistent with the Council-approved Utilities Strategic Plan (Staff Report 1880), especially Key Strategy No. 1, "Ensure a high level of system reliability in a cost effective and timely manner."

Environmental Review

Council's award of this contract is categorically exempt from review under the California Environmental Quality Act (CEQA), under Section 15301 (repair and maintenance of existing facilities) of the CEQA Guidelines.

Attachments:

- Attachment A: Contract #C15157871 (PDF)
- Attachment B: BAO for Steel Tanks Project (PDF)
- Attachment C: Location Map (PDF)
- Attachment D: Bid Summary (PDF)
- Attachment E: Executive Summary (PDF)

ATTACHMENT A

CONSTRUCTION CONTRACT

Contract No. C15157871

City of Palo Alto

Project:
"Seismic Upgrade of 4 Steel Reservoirs and 3 Turnouts"

CONSTRUCTION CONTRACT
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CONSTRUCTION CONTRACT

THIS CONSTRUCTION CONTRACT entered into on June 15, 2015 (“Execution Date”) by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("City"), and ANDERSON PACIFIC ENGINEERING CONSTRUCTION, INC. ("Contractor"), is made with reference to the following:

R E C I T A L S:

A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of City.

B. Contractor is a corporation duly organized and in good standing in the State of California, Contractor’s License Number 245215. Contractor represents that it is duly licensed by the State of California and has the background, knowledge, experience and expertise to perform the obligations set forth in this Construction Contract.

C. On April 1, 2015, City issued an Invitation for Bids (IFB) to contractors for the “Seismic Upgrade of 4 Steel Reservoirs and 3 Turnouts” (“Project”). In response to the IFB, Contractor submitted a Bid.

D. City and Contractor desire to enter into this Construction Contract for the Project, and other services as identified in the Contract Documents for the Project upon the following terms and conditions.

NOW THEREFORE, in consideration of the mutual promises and undertakings hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed by and between the undersigned parties as follows:

SECTION 1 INCORPORATION OF RECITALS AND DEFINITIONS.

1.1 Recitals.

All of the recitals are incorporated herein by reference.

1.2 Definitions.

Capitalized terms shall have the meanings set forth in this Construction Contract and/or in the General Conditions. If there is a conflict between the definitions in this Construction Contract and in the General Conditions, the definitions in this Construction Contract shall prevail.

SECTION 2 THE PROJECT.

The Project is the “Seismic Upgrade of 4 Steel Reservoirs and 3 Turnouts” Project, located at Palo Alto, CA. ("Project").

SECTION 3 THE CONTRACT DOCUMENTS.

3.1 List of Documents.

The Contract Documents (sometimes collectively referred to as "Agreement" or "Bid Documents") consist of the following documents which are on file with the Purchasing Division and are hereby incorporated by reference.

1) Change Orders
2) Field Orders
3) Contract
4) Bidding Addenda
5) Special Provisions
6) General Conditions
7) Project Plans and Drawings
8) Technical Specifications
9) Instructions to Bidders
10) Invitation for Bids
11) Contractor's Bid/Non-Collusion Affidavit
12) Reports listed in the Contract Documents
13) Public Works Department's Standard Drawings and Specifications (most current version at time of Bid)
14) Utilities Department's Water, Gas, Wastewater, Electric Utilities Standards (most current version at time of Bid)
15) City of Palo Alto Traffic Control Requirements
16) City of Palo Alto Truck Route Map and Regulations
17) Notice Inviting Pre-Qualification Statements, Pre-Qualification Statement, and Pre-Qualification Checklist (if applicable)
18) Performance and Payment Bonds

3.2 Order of Precedence.

For the purposes of construing, interpreting and resolving inconsistencies between and among the provisions of this Contract, the Contract Documents shall have the order of precedence as set forth in the preceding section. If a claimed inconsistency cannot be resolved through the order of precedence, the City shall have the sole power to decide which document or provision shall govern as may be in the best interests of the City.

SECTION 4 CONTRACTOR'S DUTY.

4.1 Contractor's Duties

Contractor agrees to perform all of the Work required for the Project, as specified in the Contract Documents, all of which are fully incorporated herein. Contractor shall provide, furnish, and supply all things necessary and incidental for the timely performance and completion of the Work, including, but not limited to, provision of all necessary labor, materials, equipment, transportation, and utilities, unless otherwise specified in the Contract Documents. Contractor also agrees to use its best efforts to complete the Work in a professional and expeditious manner and to meet or exceed the performance standards required by the Contract Documents.

SECTION 5 PROJECT TEAM.

5.1 Contractor's Co-operation.

In addition to Contractor, City has retained, or may retain, consultants and contractors to provide professional and technical consultation for the design and construction of the Project. The Contract requires that Contractor operate efficiently, effectively and cooperatively with City as well as all other members of the Project Team and other contractors retained by City to construct other portions of the Project.

SECTION 6 TIME OF COMPLETION.

6.1 Time Is of Essence.

Time is of the essence with respect to all time limits set forth in the Contract Documents.

6.2 Commencement of Work.

Contractor shall commence the Work on the date specified in City's Notice to Proceed.

6.3 Contract Time.

Work hereunder shall begin on the date specified on the City's Notice to Proceed and shall be completed within 760 calendar days after the commencement date specified in City's Notice to Proceed.

By executing this Construction Contract, Contractor expressly waives any claim for delayed early completion.

6.4 Liquidated Damages.

Pursuant to Government Code Section 53069.85, if Contractor fails to achieve Substantial Completion of the entire Work within the Contract Time, including any approved extensions thereto, City may assess liquidated damages on a daily basis for each day of Unexcused Delay in achieving Substantial Completion, based on the amount of One Thousand Three Hundred Fifty dollars ($1,350.00) per day, or as otherwise specified in the Special Provisions. Liquidated damages may also be separately assessed for failure to meet milestones specified elsewhere in the Contract Documents, regardless of impact on the time for achieving Substantial Completion. The assessment of liquidated damages is not a penalty but considered to be a reasonable estimate of the amount of damages City will suffer by delay in completion of the Work. The City is entitled to setoff the amount of liquidated damages assessed against any payments otherwise due to Contractor, including, but not limited to, setoff against release of retention. If the total amount of liquidated damages assessed exceeds the amount of unreleased retention, City is entitled to recover the

balance from Contractor or its sureties. Occupancy or use of the Project in whole or in part prior to Substantial Completion, shall not operate as a waiver of City's right to assess liquidated damages.

6.4.1 Other Remedies. City is entitled to any and all available legal and equitable remedies City may have where City's Losses are caused by any reason other than Contractor's failure to achieve Substantial Completion of the entire Work within the Contract Time.

6.5 Adjustments to Contract Time.

The Contract Time may only be adjusted for time extensions approved by City and memorialized in a Change Order approved in accordance with the requirements of the Contract Documents.

SECTION 7 COMPENSATION TO CONTRACTOR.

7.1 Contract Sum.

Contractor shall be compensated for satisfactory completion of the Work in compliance with the Contract Documents the Contract Sum of Four Million Six Hundred Seventy Nine Thousand One Hundred Dollars ($4,679,100.00).

