

THIS PRINT COVERS CALENDAR ITEM NO. : 10.5

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Capital Programs & Construction

BRIEF DESCRIPTION:

Authorizing the Director of Transportation to execute San Francisco Municipal Transportation Agency Contract No. 1291, Kirkland, Scott and Flynn Facilities Tank Upgrade Project, with Pilot Construction Management, Inc. as the responsible bidder that submitted the lowest responsive bid, to replace underground tanks at three SMFTA facilities, in the amount of \$5,362,995.90 and for a term of 810 calendar days.

SUMMARY:

- On August 23, 2016, the Director of Transportation authorized a bid call for SFMTA Contract No. 1291, Kirkland, Scott and Flynn Facilities Tank Upgrade Project.
- This project will replace underground tanks at Kirkland, Flynn, and Scott maintenance facilities to comply with Chapter 6.7 of Division 20 of the Health and Safety Code. The proposed modifications will enhance bus fueling system reliability and efficiency and reduce infrastructure maintenance requirements.
- Staff recommends awarding Contract No. 1291 to Pilot Construction Management, Inc. as the responsible bidder that submitted the lowest responsive bid, in the amount of \$5,362,995.90 and for a term of 810 calendar days.
- Funding for construction services under this Contract is provided by SFMTA Operating Funds and local sources.

ENCLOSURES:

1. SFMTAB Resolution
2. Project Budget & Financial Plan

APPROVALS:

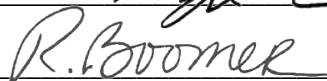
DATE

DIRECTOR



11/21/16

SECRETARY



11/21/16

ASSIGNED SFMTAB CALENDAR DATE: December 6, 2016

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PURPOSE

The purpose of this calendar item is to authorize the Director of Transportation to execute San Francisco Municipal Transportation Agency Contract No. 1291, Kirkland, Scott and Flynn Facilities Tank Upgrade Project, with Pilot Construction Management, Inc. as the responsible bidder that submitted the lowest responsive bid, to replace underground tanks at three SMFTA facilities, in the amount of \$5,362,995.90 and for a term of 810 calendar days.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This action supports the following goals and objectives in the SFMTA Strategic Plan and Transit First Policy Principles:

Strategic Plan Goals/Objectives:

Goal 1: Create a safer transportation experience for everyone.

Objective 1.3 Improve the safety of the transportation system.

Goal 2: Make transit, walking, bicycling, taxi, ridesharing & carsharing the preferred means of travel

Objective 2.2 Improve transit performance

Goal 3: Improve the environment and quality of life in San Francisco

Objective 3.1 Reduce the Agency's and the transportation system's resource consumption, emissions, waste and noise

Objective 3.2 Increase the transportation system's positive impact to the economy

Objective 3.3 Allocate capital resources effectively

Objective 3.4 Deliver services efficiently

Transit First Policy Principles:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.
2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.

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DESCRIPTION

In 2014, the State Water Resource Control Board (SWRCB) found SFMTA to be in non-compliance with Chapter 6.7 of Division 20 of the Health and Safety Code in regards to its construction, maintenance and operation of underground storage tanks at several facilities in San Francisco. As part of a consent agreement with SWRCB, the SFMTA initiated corrective action to upgrade fuel storage tanks at several maintenance facilities. This project will replace underground tanks at three SFMTA facilities: Kirkland, Flynn, and Scott to comply with Chapter 6.7 of Division 20 of the Health and Safety Code and as required by the consent agreement.

Scope of Contract:

Work to be performed under the Project includes, but not limited to, the following:

1. At the Kirkland Facility, two diesel underground storage tanks will be replaced with two underground renewable diesel tanks.
2. At the Flynn Facility, two waste tanks in an underground tank vault will be replaced with two above ground waste tanks.
3. At the Scott Facility, two waste storage tanks in an underground concrete vault and two maintenance fluid above ground tanks will be replaced with five above ground tanks.
4. The work under this contract also includes upgrading or replacing existing tank monitoring systems at each facility; piping work and excavation; replacing three dispensers at Kirkland Facility; and other work incidental to tank replacement.

