

**THIS PRINT COVERS CALENDAR ITEM NO.: 10.6**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Capital Programs and Construction

**BRIEF DESCRIPTION:**

Awarding SFMTA Contract No. 1318, Woods Facility Rehabilitation Project – Bus Wash Systems Replacement, to Air & Lube Systems, Inc., to replace the existing bus wash system and water reclamation system at the Woods Bus Yard in the amount of \$4,856,227, and for a term of 270 days to substantial completion.



**SUMMARY:**

- On June 1, 2021, the Director of Transportation notified the SFMTA Board of Directors that he had authorized a bid call for SFMTA Contract No. 1318, Woods Facility Rehabilitation – Bus Wash Systems Replacement Project (Project).
- The Project will replace the bus wash system and its water reclamation system to accommodate and wash 40-foot and 60-foot-long hybrid and low-floor battery electric buses.
- On July 22, 2021, the SFMTA received and publicly opened three bids for Contract No. 1318. Air & Lube Systems, Inc., was the responsible bidder that submitted the lowest responsive bid.
- The proposed action is the Approval Action as defined by S. F. Administrative Code Chapter 31.

**ENCLOSURES:**

1. SFMTAB Resolution
2. Project Budget & Financial Plan

**APPROVALS:**

	<b>DATE</b>
DIRECTOR 	<u>September 29, 2021</u>
SECRETARY 	<u>September 29, 2021</u>

**ASSIGNED SFMTAB CALENDAR DATE:** October 5, 2021

## **PAGE 2.**

### **PURPOSE**

The purpose of this calendar item is to award SFMTA Contract No. 1318, Woods Facility Rehabilitation Project – Bus Wash Systems Replacement, to Air & Lube Systems, Inc., to replace the existing bus wash system and water reclamation system at the Woods Bus Yard in the amount of \$4,856,227, and for a term of 270 days to substantial completion.

### **STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES**

The Work to be performed under Contract No. 1318 supports the following goal and objective in the SFMTA's Strategic Plan and Transit First Policy Principles:

Goal 4: Create a workplace that delivers outstanding service.

Objective 4.5: Increase the efficiency and effectiveness of business processes and project delivery through the implementation of best practices.

This item supports the following Transit First Policy Principles:

1. Investing in the SFMTA workforce is a critical element to the overall achievement of the agency's goals and objectives. When staff have the resources and tools to succeed, they can become more efficient, effective, and prepared to deliver services in support of all agency goals and objectives.

### **DESCRIPTION**

The existing drive-through bus wash system at Woods Bus Yard located at 1001 22<sup>nd</sup> Street in the Dogpatch neighborhood consists of two bus washers and a water reclamation system, which converts the wastewater from the wash building into water that can be reused for bus washing. This system was designed to wash only the 40-foot-long diesel buses and is near the end of its 20-year lifespan.

Under this contract, the bus wash system and its water reclamation system will be upgraded to accommodate and wash all 40-foot and 60-foot-long hybrid and low-floor battery electric buses more efficiently and effectively.

Specifically, the work under this contract includes:

1. Perform selective demolition for the installation of work to be performed.
2. Perform utility work in the private right-of-way.
3. Excavate and dispose of site soils.

**PAGE 3.**

4. Handle storm water controls, environmental mitigation controls, and environmental management of excavated materials and imported backfill.
5. Demolish and dispose of all materials and other items required to be removed for the work to be performed and not specified to be salvaged.
6. Replace existing bus wash system and existing water reclamation system.
7. Perform mechanical, plumbing, electrical, civil, structural, and architectural work to install the equipment.
8. Coordinate and schedule special inspections and testing with governing agencies, such as the San Francisco Department of Building Inspection.
9. Coordinate and schedule work with Muni Operations and Maintenance, and with other projects working on the site or in the immediate area.
10. Perform a comprehensive program for testing, training, and start-up of systems and components installed in the work of this Contract, including preparing operations and maintenance manuals, providing training for City’s operating and maintenance personnel, and completing start-up procedures and requirements as detailed in the Specifications.
11. Provide as-builts and all closeout documentation.