☒ [This amount includes the Base Bid and Additive Alternates.]

7.2 Full Compensation.

The Contract Sum shall be full compensation to Contractor for all Work provided by Contractor and, except as otherwise expressly permitted by the terms of the Contract Documents, shall cover all Losses arising out of the nature of the Work or from the acts of the elements or any unforeseen difficulties or obstructions which may arise or be encountered in performance of the Work until its Acceptance by City, all risks connected with the Work, and any and all expenses incurred due to suspension or discontinuance of the Work, except as expressly provided herein. The Contract Sum may only be adjusted for Change Orders approved in accordance with the requirements of the Contract Documents.

SECTION 8 STANDARD OF CARE.

8.1 **Standard of Care.**

Contractor agrees that the Work shall be performed by qualified, experienced and well-supervised personnel. All services performed in connection with this Construction Contract shall be performed in a manner consistent with the standard of care under California law applicable to those who specialize in providing such services for projects of the type, scope and complexity of the Project.

SECTION 9 INDEMNIFICATION.

9.1 Hold Harmless.

To the fullest extent allowed by law, Contractor will defend, indemnify, and hold harmless City, its City Council, boards and commissions, officers, agents, employees, representatives and volunteers (hereinafter individually referred to as an “Indemnitee” and collectively referred to as "Indemnitees"), through legal counsel acceptable to City, from and against any and liability, loss, damage, claims, expenses (including, without limitation, attorney fees, expert witness fees, paralegal fees, and fees and costs of litigation or arbitration) (collectively, “Liability”) of every nature arising out of or in connection with the acts or omissions of Contractor, its employees, Subcontractors, representatives, or agents, in performing the Work or its failure to comply with any of its obligations under the Contract, except such Liability caused by the active negligence, sole negligence, or willful misconduct of an Indemnitee. Contractor shall pay City for any costs City incurs to enforce this provision. Except as provided in Section 9.2 below, nothing in the Contract Documents shall be construed to give rise to any implied right of indemnity in favor of Contractor against City or any other Indemnitee.

Pursuant to Public Contract Code Section 9201, City shall timely notify Contractor upon receipt of any third-party claim relating to the Contract.

9.2 Survival.

The provisions of Section 9 shall survive the termination of this Construction Contract.

SECTION 10 NON-DISCRIMINATION.

10.1 Municipal Code Requirement.

As set forth in Palo Alto Municipal Code section 2.30.510, Contractor certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person because of the race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person. Contractor acknowledges that it has read and understands the provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and will comply with all requirements of Section 2.30.510 pertaining to nondiscrimination in employment.

SECTION 11 INSURANCE AND BONDS.

11.1 Evidence of coverage.

Within ten (10) business days following issuance of the Notice of Award, Contractor shall provide City with evidence that it has obtained insurance and shall submit Performance and Payment Bonds satisfying all requirements in Article 11 of the General Conditions.

SECTION 12 PROHIBITION AGAINST TRANSFERS.

12.1 Assignment.

City is entering into this Construction Contract in reliance upon the stated experience and qualifications of the Contractor and its Subcontractors set forth in Contractor's Bid. Accordingly, Contractor shall not assign, hypothecate or transfer this Construction Contract or any interest therein directly or indirectly, by operation of law or otherwise without the prior written consent of City. Any assignment, hypothecation or transfer without said consent shall be null and void, and shall be deemed a substantial breach of contract and grounds for default in addition to any other legal or equitable remedy available to the City.

12.2 Assignment by Law.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Contractor or of any general partner or joint venturer or syndicate member of Contractor, if the Contractor is a partnership or joint venture or syndicate or co-tenancy shall result in changing the control of Contractor, shall be construed as an assignment of this Construction Contract. Control means more than fifty percent (50%) of the voting power of the corporation or other entity.

SECTION 13 NOTICES.

13.1 Method of Notice.

All notices, demands, requests or approvals to be given under this Construction Contract shall be given in writing and shall be deemed served on the earlier of the following:

(i) On the date delivered if delivered personally;
(ii) On the third business day after the deposit thereof in the United States mail, postage prepaid, and addressed as hereinafter provided;
(iii) On the date sent if sent by facsimile transmission;
(iv) On the date sent if delivered by electronic mail; or
(v) On the date it is accepted or rejected if sent by certified mail.

13.2 Notice to Recipients.

All notices, demands or requests (including, without limitation, Change Order Requests and Claims) from Contractor to City shall include the Project name and the number of this Construction Contract and shall be addressed to City at:

To City: City of Palo Alto
City Clerk
250 Hamilton Avenue
P.O. Box 10250
Palo Alto, CA 94303

Copy to: ☐ City of Palo Alto
Public Works Administration
250 Hamilton Avenue
Palo Alto, CA 94301
Attn:

AND

[Include Construction Manager, If Applicable.]

☒ City of Palo Alto
Utilities Engineering
250 Hamilton Avenue
Palo Alto, CA 94301
Attn: Jennifer Cioffi

In addition, copies of all Claims by Contractor under this Construction Contract shall be provided to the following:

Palo Alto City Attorney's Office

250 Hamilton Avenue
P.O. Box 10250
Palo Alto, California 94303

All Claims shall be delivered personally or sent by certified mail.

All notices, demands, requests or approvals from City to Contractor shall be addressed to:

Anderson Pacific Engineering Construction, Inc.
1390 Norman Avenue
Santa Clara, CA 95054
Attn: Peter Anderson

13.3 Change of Address.

In advance of any change of address, Contractor shall notify City of the change of address in writing. Each party may, by written notice only, add, delete or replace any individuals to whom and addresses to which notice shall be provided.

SECTION 14 DEFAULT.

14.1 Notice of Default.

In the event that City determines, in its sole discretion, that Contractor has failed or refused to perform any of the obligations set forth in the Contract Documents, or is in breach of any provision of the Contract Documents, City may give written notice of default to Contractor in the manner specified for the giving of notices in the Construction Contract, with a copy to Contractor's performance bond surety.

14.2 Opportunity to Cure Default.

Except for emergencies, Contractor shall cure any default in performance of its obligations under the Contract Documents within two (2) Days (or such shorter time as City may reasonably require) after receipt of written notice. However, if the breach cannot be reasonably cured within such time, Contractor will commence to cure the breach within two (2) Days (or such shorter time as City may reasonably require) and will diligently and continuously prosecute such cure to completion within a reasonable time, which shall in no event be later than ten (10) Days after receipt of such written notice.

SECTION 15 CITY'S RIGHTS AND REMEDIES.

15.1 Remedies Upon Default.

If Contractor fails to cure any default of this Construction Contract within the time period set forth above in Section 14, then City may pursue any remedies available under law or equity, including, without limitation, the following:

15.1.1 Delete Certain Services. City may, without terminating the Construction Contract, delete certain portions of the Work, reserving to itself all rights to Losses related thereto.

15.1.2 Perform and Withhold. City may, without terminating the Construction Contract, engage others to perform the Work or portion of the Work that has not been adequately performed by Contractor and withhold the cost thereof to City from future payments to Contractor, reserving to itself all rights to Losses related thereto.