The time allotted to complete fully the construction of the project is 810 calendar days from the date of the written Notice to Proceed. There is an intermediate milestone included in the contract for the removal of the Kirkland underground tanks, which is to be substantially completed within 120 calendar days from the Notice to Proceed to meet deadlines required by the State Water Resource Control Board. The contractor shall complete all remaining work within 90 calendar days from Substantial Completion. Liquidated damages to be assessed for contractor's delay to completion of the Project are \$5000 per calendar day of delay to substantially complete construction and \$500 per calendar day of delay in final completion of all remaining contract work.

Bids Received:

On August 23, 2016, the Director of Transportation notified the SFMTA Board of Directors that he had authorized a bid call for Contract No. 1291 in accordance with Board Resolution No. 09-191, which delegates, among other things, the authority to issue bid calls to the Director of Transportation.

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On October 20, 2016, the SFMTA received and publicly opened two bid proposals as follows:

	Bidders	Bid Amount
1	JMB Construction, Inc.	\$7,197,095.00
2	Pilot Construction Management, Inc.	\$5,362,995.90

The engineer’s estimate for the work was \$2,800,000. The bid submitted by the apparent low bidder is 189% above the engineer’s estimate. Staff determined that the high volume of construction activity in the Bay Area and the specialized nature of underground tank construction combined to create an unfavorable bidding environment which drove the bid amount higher than originally projected. Staff concluded that even though some bid items came in well above the engineer’s estimate, the low bid submitted by Pilot Construction Management, Inc. is still responsive.

Bidders are required by the California Subletting and Subcontracting Fair Practices Act (Public Contract Code section 4104) to list all subcontractors that will perform more than one-half of one percent of the value of the Contract. Pilot Construction Management, Inc. listed the following subcontractors:

Subcontractor	Status	Value
Barri Electric Company, Inc.	LBE	\$300,000
Hernandez Engineering	LBE	\$450,000
JBD & Sons Construction, Inc.	LBE	\$400,000
Mission Construction, Inc.	LBE	\$50,000
Paradiso Mechanical, Inc.		\$450,000
Balch Petroleum Contractors & Builder, Inc.		\$850,000

The Contract Compliance Office reviewed the bid proposals and confirmed that Pilot Construction Management, Inc. will meet the Local Business Enterprise (LBE) participation goal of 20% established for this contract and has committed to meeting the Non-discrimination Equal Employment Requirements of the contract.

STAKEHOLDER ENGAGEMENT

SFMTA Outreach team is developing a plan to inform district supervisors, local residents and businesses regarding temporary impacts caused by construction activities at all three project sites. All three sites will have temporary loss of street parking to provide contractor staging areas. In addition, at the Kirkland site, excavation of the existing underground tanks will temporarily impact the E & F Line bus stop immediately adjacent to the site. The Outreach team will begin outreach efforts to communicate these impacts and appropriate mitigation measures in November 2016.

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ALTERNATIVES CONSIDERED

The value of this contract is above the threshold set out in Administrative Code Section 6.20(a) which requires that the City to contract for work with a value greater than \$600,000. In addition, fuel system installation and construction is a specialized field that requires expertise not available within SFMTA therefore staff concluded that the work should be contracted to take advantage of contractor skill and experience. Because of the consent agreement with the State Water Resource Control Board, not replacing the tanks was not an option.

FUNDING IMPACT

The Conceptual Engineering and Detailed Design Phase of the Project were funded with SFMTA Operating Funds. Funding for the project's Construction Phase will come from SFMTA Operating Funds, SFMTA Fund Balance, and 2014 Transportation and Road Improvement General Obligation (GO) bond proceeds. The fund balance and operating funds are available now, and the GO bonds will be issued later next year. Additional operating dollars will be temporarily allocated to the project for the contract to be certified and remain in the project until the GO bonds are issued. The additional operating funds will be redirected once the GO bonds are available to be allocated to the project.

The budget and financial plan for this project is presented in Enclosure 2.

ENVIRONMENTAL REVIEW

The Kirkland, Scott and Flynn Facilities Tank Upgrade Project is subject to the California Environmental Quality Act (CEQA). Title 14 of the California Code of Regulations Section 15301 provides an exemption from environmental review for the replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, and Section 15061(b)(3) provides an exemption from environmental review where it can be seen with certainty that the proposed project would not have a significant effect on the environment.