**BIDS RECEIVED**

On June 1, 2021, the Director of Transportation notified the SFMTA Board of Directors that he had authorized a bid call for SFMTA Contract No. 1318 in accordance with Board Resolution No. 191203-153, which delegated, among other things, the authority to issue bid calls to the Director of Transportation.

On July 22, 2021, the SFMTA received and opened the following three bids for Contract No. 1318.

<b>No.</b>	<b>Bidders</b>	<b>Bid Amount</b>
1	Angotti & Reilly, Inc.	\$2,835,391
2	Air & Lube Systems, Inc.	\$4,856,227
3	Schembri Construction Co., Inc.	\$4,884,870

On July 23, 2021, the SFMTA received a letter from Angotti & Reilly, Inc. (A&R) requesting to withdraw its bid due to clerical errors in the Schedule of Bid Prices under the authority of Public Contract Code (PCC) Section 5101, which allows the awarding authority to consent for the bidder to be relieved of its bid on the grounds of mistake provided that all the elements of

**PAGE 4.**

Section 5103 are satisfied.<sup>1</sup> On July 28, 2021, the SFMTA granted A&R's request to withdraw its bid upon verification of compliance with the requirements of PCC Sections 5101 and 5103.

The engineer's estimate for the work was \$3,980,803. Air & Lube Systems, Inc., submitted the lowest bid of \$4,856,277, which was 22% above the Independent Cost Estimate (ICE). Schembri Construction Co., Inc.'s bid was \$4,884,870, which was \$28,643 or one-half percent over Air & Lube System's bid. Based on the proximity of the two bid prices, this was the first indication to the project team that the work realistically cost more than the ICE in current market conditions.

In determining whether the SFMTA has obtained a fair and reasonable price for the work, the project team performed a price analysis and conducted a side-by-side bid item comparison to evaluate the higher bid prices received.

There was an article published by San Francisco Building and Construction Trades Council in April 2021, titled "Materials Costs are Rising. What's That Mean for SF Construction?". In that article, it stated that construction industry publications have reported since last fall that prices for lumber, structural steel, copper, steel pipes, and concrete have risen dramatically since the COVID-19 pandemic began last March, and global supply chains were disrupted.

An Article on ConstructionDive.com reported that from January 2020 to January 2021, the price of iron and steel increased by 15 to 25%, and the price of lumber rose by 73%. Steel, lumber, and concrete are some of the most popular materials used for construction projects, including this contract, the prices of which appear to be impacted by the increased costs of construction materials globally.

Also, when comparing the bid items side by side, the project team was able to determine that the Project's site-specific restrictions such as the limited staging area, restricted work hours, and keeping the bus yard operational and accessible for all buses to drive through during the construction phase were likely to have also contributed to the higher bid prices received from both bidders.

Based on these factors, the SFMTA determined that it has obtained a fair and reasonable price for this contract.

The contract requires the construction work to reach substantial completion within 270 days from the Notice to Proceed.

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<sup>1</sup> The elements in Section 5103 are:

- (a) A mistake was made.
- (b) [The bidder] gave the public entity written notice within five working days, excluding Saturdays, Sundays, and state holidays, after the opening of the bids of the mistake, specifying in the notice in detail how the mistake occurred.
- (c) The mistake made the bid materially different than he or she intended it to be.
- (d) The mistake was made in filling out the bid and not due to error in judgment or to carelessness in inspecting the site of the work, or in reading the plans or specifications.

## **PAGE 5.**

The California Subletting and Subcontracting Fair Practices Act (Public Contract Code section 4104) requires bidders to list all subcontractors that will perform more than one-half of one percent of the value of the Contract. Air & Lube Systems did not list any subcontractors and will self-perform all the work under this Contract.