15.1.3 Suspend The Construction Contract. City may, without terminating the Construction Contract and reserving to itself all rights to Losses related thereto, suspend all or any portion of this Construction Contract for as long a period of time as City determines, in its sole discretion, appropriate, in which event City shall have no obligation to adjust the Contract Sum or Contract Time, and shall have no liability to Contractor for damages if City directs Contractor to resume Work.

15.1.4 Terminate the Construction Contract for Default. City shall have the right to terminate this Construction Contract, in whole or in part, upon the failure of Contractor to promptly cure any default as required by Section 14. City's election to terminate the Construction Contract for default shall be communicated by giving Contractor a written notice of termination in the manner specified for the giving of notices in the Construction Contract. Any notice of termination given to Contractor by City shall be effective immediately, unless otherwise provided therein.

15.1.5 Invoke the Performance Bond. City may, with or without terminating the Construction Contract and reserving to itself all rights to Losses related thereto, exercise its rights under the Performance Bond.

15.1.6 Additional Provisions. All of City's rights and remedies under this Construction Contract are cumulative, and shall be in addition to those rights and remedies available in law or in equity. Designation in the Contract Documents of certain breaches as material shall not waive the City's authority to designate other breaches as material nor limit City's right to terminate the Construction Contract, or prevent the City from terminating the Agreement for breaches that are not material. City's determination of whether there has been noncompliance with the Construction Contract so as to warrant exercise by City of its rights and remedies for default under the Construction Contract, shall be binding on all parties. No termination or action taken by City after such termination shall prejudice any other rights or remedies of City provided by law or equity or by the Contract Documents upon such termination; and City may proceed against Contractor to recover all liquidated damages and Losses suffered by City.

15.2 Delays by Sureties.

Time being of the essence in the performance of the Work, if Contractor's surety fails to arrange for completion of the Work in accordance with the Performance Bond, within seven (7) calendar days from the date of the notice of termination, Contractor's surety shall be deemed to have waived its right to complete the Work under the Contract, and City may immediately make arrangements for the completion of the Work through use of its own forces, by hiring a replacement contractor, or by any other means that City determines advisable under the circumstances. Contractor and its surety shall be jointly and severally

liable for any additional cost incurred by City to complete the Work following termination. In addition, City shall have the right to use any materials, supplies, and equipment belonging to Contractor and located at the Worksite for the purposes of completing the remaining Work.

15.3 Damages to City.

15.3.1 For Contractor's Default. City will be entitled to recovery of all Losses under law or equity in the event of Contractor's default under the Contract Documents.

15.3.2 Compensation for Losses. In the event that City's Losses arise from Contractor's default under the Contract Documents, City shall be entitled to deduct the cost of such Losses from monies otherwise payable to Contractor. If the Losses incurred by City exceed the amount payable, Contractor shall be liable to City for the difference and shall promptly remit same to City.

15.4 Suspension by City

15.4.1 Suspension for Convenience. City may, at any time and from time to time, without cause, order Contractor, in writing, to suspend, delay, or interrupt the Work in whole or in part for such period of time, up to an aggregate of fifty percent (50%) of the Contract Time. The order shall be specifically identified as a Suspension Order by City. Upon receipt of a Suspension Order, Contractor shall, at City's expense, comply with the order and take all reasonable steps to minimize costs allocable to the Work covered by the Suspension Order. During the Suspension or extension of the Suspension, if any, City shall either cancel the Suspension Order or, by Change Order, delete the Work covered by the Suspension Order. If a Suspension Order is canceled or expires, Contractor shall resume and continue with the Work. A Change Order will be issued to cover any adjustments of the Contract Sum or the Contract Time necessarily caused by such suspension. A Suspension Order shall not be the exclusive method for City to stop the Work.

15.4.2 Suspension for Cause. In addition to all other remedies available to City, if Contractor fails to perform or correct work in accordance with the Contract Documents, City may immediately order the Work, or any portion thereof, suspended until the cause for the suspension has been eliminated to City's satisfaction. Contractor shall not be entitled to an increase in Contract Time or Contract Price for a suspension occasioned by Contractor's failure to comply with the Contract Documents. City's right to suspend the Work shall not give rise to a duty to suspend the Work, and City's failure to suspend the Work shall not constitute a defense to Contractor's failure to comply with the requirements of the Contract Documents.

15.5 Termination Without Cause.

City may, at its sole discretion and without cause, terminate this Construction Contract in part or in whole upon written notice to Contractor. Upon receipt of such notice, Contractor shall, at City's expense, comply with the notice and take all reasonable steps to minimize costs to close out and demobilize. The compensation allowed under this Paragraph 15.5 shall be the Contractor's sole and exclusive compensation for such termination and Contractor waives any claim for other compensation or Losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect or incidental damages of any kind resulting from termination without cause. Termination pursuant to this provision does not relieve Contractor or its sureties from any of their obligations for Losses arising from or related to the Work performed by Contractor.

15.5.1 Compensation. Following such termination and within forty-five (45) Days after receipt of a billing from Contractor seeking payment of sums authorized by this Paragraph 15.5.1, City shall pay the following to Contractor as Contractor's sole compensation for performance of the Work :

.1 For Work Performed. The amount of the Contract Sum allocable to the portion of the Work properly performed by Contractor as of the date of termination, less sums previously paid to Contractor.

.2 For Close-out Costs. Reasonable costs of Contractor and its Subcontractors:

(i) Demobilizing and

(ii) Administering the close-out of its participation in the Project (including, without limitation, all billing and accounting functions, not including attorney or expert fees) for a period of no longer than thirty (30) Days after receipt of the notice of termination.

.3 For Fabricated Items. Previously unpaid cost of any items delivered to the Project Site which were fabricated for subsequent incorporation in the Work.

.4 Profit Allowance. An allowance for profit calculated as four percent (4%) of the sum of the above items, provided Contractor can prove a likelihood that it would have made a profit if the Construction Contract had not been terminated.

15.5.2 Subcontractors. Contractor shall include provisions in all of its subcontracts, purchase orders and other contracts permitting termination for convenience by Contractor on terms that are consistent with this Construction Contract and that afford no greater rights of recovery against Contractor than are afforded to Contractor against City under this Section.

15.6 Contractor's Duties Upon Termination.

Upon receipt of a notice of termination for default or for convenience, Contractor shall, unless the notice directs otherwise, do the following:

(i) Immediately discontinue the Work to the extent specified in the notice;

(ii) Place no further orders or subcontracts for materials, equipment, services or facilities, except as may be necessary for completion of such portion of the Work that is not discontinued;

(iii) Provide to City a description in writing, no later than fifteen (15) days after receipt of the notice of termination, of all subcontracts, purchase orders and contracts that are outstanding, including, without limitation, the terms of the original price, any changes, payments, balance owing, the status of the portion of the Work covered and a copy of the subcontract, purchase order or contract and any written changes, amendments or modifications thereto, together with such other information as City may determine necessary in order to decide whether to accept assignment of or request Contractor to terminate the subcontract, purchase order or contract;

(iv) Promptly assign to City those subcontracts, purchase orders or contracts, or portions thereof, that City elects to accept by assignment and cancel, on the most favorable terms reasonably possible, all subcontracts, purchase orders or contracts, or portions thereof, that City does not elect to accept by assignment; and

(v) Thereafter do only such Work as may be necessary to preserve and protect Work already in progress and to protect materials, plants, and equipment on the Project Site or in transit thereto.

