

City of Brisbane

Agenda Report

TO: Honorable Mayor and City Council

FROM: Randy Breault, Director of Public Works/City Engineer via City Manager

SUBJECT: Rock Slope Improvement Project (Ice House Hill) Award

DATE: June 30, 2016

City Council Goals:

To provide public service that assures the safety of property and citizens residing, working, or visiting in Brisbane. (#9)

Purpose:

To obtain Council's approval for award of the contract and to provide a supplemental appropriation to fund construction; the proposed action is consistent with the community's value of safety.

Recommendation:

Award the contract for the Rock Slope Improvement Project in the amount of \$648,369 to Valentine Corporation, authorize the mayor to sign the Agreement on the city's behalf, and approve a supplemental appropriation for construction in the amount of \$209,304.

Background:

The Council approved a General Fund appropriation of \$439,065 for the construction of the Ice House Hill Slope Mitigation project at its December 17, 2015 regular meeting.

During final design refinements, the scope of work was increased slightly by an added length of 146' of soldier pile wall, and the requirement to provide slurry seal and new traffic lane striping on all travel lanes adjoining the project.

The City received two bids on June 2, 2016 for the project:

Valentine Corporation	\$648,369.00
Drill Tech Drilling & Shoring	\$949,520.80

The engineer of record notes that contractors specializing in this type of work have significant backlogs (explaining why only 2 bids were received). They also note that this backlog has resulted in similar bid profiles at other agencies, where a project estimated at \$600k received bids approaching the \$1M mark.

In an unusual display of full disclosure, the low bidder's estimator offered to meet with the design engineer and open their estimating sheets for review. After that meeting, the engineer is satisfied with the proposal and how its quoted price was calculated.

Discussion:

There are two identified alternatives to the recommended action; neither is recommended. The first alternative would be to reject all bids, and rebid the project in the fall. Although an aggressive marketing outreach of the project could result in additional bidders, the review of the apparent low bidder's estimate sheets shows that the prospect of significantly lower future bids is unlikely.

The second alternative would be to award the contract, but remove the new wood lagging wall planned at the toe of slope. This would save approximately \$100,000 in current costs, but would require the k-rails in place now to be retained. K-rails used for this purpose are at best an interim solution that some find unattractive. The cost to remove/replace them later would be significantly higher than the \$100k savings, because the future project would be subject to mobilization and demobilization costs, as well as traffic control, three items that are items presently captured in the cost of the recommended project.

Fiscal Impact:

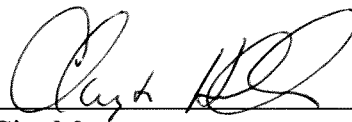
The delta between the previously appropriated amount and the recommended low bidder's proposal will be paid with unanticipated sales tax revenue from the sunset of the "triple flip".¹ The State will make the last triple flip payment in August. MuniServices estimates the payment to be \$419,000. This was not an amount the City had accounted for in its 2015/16 nor is it money budgeted in the 2016/17. Therefore, the money is available to pay for one-time projects like the Rock Slope Improvement Project.

Measure of Success

Installation of a rockfall mitigation that protects the travelling public.



Director of Public Works/City Engineer



City Manager

¹ The "triple flip" is a complex mechanism dating back to the 2004 voter approval of Proposition 57, which authorized the issuance of economic recovery bonds (ERB). Payment of the ERBs was guaranteed by the shift of one-quarter cent of the Bradley Burns local sales tax to the state. The diverted taxes were replaced dollar for dollar with property tax funds shifted from the Educational Revenue Augmentation Funds (ERAF). The ERAF funds were then offset from state education aid guarantees. With the ERBs now retired, local cities will no longer have withholdings from their local sales tax, and additionally will receive distributions of "true-ups" for the difference between the estimated tax that was withheld, and the amount that should have been withheld based on actual reported sales and use taxes.