On August 29, 2016, the Planning Department determined (Case Number 2016-005915ENV) that the proposed Kirkland, Scott and Flynn Facilities Tank Upgrade Project is exempt from CEQA as defined in Title 14 of the California Code of Regulations Section 15302 and Section 15061(b)(3). The Planning Department's determination is on file with the Secretary to the SFMTA Board of Directors and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

During construction, the project will require review and approval from the San Francisco Department of Health and the San Francisco Fire Department for the testing, removal, and replacement of the underground storage tanks on the three project sites.

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RECOMMENDATION

Staff recommends that the SFMTA Board of Directors authorize the Director of Transportation to execute San Francisco Municipal Transportation Agency Contract No. 1291, Kirkland, Scott and

Flynn Facilities Tank Upgrade Project, with Pilot Construction Management, Inc. located at 850 South Van Ness Avenue, Suite 31, San Francisco, CA, the responsible bidder that submitted the lowest bid, to replace underground tanks at three SMFTA facilities, in the amount of \$5,362,995.90 and for a term of 810 calendar days.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, San Francisco Municipal Transportation Agency (SFMTA) Contract No.1291, Kirkland, Scott and Flynn Facilities Tank Upgrade Project will replace underground tanks at three SMFTA facilities: Kirkland, Flynn, and Scott to comply with Chapter 6.7 of Division 20 of the Health and Safety Code, with the proposed modifications enhancing bus fueling system reliability and efficiency and reducing infrastructure maintenance requirements; and,

WHEREAS, The Kirkland, Scott and Flynn Facilities Tank Upgrade Project is subject to the California Environmental Quality Act (CEQA); Title 14 of the California Code of Regulations Section 15301 provides an exemption from environmental review for the replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, and Section 15061(b)(3) provides an exemption from environmental review where it can be seen with certainty that the proposed project would not have a significant effect on the environment; and,

WHEREAS, On August 29, 2016, the Planning Department determined (Case Number 2016-005915ENV) that the Kirkland, Scott and Flynn Facilities Tank Upgrade Project is exempt from CEQA, pursuant to Title 14 of the California Code of Regulations Section 15302 and Section 15061(b)(3); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and is incorporated herein by reference; and,

WHEREAS, On August 23, 2016, the Director of Transportation notified the SFMTA Board of Directors that he had authorized a bid call for Contract No. 1291 in accordance with Board Resolution No. 09-191, which delegates, among other things, the authority to issue bid calls to the Director of Transportation; and,

WHEREAS, On October 20, 2016, the SFMTA received and publicly opened two bid proposals in response to the invitation for bids; and,

WHEREAS, The SFMTA determined that Pilot Construction Management Inc., located at 850 South Van Ness Avenue, San Francisco, CA 94110, submitted the lowest responsive bid, in the amount of \$5,362,995.90; and,

WHEREAS, The Contract Compliance Office reviewed the bid proposals and confirmed that Pilot Construction Management Inc. will meet the Local Business Enterprise (SBE) participation goal of 22% established for this Contract and will commit to meeting the Non-discrimination Equal Employment Requirements of the Contract; and,

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WHEREAS, The funding for work under Contract No. 1291 is to be funded by SFMTA Operating Funds, SFMTA Fund Balance, and 2014 Transportation and Road Improvement General Obligation (GO) bond proceeds, therefore be it

RESOLVED, The SFMTA Board of Directors authorizes the Director of Transportation to execute San Francisco Municipal Transportation Agency Contract No. 1291, Kirkland, Scott and Flynn Facilities Tank Upgrade Project, with Pilot Construction Management Inc., the responsible bidder that submitted the lowest responsive bid, to replace underground tanks at three SMFTA facilities, in the amount of \$5,362,995.90, and for a term of 810 calendar days.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of December 6, 2016.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

ENCLOSURE 2
KIRKLAND, SCOTT AND FLYNN FACILITIES TANK UPGRADE PROJECT

San Francisco Municipal Railway Contract No. 1291

Project Budget and Financial Plan

Cost	
Conceptual Engineering Phase Staff Support (SFMTA and Other Dept. Services)	\$200,000
Detail Design Phase Staff Support (SFMTA and Other Dept. Services)	975,000
Construction Phase Construction Contract, Contingency, and Staff Support	7,530,000
Other Agency Cost Share	0
Total Cost	\$8,705,000

Funding	
SFMTA Operating Fund Balance	\$3,200,000
2014 Transportation and Road Improvement General Obligation (GO) bond	2,605,000
SFMTA Operating Dollars	\$2,900,000
Total Funding	\$8,705,000