Upon termination, whether for cause or for convenience, the provisions of the Contract Documents remain in effect as to any Claim, indemnity obligation, warranties, guarantees,

submittals of as-built drawings, instructions, or manuals, or other such rights and obligations arising prior to the termination date.

SECTION 16 CONTRACTOR'S RIGHTS AND REMEDIES.

16.1 Contractor's Remedies.

Contractor may terminate this Construction Contract only upon the occurrence of one of the following:

16.1.1 For Work Stoppage. The Work is stopped for sixty (60) consecutive Days, through no act or fault of Contractor, any Subcontractor, or any employee or agent of Contractor or any Subcontractor, due to issuance of an order of a court or other public authority other than City having jurisdiction or due to an act of government, such as a declaration of a national emergency making material unavailable. This provision shall not apply to any work stoppage resulting from the City's issuance of a suspension notice issued either for cause or for convenience.

16.1.2 For City's Non-Payment. If City does not make pay Contractor undisputed sums within ninety (90) Days after receipt of notice from Contractor, Contractor may terminate the Construction Contract (30) days following a second notice to City of Contractor's intention to terminate the Construction Contract.

16.2 Damages to Contractor.

In the event of termination for cause by Contractor, City shall pay Contractor the sums provided for in Paragraph 15.5.1 above. Contractor agrees to accept such sums as its sole and exclusive compensation and agrees to waive any claim for other compensation or Losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect and incidental damages, of any kind.

SECTION 17 ACCOUNTING RECORDS.

17.1 Financial Management and City Access.

Contractor shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this Construction Contract in accordance with generally accepted accounting principles and practices. City and City's accountants during normal business hours, may inspect, audit and copy Contractor's records, books, estimates, take-offs, cost reports, ledgers, schedules, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to this Project. Contractor shall retain these documents for a period of three (3) years after the later of (i) Final Payment or (ii) final resolution of all Contract Disputes and other disputes, or (iii) for such longer period as may be required by law.

17.2 Compliance with City Requests.

Contractor's compliance with any request by City pursuant to this Section 17 shall be a condition precedent to filing or maintenance of any legal action or proceeding by Contractor against City and to Contractor's right to receive further payments under the Contract Documents. City many enforce Contractor's obligation to provide access to City of its business and other records referred to in Section 17.1 for inspection or copying by issuance of a writ or a provisional or permanent mandatory injunction by a court of competent jurisdiction based on affidavits submitted to such court, without the necessity of oral testimony.

SECTION 18 INDEPENDENT PARTIES.

18.1 **Status of parties.**

Each party is acting in its independent capacity and not as agents, employees, partners, or joint ventures' of the other party. City, its officers or employees shall have no control over the conduct of Contractor or its respective agents, employees, subconsultants, or subcontractors, except as herein set forth.

SECTION 19 NUISANCE.

19.1 **Nuisance Prohibited.**

Contractor shall not maintain, commit, nor permit the maintenance or commission of any nuisance in connection in the performance of services under this Construction Contract.

SECTION 20 PERMITS AND LICENSES.

20.1 **Payment of Fees.**

Except as otherwise provided in the Special Provisions and Technical Specifications, The Contractor shall provide, procure and pay for all licenses, permits, and fees, required by the City or other government jurisdictions or agencies necessary to carry out and complete the Work. Payment of all costs and expenses for such licenses, permits, and fees shall be included in one or more Bid items. No other compensation shall be paid to the Contractor for these items or for delays caused by non-City inspectors or conditions set forth in the licenses or permits issued by other agencies.

SECTION 21 WAIVER.

21.1 **Waiver.**

A waiver by either party of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

SECTION 22 **GOVERNING LAW AND VENUE; COMPLIANCE WITH LAWS.**

22.1 **Governing Law.**

This Construction Contract shall be construed in accordance with and governed by the laws of the State of California, and venue shall be in a court of competent jurisdiction in the County of Santa Clara, and no other place.

22.2 **Compliance with Laws.**

Contractor shall comply with all applicable federal and California laws and city laws, including, without limitation, ordinances and resolutions, in the performance of work under this Construction Contract.

SECTION 23 **COMPLETE AGREEMENT.**

23.1 **Integration.**

This Agreement represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, and contracts, either written or oral. This Agreement may be amended only by a written instrument, which is signed by the parties.

SECTION 24 **SURVIVAL OF CONTRACT.**

24.1 **Survival of Provisions.**

The provisions of the Construction Contract which by their nature survive termination of the Construction Contract or Final Completion, including, without limitation, all warranties, indemnities, payment obligations, and City's right to audit Contractor's books and records, shall remain in full force and effect after Final Completion or any termination of the Construction Contract.

SECTION 25 **PREVAILING WAGES.**

☐ This Project is not subject to prevailing wages. Contractor is not required to pay prevailing wages in the performance and implementation of the Project in accordance with SB 7, if the public works contract does not include a project of $25,000 or less, when the project is for construction work, or the contract does not include a project of $15,000 or less, when the project is for alteration, demolition, repair, or maintenance (collectively, 'improvement') work.

Or

☒ Contractor is required to pay general prevailing wages as defined in Subchapter 3, Title 8 of the California Code of Regulations and Section 16000 et seq. and Section 1773.1 of the California Labor Code. Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the City Council has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of worker needed to execute the contract for this Project from the Director of the Department of Industrial Relations ("DIR"). Copies of these rates may be obtained at the Purchasing Division's office of the City of Palo Alto. Contractor shall provide a copy of prevailing wage rates to any staff or subcontractor hired, and shall pay the adopted prevailing wage rates as a minimum. Contractor shall comply with the provisions of all sections, including, but not limited to, Sections 1775, 1776, 1777.5, 1782, 1810, and 1813, of the Labor Code pertaining to prevailing wages.

SECTION 26 **NON-APPROPRIATION.**

26.1 **Appropriations.**

This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that the City does not appropriate funds for the following fiscal year for this event, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Construction Contract are no longer available. This section shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement.

SECTION 27 **AUTHORITY.**

27.1 **Representation of Parties.**

The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

SECTION 28 **COUNTERPARTS**

28.1 **Multiple Counterparts.**

This Agreement may be signed in multiple counterparts, which shall, when executed by all the parties, constitute a single binding agreement.

SECTION 29 **SEVERABILITY.**

29.1 **Severability.**

In case a provision of this Construction Contract is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.

SECTION 30 **STATUTORY AND REGULATORY REFERENCES.**

30.1 **Amendments to Laws.**

With respect to any amendments to any statutes or regulations referenced in these Contract Documents, the reference is deemed to be the version in effect on the date that the Contract was awarded by City, unless otherwise required by law.

SECTION 31 **WORKERS' COMPENSATION CERTIFICATION.**

31.1 **Workers Compensation.**

Pursuant to Labor Code Section 1861, by signing this Contract, Contractor certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work on this Contract."

SECTION 32 DIR REGISTRATION AND OTHER SB 854 REQUIREMENTS.