The SFMTA's Contract Compliance Office (CCO) designated the subject contract to be set-aside for participation by eligible Small Business Enterprises (SBE) only. The CCO reviewed the bid proposals and determined that Air & Lube Systems meets the SBE set-aside requirements for this contract. The CCO also confirmed that Air & Lube Systems has committed to meeting the Nondiscrimination / Equal Employment Requirements of the contract and complies with the City's Equal Benefits Ordinance.

### **BIDDER'S SAFETY RECORD**

To be eligible to submit a bid for this Contract, all bidders were required to submit a Safety Prequalification Form, with supporting documents, at least ten days before the bid date. Prior to the bid date, the SFMTA received the Safety Prequalification Forms from four potential bidders, including the three bidders listed above and one contractor that decided not to proceed with the safety prequalification process when the SFMTA requested additional documentation of its health and safety requirements.

The SFMTA's independent safety consultant evaluated the bidders' Prequalification Safety Forms and prequalified A&R, Air & Lube Systems, and Schembri Construction Co. to be eligible to bid.

### **STAKEHOLDER ENGAGEMENT**

The contract scope is limited within the Woods Bus Yard property line and does not directly impact transit service.

Measures will be taken to limit noise and dust during the construction phase.

Woods Bus Maintenance Team will be running coaches to the Islais Creek Facility located at Cesar Chavez and Indiana Street (four blocks south from Woods Bus Yard) to utilize its bus wash during the Construction Phase. Heavier bus traffic will be expected along Indiana Street.

The Supervisor's office (District 10) has been briefed.

Flyers have been distributed to the neighbors, including the Dogpatch district community. Project staff consulted SFMTA Transit management, Facility Management, superintendents and staff who work at the Woods Bus Yard during the project design process. The staff at the Woods Bus Yard are supportive of the Project.

## **ALTERNATIVES CONSIDERED**

During the early planning phase, the initial design proposed to increase the entrance and exit openings of the building to accommodate the washing of all types of buses, including trolley buses, 40-foot and 60-foot electric buses, and hybrid buses. During the preliminary design phase, three building modifications/options were analyzed for the bus wash building as part of the Preliminary Engineering Report. Alternative 1 was proposed to replace the entire building and its associated mechanical and electrical systems. Alternative 2 was proposed to upgrade the bus wash system capable of cleaning only the 40-foot and 60-foot electric buses and hybrid buses without increasing the entrance and exit openings of the bus wash building to accommodate the washing of the trolley buses (which have the tallest bus height among all types of buses at the SFMTA). Due to the pandemic, which has significantly impacted Muni operations, there was a need to upgrade the existing bus wash system and put it into operation as soon as possible. Alternative 2, which forecast shortest project schedule with lowest budget amongst the three options, was therefore approved by the stakeholders to move forward with the detail design phase in October 2020.

Under Alternative 2, the trolley buses will not be receiving the bus washing in the Woods bus wash building. The plan is to utilize the new trolley bus wash system that is scheduled for operation in 2023 at the new Muni Metro East (MME) temporary bus parking facility located at 401 25<sup>th</sup> Street.

## **FUNDING IMPACT**

The Project is funded by the Federal Transit Administration (FTA), Caltrans Senate Bill 1 (SB1), the City's General Fund, the Transportation Sustainability Fee (TSF), and SFMTA operating funds. The sources of funding are listed in Enclosure 2.

The funding needs will be fulfilled by cost savings from the Fire Life Safety project which consists of the fire safety system upgrades at the Flynn, Kirkland, Scott, Metro Green and Potrero Facilities. The Fire Life Safety project construction is funded by Prop K and Senate Bill (SB)1 State of Good Repair (SGR). Fire Life Safety intends to spend down all Prop K funds, so that the remaining SB1 STA funds can be reprogrammed to Woods Facility. This action will increase the Prop K share of the previously approved Fire Life Safety project. MTA has consulted with the TA. TA agreed with this revised funding plan. The Prop K amendment is pending TA's final approval. The funding is anticipated to be available for the Woods Bus Wash project in the third quarter of Fiscal Year 2021-2022.

