


CITY COUNCIL ACTION REQUEST

Department(s): Environmental Services	CEQA: Exempt, File Nos. PP12-027, PP13-029	Coordination: Risk Management, CMO Budget, CAO, DPW, and TPAC	Dept. Approval: /s/ Kerrie Romanow
Council District(s): Citywide			CMO Approval: 

SUBJECT: REPORT ON BID AND AWARD OF CONTRACT FOR 6927 - DCS FIBER OPTICS NETWORK EXPANSION PROJECT

RECOMMENDATION:

- (a) Award the construction contract for the DCS Fiber Optics Network Expansion Project to the lowest responsive bidder, Terry Hanson Electric, in the amount of \$589,000; and
- (b) Approve a 10% contingency in the amount of \$58,900.

BASIS FOR RECOMMENDATION:

The San José-Santa Clara Regional Wastewater Facility (RWF), formerly known as the San José/Santa Clara Water Pollution Control Plant, has a project to upgrade the existing Distributed Control System (DCS) to accommodate future capital improvement projects. An existing fiber optic network serves as the communications interconnect between the DCS and various process areas and field devices.

This project will install approximately 34,000 linear feet of new fiber optic cables in existing electrical and communication conduits; approximately 1,800 linear feet of new conduits; and 100 high density fiber patch panels and enclosures. This will expand the capacity of the existing fiber optics network which is necessary to support the new DCS system and for tying in new capital projects.

The project was advertised for bid and a total of seven bids were received and opened on April 18, 2013. Three bidders, including the lowest bidder, Cal Coast Telecom at \$579,916.98, did not return the required sign-back to confirm receipt of an addendum which contained technical information including the lengths of existing conduit runs. As a result, these bidders were deemed non-responsive. Terry Hansen Electric of Redding, CA, submitted the lowest responsive bid in the amount of \$589,000 which is 29% below the Engineer's Estimate.

The other three responsive bids, ranging from 9% to 28% below the Engineer's Estimate of \$831,643.00, reflect the increasing competitiveness in the bidding climate in the Bay Area. The low responsive bid amount is considered acceptable. Council Policy provides for a standard contingency of 10 percent for utility projects which is appropriate for this project.

COST AND FUNDING SOURCE:

1.	AMOUNT OF RECOMMENDATION/COST OF PROJECT	\$589,000
2.	COST OF PROJECT	
	Project Delivery	\$ 309,100*
	Construction	589,000
	Contingency	58,900
	TOTAL PROJECT COSTS	957,000
	Expenditures to Date	131,992
	REMAINING PROJECT COSTS	\$ 825,008

* Project delivery includes \$137,100 for design services, \$132,000 for construction management services, and \$40,000 for project award and close-out.

SOURCE OF FUNDING: 512-168755 – San José/Santa Clara Treatment Plant Capital Fund, Appropriation 5690 – Plant Infrastructure Improvements (\$4,665,000, 2012-2013 Budget Ord. No. 29102, 06/19/2012).

FOR QUESTIONS CONTACT: Ashwini Kantak, Assistant Director, Environmental Services at (408) 975-2553