32.1 General Notice to Contractor.

City requires Contractor and its listed subcontractors to comply with the requirements of SB 854.

32.2 Labor Code section 1771.1(a)

City provides notice to Contractor of the requirements of California Labor Code section 1771.1(a), which reads:

"A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or Section 10164 or 20103.5 of the Public Contract Code, provided the contactor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded."

32.3 DIR Registration Required.

City will not accept a bid proposal from or enter into this Construction Contract with Contractor without proof that Contractor and its listed subcontractors are registered with the California Department of Industrial Relations ("DIR") to perform public work, subject to limited exceptions.

32.4 Posting of Job Site Notices.

City gives notice to Contractor and its listed subcontractors that Contractor is required to post all job site notices prescribed by law or regulation and Contractor is subject to SB 854-compliance monitoring and enforcement by DIR.

32.5 Payroll Records.

City requires Contractor and its listed subcontractors to comply with the requirements of Labor Code section 1776, including:

(i) Keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by, respectively, Contractor and its listed subcontractors, in connection with the Project.

(ii) The payroll records shall be verified as true and correct and shall be certified and made available for inspection at all reasonable hours at the principal office of Contractor and its listed subcontractors, respectively.

(iii) At the request of City, acting by its project manager, Contractor and its listed subcontractors shall make the certified payroll records available for inspection or furnished upon request to the project manager within ten (10) days of receipt of City's request. City requests Contractor and its listed subcontractors to submit the certified payroll records at the end of each week during the Project.

(iv) If the certified payroll records are not produced to the project manager within the 10-day period, then Contractor and its listed subcontractors shall be subject to a penalty of one hundred dollars ($100.00) per calendar day, or portion thereof, for each worker, and City shall withhold the sum total of penalties from the progress payment(s) then due and payable to Contractor. This provision supplements the provisions of Section 15 hereof.

(v) Inform the project manager of the location of contractor's and its listed subcontractors' payroll records (street address, city and county) at the commencement of the Project, and also provide notice to the project manager within five (5) business days of any change of location of those payroll records.

IN WITNESS WHEREOF, the parties have caused this Construction Contract to be executed the date and year first above written.

CITY OF PALO ALTO

_____
City Manager

APPROVED AS TO FORM:

_____
Senior Asst. City Attorney

ANDERSON PACIFIC ENGINEERING CONSTRUCTION, INC.

By:_____

Name:_____

Title:_____

Date: _____

ATTACHMENT B

Ordinance No. XXXX

ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO AMENDING THE BUDGET FOR FISCAL YEAR 2015 TO INCREASE THE WATER REGULATION SYSTEM IMPROVEMENTS PROJECT (WS-0700) BY $786,375, OFFSET BY REDUCTIONS TO THE SEISMIC WATER SYSTEM UPGRADES PROJECT (WS-09000) IN THE AMOUNT OF $393,188 AND THE WATER RESERVOIR COATING IMPROVEMENTS (WS-08001) IN THE AMOUNT OF $393,187, WITH NO IMPACT TO RESERVE LEVELS IN THE WATER FUND

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. The Council of the City of Palo Alto finds and determines as follows:

A. Pursuant to the provisions of Section 12 of Article III of the Charter of the City of Palo Alto, the Council on June 16, 2014 did adopt a budget for Fiscal Year 2015; and

B. The City of Palo Alto (City) maintains a water system consisting of nine pressure zones, five receiving stations, or turnouts, from the San Francisco Public Utility Commission's (SFPUC) Hetch Hetchy aqueduct system, seven reservoirs, seven booster pumping stations, eight wells and approximately 234 miles of water transmission and distribution mains; and

C. The California Department of Public Health recommends that water systems have the ability to supply an 8 hour maximum day demand plus have a sufficient supply of water to fight fires during periods of supply curtailment; and

D. An Environmental Impact Report (EIR) titled "City of Palo Alto Emergency Water Supply and Storage Project" was prepared and approved by Council on March 5, 2007 (CMR 161:07). The project description in the EIR proposed implementing capital improvements which would allow the City to provide water in the event of an emergency; and

E. The seismic upgrade of the Corte Madera, Park, Dahl and Montebello Reservoirs and Page Mill, Arastradero and California Turnouts is one of the recommended capital improvements projects that will provide stored water supply during an emergency, in the event the Hetch Hetchy regional water supply system cannot deliver water to Palo Alto; and

F. The construction contract recommended for award will allow for seismic upgrades to the Corte Madera, Park, Dahl and Montebello Reservoirs, all of which are above ground steel tanks, and the Page Mill, Arastradero and California Turnouts to ensure reliability during a seismic event or other emergency.

SECTION 2. Therefore, Seven Hundred and Eighty Six Thousand, Three Hundred and Seventy Five Dollars ($786,375) is recommended to be appropriated in the Water Fund in the Water Regulation System Improvements project (WS-07000), offset by reductions to

the Seismic Water System Upgrades (WS-09000) project in the amount of Three Hundred Ninety Three Thousand, One Hundred and Eighty Seven dollars ($393,187) and the Water Reservoir Coating Improvements project (WS-08001), in the amount of Three Hundred and Ninety Three Thousand, One Hundred and Eighty Eight Dollars ($391,188), with no impact to reserve levels in the Water Fund.

SECTION 3. As provided in Section 2.04.330 of the Palo Alto Municipal Code, this ordinance shall become effective upon adoption.

SECTION 4. The Council of the City of Palo Alto hereby finds that its adoption of this ordinance amending the budget for this project does not meet the definition of a project under the California Environmental Quality Act and, therefore, no environmental impact assessment is necessary.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