## **ENVIRONMENTAL REVIEW**

On December 30, 2020, the SFMTA, under authority delegated by the Planning Department, determined that the proposed Project is not a "project" under CEQA pursuant to CEQA Guidelines Sections 15060(c) and 15378(b) because the action would not result in a direct or a reasonably foreseeable indirect physical change to the environment.

**PAGE 7.**

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

The City Attorney has reviewed this calendar item. No other approvals are required to award this contract.

**RECOMMENDATION**

Staff recommends that the SFMTA Board of Directors award SFMTA Contract No. 1318, Woods Facility Rehabilitation Project – Bus Wash Systems Replacement, to Air & Lube Systems, Inc., to replace the existing bus wash system and water reclamation system at the Woods Bus Yard in the amount of \$4,856,227, and for a term of 270 days to substantial completion.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, The purpose of San Francisco Municipal Transportation Agency (SFMTA) Contract No. 1318, Woods Facility Rehabilitation – Bus Wash Systems Replacement Project, is to replace the existing bus wash system and water reclamation system at the Woods Bus Yard to increase the efficiency and effectiveness of bus wash operations throughout the Agency; and,

WHEREAS, On June 1, 2021, the Director of Transportation notified the SFMTA Board of Directors that he had authorized a bid call for Contract 1318 in accordance with Board Resolution No. 191203-153, which delegated, among other things, the authority to issue bid calls to the Director of Transportation; and,

WHEREAS, On July 22, 2021, the SFMTA received and opened three bids in response to its Invitation for Bids; and,

WHEREAS, On July 28, 2021, the SFMTA granted the request of Angotti & Reilly, Inc. to withdraw its bid due to clerical errors, and determined that Air & Lube Systems, Inc., was the responsible bidder with the lowest responsive bid, in the amount of \$4,856,277; and,

WHEREAS, The Contract Compliance Office reviewed the bid proposals and determined that Air & Lube Systems, Inc. meets the SBE Set-Aside requirements for this Contract, has committed to meeting the Nondiscrimination Equal Employment Requirements of the Contract, and complies with the City’s Equal Benefits Ordinance; and,

WHEREAS, Contract No. 1318 will be funded through the following sources: Federal Transit Administration, Transportation Sustainability Fee, Caltrans Senate Bill 1 funds, the City’s General Fund, and SFMTA operating funds; and,

WHEREAS, On December 30, 2020, the SFMTA, under authority delegated by the Planning Department, determined that the proposed Bus Wash Systems Replacement Project is not a “project” under CEQA pursuant to CEQA Guidelines Sections 15060(c) and 15378(b) because the action would not result in a direct or a reasonably foreseeable indirect physical change to the environment; and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; now, therefore, be it



RESOLVED, That the SFMTA Board of Directors awards Contract No. 1318, Woods Facility Rehabilitation – Bus Wash Systems Replacement Project, to Air & Lube Systems, Inc., to replace the existing bus wash system and water reclamation system at the Woods Bus Yard in the amount of \$4,856,227, and for a term of 270 days to substantial completion.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of October 5, 2021.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

ENCLOSURE 2

WOODS FACILITY REHABILITATION PROJECT –  
BUS WASH SYSTEMS REPLACEMENT

San Francisco Municipal Transportation Agency, Contract No. 1318

Project Budget and Financial Plan

<b>Project Budget</b>	<b>Amount</b>
Planning Phase Staff Support (SFMTA and Other City Services)	\$33,532.84
Preliminary Engineering Staff Support (SFMTA and Other City Services)	\$565,966.46
Detail Design Phase Staff Support (SFMTA and Other City Services)	\$1,883,586.78
Construction Phase Construction Contract, Contingency, and Staff Support	\$11,718,846
<b>Total</b>	<b>\$14,201,932</b>

<b>Financial Plan</b>	<b>Amount</b>
Caltrans SB1	\$6,264,850
CCSF General Fund	\$426,861
FTA	\$3,617,415
Operating	\$782,220
TSF	\$131,8032
Funding Need	\$1,792,554
<b>Total</b>	<b>\$14,201,932</b>