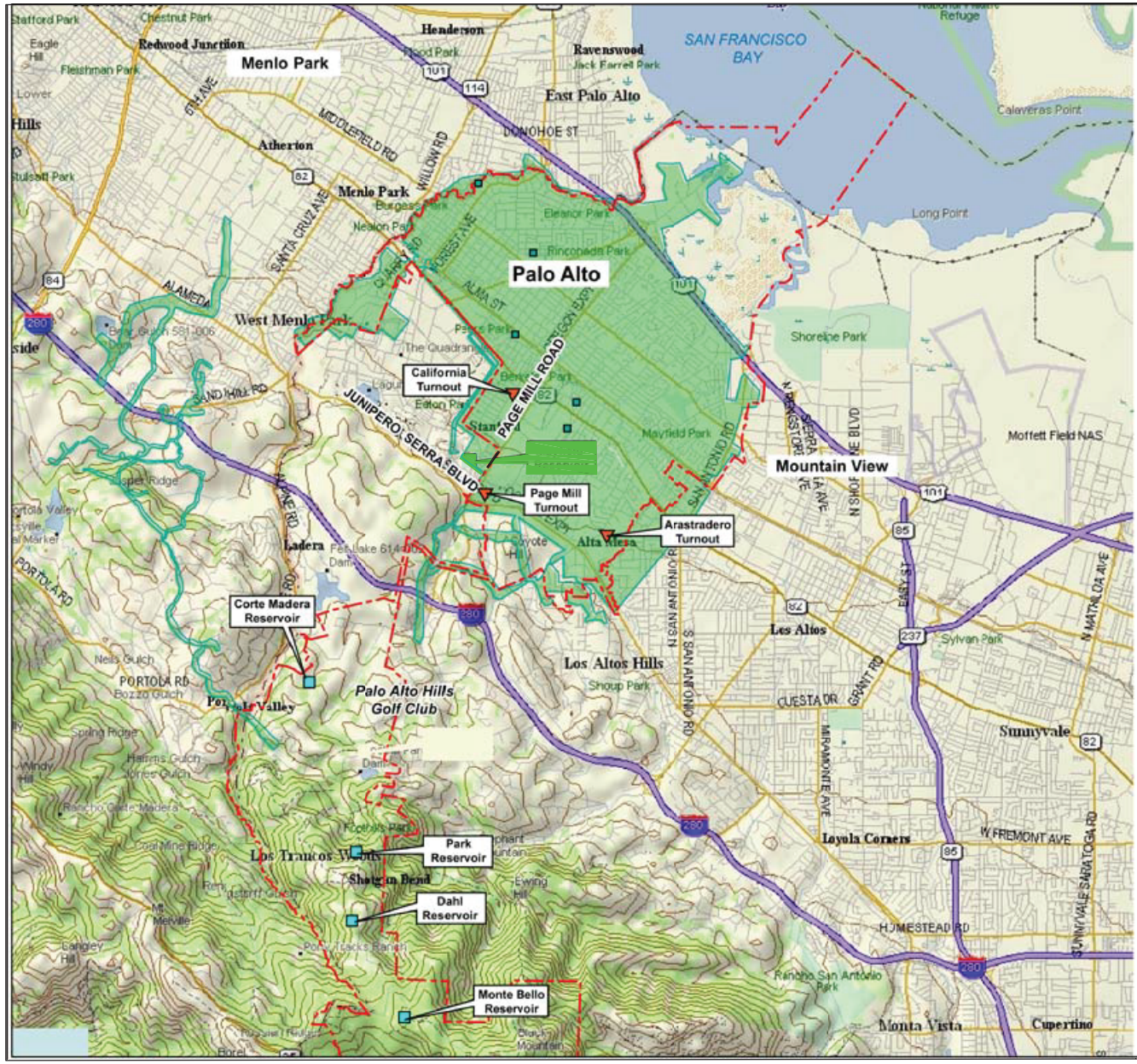
ABSTENTIONS:

NOT PARTICIPATING:

ATTEST:

_____	_____
City Clerk	Mayor
APPROVED AS TO FORM:	APPROVED:
_____	_____
Senior Assistant City Attorney	City Manager
	_____
	Director of Administrative Services
	_____
	Director of Utilities Department

ATTACHMENT C



LEGEND

- City Boundary for City of Palo Alto
- City of Palo Alto Service Area
- Turnout
- Reservoir

N

0 1 2

Scale in Miles

PROJECT LOCATION MAP

City of Palo Alto
Seismic Upgrade of 4 Steel Reservoirs and 3 Turnouts
May 2015 Palo Alto, California

URS

EXHIBIT A

CITY OF PALO ALTO
BID SUMMARY
SEISMIC UPGRADE OF 4 STEEL TANKS AND 3 TURNOUTS, WS-07000-501, WS-08001-501 AND WS-09000-501

Attachment D
Bid Date: 04/28/15

BID SUMMARY			Engineer's Estimate	Anderson Pacific Engineering Construction, Inc.	Western Water Constructors, Inc.	Con-Quest Contractors, Inc.	Blastco Inc.	RSH Construction, Inc.	Utility Service Company, Inc.
Item No.	Quantity	Description	Unit Price ($)	Unit Price ($)	Unit Price ($)	Unit Price ($)	Unit Price ($)	Unit Price ($)	Unit Price ($)
A: BASE BID									
Monte Bello Reservoir									
001	1	Mobilization/Demobilization	$124,040.00	$85,000.00	$167,000.00	$180,000.00	$133,725.00	$252,400.00	$50,500.00
002	1	Demolition and sitework	$62,600.00	$45,000.00	$84,000.00	$60,000.00	$26,712.00	$37,440.00	$44,100.00
003	1	Site restoration including tank disinfection and asphalt paving	$32,200.00	$15,000.00	$50,000.00	$75,000.00	$15,900.00	$6,550.00	$8,000.00
004	1	Concrete ring foundation	$48,300.00	$80,000.00	$113,000.00	$250,000.00	$97,308.00	$104,132.00	$119,400.00
005	1	Rock anchor design and installation	$72,000.00	$70,000.00	$85,000.00	$125,000.00	$56,790.00	$78,613.00	$136,900.00
006	1	Steel, including tank hold-downs, columns and column connections, and roof joist connections	$176,440.00	$95,000.00	$200,000.00	$125,000.00	$285,988.00	$301,300.00	$129,700.00
007	1	Steel wall plate for exterior of tank	$106,760.00	$117,000.00	$178,000.00	$150,000.00	$114,497.00	$268,550.00	$114,400.00
008	1	New ladder, vents, cable lifeline system and roof hatch	$30,500.00	$53,000.00	$76,000.00	$50,000.00	$66,395.00	$31,440.00	$74,600.00
009	1	Valve vault; seismic bracing, anchorage, supports and isolation butterfly valve	$30,000.00	$50,000.00	$45,000.00	$35,000.00	$64,554.00	$64,452.00	$75,800.00
010	1	Valve vault; recoating with lead paint removal, opening vault wall pipe penetrations and sealing the openings	$63,000.00	$60,000.00	$43,000.00	$50,000.00	$54,668.00	$13,100.00	$29,500.00
011	1	Cathodic protection system upgrades	$10,000.00	$10,000.00	$8,000.00	$12,000.00	$12,425.00	$11,790.00	$9,100.00
012	1	Tank recoating with lead paint removal including coal tar removal for column supports	$608,600.00	$345,000.00	$467,000.00	$542,000.00	$383,350.00	$570,993.00	$786,700.00
013	1	Allowance for pitting repair on metal pipe or reservoir surfaces prior to coating	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00
Dahl Reservoir									
014	1	Mobilization/Demobilization	$96,324.00	$85,000.00	$146,000.00	$180,000.00	$111,184.00	$34,300.00	$50,500.00
015	1	Demolition and sitework	$59,974.00	$35,000.00	$66,000.00	$60,000.00	$16,748.00	$30,955.00	$44,100.00
016	1	Site restoration including tank disinfection and asphalt paving	$28,800.00	$15,000.00	$47,000.00	$75,000.00	$15,900.00	$6,550.00	$8,000.00
017	1	Concrete ring foundation	$28,980.00	$55,000.00	$76,000.00	$250,000.00	$79,602.00	$89,886.00	$95,400.00
018	1	Steel, including tank hold-downs, columns and column connections, and roof joist connections	$138,900.00	$100,000.00	$137,000.00	$94,000.00	$246,132.00	$216,150.00	$127,900.00
019	1	Steel wall plate for exterior of tank	$93,390.00	$135,000.00	$158,000.00	$105,000.00	$95,642.00	$242,350.00	$94,200.00
020	1	New ladder, vents, cable lifeline system and roof hatch	$30,500.00	$40,000.00	$79,000.00	$37,000.00	$69,045.00	$31,440.00	$65,000.00
021	1	Valve vault; seismic bracing, anchorage, supports and isolation butterfly valve	$30,000.00	$50,000.00	$45,000.00	$33,000.00	$63,070.00	$68,068.00	$65,700.00
022	1	Valve vault; recoating with lead paint removal, opening vault wall pipe penetrations and sealing the openings	$63,000.00	$52,000.00	$43,000.00	$59,000.00	$53,441.00	$13,100.00	$29,500.00
023	1	Cathodic protection system upgrades	$10,000.00	$10,000.00	$8,000.00	$8,000.00	$13,761.00	$11,790.00	$9,100.00
024	1	Tank recoating with lead paint removal including coal tar removal for column supports	$479,700.00	$290,000.00	$420,000.00	$275,000.00	$326,131.00	$457,233.00	$656,000.00
025	1	Allowance for pitting repair on metal pipe or reservoir surfaces prior to coating	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00
Park Reservoir									
026	1	Mobilization/Demobilization	$99,306.00	$85,000.00	$146,000.00	$180,000.00	$109,543.00	$34,300.00	$60,000.00
027	1	Demolition and sitework	$60,272.00	$40,000.00	$62,000.00	$60,000.00	$16,642.00	$24,340.00	$44,100.00
028	1	Site restoration including tank disinfection and asphalt paving	$26,400.00	$15,000.00	$46,000.00	$75,000.00	$15,900.00	$6,550.00	$8,000.00
029	1	Concrete ring foundation	$38,640.00	$75,000.00	$91,000.00	$250,000.00	$85,224.00	$90,737.00	$97,600.00
030	1	Rock anchor design and installation	$72,000.00	$65,000.00	$85,000.00	$125,000.00	$56,790.00	$79,294.00	$182,700.00
031	1	Steel, including tank hold-downs, columns and column connections, and roof joist connections	$151,600.00	$135,000.00	$140,000.00	$124,000.00	$233,564.00	$189,950.00	$127,100.00
032	1	Steel wall plate for exterior of tank	$87,850.00	$135,000.00	$154,000.00	$105,000.00	$131,525.00	$209,600.00	$92,500.00
033	1	New ladder, vents, cable lifeline system and roof hatch	$30,500.00	$55,000.00	$86,000.00	$51,000.00	$67,207.00	$31,440.00	$61,500.00
034	1	Valve vault; seismic bracing, anchorage, supports and isolation butterfly valve	$30,000.00	$50,000.00	$45,000.00	$32,000.00	$62,858.00	$68,068.00	$65,700.00
035	1	Valve vault; recoating with lead paint removal, opening vault wall pipe penetrations and sealing the openings	$63,000.00	$52,000.00	$43,000.00	$59,000.00	$54,128.00	$13,100.00	$25,500.00
036	1	Cathodic protection system upgrades	$10,000.00	$10,000.00	$8,000.00	$8,000.00	$14,006.00	$11,790.00	$9,100.00
037	1	Tank recoating with lead paint removal including coal tar removal for column supports	$422,800.00	$300,000.00	$389,000.00	$275,000.00	$310,537.00	$385,385.00	$647,500.00
038	1	Allowance for pitting repair on metal pipe or reservoir surfaces prior to coating	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00
Corte Madera Reservoir									
039	1	Mobilization/Demobilization	$114,004.00	$85,000.00	$146,000.00	$180,000.00	$110,591.00	$39,300.00	$50,500.00
040	1	Demolition and sitework	$77,498.00	$50,000.00	$73,000.00	$60,000.00	$16,960.00	$17,790.00	$44,100.00
041	1	Site restoration including tank disinfection and asphalt paving	$29,400.00	$15,000.00	$48,000.00	$75,000.00	$19,080.00	$6,550.00	$8,000.00
042	1	Concrete ring foundation	$57,960.00	$90,000.00	$123,000.00	$250,000.00	$120,946.00	$114,966.00	$131,600.00
043	1	Rock anchor design and installation	$79,200.00	$100,000.00	$124,000.00	$125,000.00	$82,548.00	$122,852.00	$261,500.00
044	1	Steel, including tank hold-downs, columns and column connections, and roof joist connections	$84,100.00	$55,000.00	$57,000.00	$49,000.00	$101,336.00	$153,270.00	$132,600.00
045	1	Steel wall plate for exterior of tank	$170,680.00	$200,000.00	$235,000.00	$163,000.00	$144,919.00	$281,650.00	$128,200.00
046	1	New ladder, vents, cable lifeline system and roof hatch	$35,500.00	$55,000.00	$116,000.00	$51,000.00	$77,013.00	$31,440.00	$85,800.00
047	1	Valve vault; seismic bracing, anchorage and supports	$36,000.00	$10,000.00	$20,000.00	$8,000.00	$14,946.00	$26,659.00	$8,000.00
048	1	Valve vault; recoating with lead paint removal	$5,000.00	$40,000.00	$25,000.00	$38,000.00	$21,021.00	$10,480.00	$10,700.00
049	1	Cathodic protection system upgrades	$10,000.00	$10,000.00	$8,000.00	$8,000.00	$13,034.00	$11,790.00	$8,800.00
050	1	Tank recoating with lead paint removal including coal tar removal for column supports	$554,700.00	$365,000.00	$510,000.00	$340,000.00	$362,433.00	$502,737.00	$784,400.00
051	1	Allowance for pitting repair on metal pipe or reservoir surfaces prior to coating	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00
Arastradero Turnout									
052	1	Mobilization/Demobilization	$8,500.00	$65,000.00	$50,000.00	$10,000.00	$14,759.00	$6,550.00	$10,300.00
053	1	Electrical upgrades	$35,000.00	$24,000.00	$34,000.00	$30,000.00	$29,500.00	$15,720.00	$52,800.00
054	1	Mechanical upgrades including pipe hangers and supports	$9,000.00	$13,000.00	$14,000.00	$7,000.00	$19,000.00	$14,135.00	$13,300.00
055	1	Pipe recoating with lead paint removal	$5,000.00	$36,000.00	$25,000.00	$33,000.00	$44,320.00	$23,253.00	$29,400.00
056	1	Opening vault wall pipe penetrations, sealing the openings, site restoration	$32,000.00	$27,000.00	$20,000.00	$14,000.00	$24,500.00	$29,383.00	$4,700.00
057	1	Traffic Control	$4,000.00	$500.00	$7,000.00	$4,000.00	$18,000.00	$17,161.00	$8,000.00
Page Mill Turnout									
058	1	Mobilization/Demobilization	$12,600.00	$65,000.00	$50,000.00	$16,000.00	$22,627.00	$6,550.00	$10,300.00
059	1	Electrical upgrades	$37,000.00	$25,000.00	$34,000.00	$40,000.00	$30,000.00	$15,720.00	$53,500.00
060	1	Mechanical upgrades including pipe, pipe hangers and supports plus relocation of sump discharge line	$33,500.00	$42,000.00	$54,000.00	$36,000.00	$25,400.00	$28,034.00	$81,300.00
061	1	Pipe recoating with lead paint removal	$7,500.00	$45,000.00	$29,000.00	$33,000.00	$61,100.00	$11,790.00	$46,800.00
062	1	Opening vault wall pipe penetrations, sealing the openings, site restoration	$44,000.00	$38,000.00	$25,000.00	$24,000.00	$29,100.00	$36,484.00	$5,100.00
063	1	Traffic Control	$4,000.00	$7,000.00	$7,000.00	$4,000.00	$17,000.00	$20,043.00	$8,000.00
California Turnout									
064	1	Mobilization/Demobilization	$12,600.00	$65,000.00	$50,000.00	$14,000.00	$29,937.00	$6,550.00	$6,800.00
065	1	Electrical upgrades	$37,000.00	$27,000.00	$34,000.00	$40,000.00	$30,000.00	$15,720.00	$53,500.00
066	1	Concrete curb and steel curb railing	$10,000.00	$12,000.00	$15,000.00	$11,000.00	$20,900.00	$11,659.00	$49,200.00
067	1	Mechanical upgrades include pipe hangers and supports	$33,500.00	$33,000.00	$60,000.00	$23,000.00	$20,000.00	$21,877.00	$28,500.00
068	1	Pipe recoating with lead paint removal	$7,500.00	$36,000.00	$32,000.00	$24,000.00	$61,600.00	$6,550.00	$46,800.00
069	1	Opening vault wall pipe penetrations, sealing the openings, sump pump sewer connection and site restoratior	$44,000.00	$42,000.00	$22,000.00	$22,000.00	$27,100.00	$35,625.00	$4,700.00
070	1	Traffic Control	$4,000.00	$6,000.00	$7,000.00	$10,000.00	$16,500.00	$16,768.00	$8,000.00
Total of Base Bid (items 001 through 070 only, with all applicable taxes included)			**$5,161,118.00**	**$4,602,500.00**	**$6,100,000.00**	**$5,926,000.00**	**$5,197,062.00**	**$5,756,192.00**	**$6,430,600.00**
B: BID ALTERNATES									
071	2,430	Additional reservoir floor coal tar removal	$36,450.00	$48,600.00	$25,515.00	$43,740.00	$24,300.00	$48,600.00	$12,100.00
072	100	Transport and disposal of additional reservoir floor coal tar	$9,500.00	$28,000.00	$22,000.00	$27,500.00	$30,000.00	$32,700.00	$30,000.00
Total of Bid Alternate (items 071 through 072 only, with all applicable taxes include			**$45,950.00**	**$76,600.00**	**$47,515.00**	**$71,240.00**	**$54,300.00**	**$81,300.00**	**$42,100.00**
Total Bid (items 001 through 072 only, with all applicable taxes included)			**$5,207,068.00**	**$4,679,100.00**	**$6,147,515.00**	**$5,997,240.00**	**$5,251,362.00**	**$5,837,492.00**	**$6,472,700.00**

ATTACHMENT E

IFB CONSTRUCTION CONTRACT AGREEMENT JUSTIFICATION

PROJECT SUMMARY

This project supports the ongoing efforts to improve the City's water distribution system to be able to supply water during emergency periods when the traditional supply is not available. The Dahl, Park and Montebello Reservoirs were constructed in 1964. The Corte Madera Reservoir was constructed in 1969. The California seismic standards for construction of steel water tanks have changed drastically over the past 50 years. Due to this, and the age of the reservoirs, staff has recommended that these reservoirs be retrofitted to ensure the City will be able to provide stored water supply during an emergency. The Page Mill, Arastradero and California Turnouts were constructed in 1959. All three facilities are located in underground vaults where water is received from the San Francisco Public Utilities Commission (SFPUC) Bay Division Pipelines. Some equipment/piping has been replaced, as needed, over the years. However, just as with seismic standards for steel water tanks, the seismic standards for piping located above ground have changed drastically over the years. Due to this, and the age of each turnout, staff has recommended that these turnouts be seismically upgraded to ensure the City will be able to receive water from SFPUC during an emergency.

WHAT TYPE OF SERVICE IS TO BE PROVIDED?

This construction contract will provide construction services to seismically upgrade the Corte Madera (1.5 MG above ground steel tank), Dahl (1 MG above ground steel tank), Park (1 MG above ground steel tank) and Montebello (1.5 MG above ground steel tank) Reservoirs and Page Mill, Arastradero and California Turnouts to ensure reliability during a seismic event. Work at the Reservoir sites includes removal of all existing interior and exterior paint/coatings and application of new interior and exterior coating systems. Tank seismic improvements include the installation of new concrete ring footings, rock anchors, anchor bolts, column and wall stiffener plates for seismic reliability, seismic bracing for pipes, anchorage for each reservoir roof and miscellaneous appurtenances. Additional improvements include replacement of existing access safety systems and rehabilitation of the cathodic protection system. Work at the Turnout sites includes installation of seismic restraints, base isolation and pipe supports, recoating and/or replacement of existing pipe and electrical upgrades.

WAS THE USE OF A CONTRACTOR PLANNED AND WHY?

Due to the extent and nature of this work, a specialty tank contractor is needed for construction. Therefore, the level of expertise needed for construction of the project prevented City staff from being able to perform this work themselves.

DESCRIBE THE SELECTION PROCESS USED

Per current City policy, an Invitation for Bid (IFB) was issued by the Purchasing Department for this project on April 8, 2015. The bid period was 27 days with a Bid Opening date of April 28, 2015. Six (6) total bids were received, with Anderson Pacific Engineering Construction Inc. being the lowest responsible bidder with a bid of $4,679,100.

ATTACHMENT E

IS THE CONTRACTOR A SMALL OR LOCAL BUSINESS
Anderson Pacific Engineering Construction is both a small and local business. Their equipment yard and main office is located in Santa Clara, California.
WHAT PROJECTS HAS CONTRACTOR BEEN AWARDED IN THE PAST 10 YEARS?
Anderson Pacific Engineering Construction, Inc. has been awarded multiple contracts for similar work in both Palo Alto and other agencies around the state of California over the past ten years. This includes the seismic retrofit work with the City of Daly City, City of Brisbane and City of Redwood City. In addition, the City recently contracted with Anderson Pacific Engineering Construction, Inc. for the Seismic Upgrade of Mayfield Reservoir project that was completed in 2012.
DESCRIBE CONTRACTOR'S PAST PERFORMANCE
The City has previously worked with Anderson Pacific Engineering Construction, Inc. on other utility type projects and has been pleased with their quality of work. Most recently, Anderson Pacific Engineering Construction, Inc. successfully completed seismic upgrade work at the Mayfield Reservoir (ID #2212).
WHAT IS THE TERM OF THE AGREEMENT AND HOW WERE COSTS DETERMINED?
Anderson Pacific Engineering Construction, Inc. will have 790 calendar days to complete construction. The Utilities Department is expecting to issue a Notice to Proceed in July 2015 with a completion date of December 2017. Costs were determined through the IFB process as discussed above.
WHAT AMENDMENTS TO THE AGREEMENT MAY BE NEEDED, IF ANY?
There should be no amendments to the agreement.
ADDITIONAL INFORMATION
None.