



Midpeninsula Regional
Open Space District

R-14-159
Meeting 14-35
December 17, 2014

AGENDA ITEM 10

AGENDA ITEM

Contract for the Mount Umunhum Radar Tower Interim Repair Project located at Sierra Azul Open Space Preserve

GENERAL MANAGER'S RECOMMENDATION

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Authorize the General Manager to enter into contract with Ashron Construction and Restoration, Inc., of Milpitas, CA, for a total not-to-exceed contract amount of \$419,733, which includes a five percent contingency amount of no more than \$20,000, to complete the Mount Umunhum Radar Tower Interim Repair Project located at Sierra Azul Open Space Preserve.

SUMMARY

The purpose of the Mount Umunhum Radar Tower Interim Repair Project (Project) is to complete structural and safety repairs and improvements to facilitate public access around the exterior base of the structure. The Project consists of code-required repairs to bring the structure up to "collapse prevention" as well as safety improvements, including sealing of all exterior wall openings, sealing of all interior floor and shaft openings, and replacement and upgrades to roof and stair railings. Funds to cover this repair contract are available as part of the Fiscal Year (FY) 2014-15 Budget. Implementation of this contract would follow the remediation contract that is the subject of a separate Agenda Item as part of this same Board meeting.

DISCUSSION

Background

In 1986, the Midpeninsula Regional Open Space District (District) acquired the former Almaden Air Force Station located at the summit of Mount Umunhum as an addition to Sierra Azul Open Space Preserve (R-86-20). The Mount Umunhum Environmental Restoration and Public Access Project (Public Access Project), which was approved by the Board in 2012, included an evaluation for the long-term use and management of the Radar Tower (R-12-59, R-12-91). Following a robust public outreach process, the Board approved implementation of Interim Action A: Near-term repairs and securing of the structure while considering external partnerships (R-12-104). In May 2013, the Board awarded a contract to Grossmann Design Group to prepare the contract documents for the Project (R-13-52). The project was originally bid in summer 2014, and the bids received were substantially higher than the engineers estimate; as a result, the Board approved rejection of all bids on September 24, 2014 (R-14-115).

Bidding Process

The Interim Repairs Project was originally released for bid on July 15, 2014. Sealed bids were submitted and reviewed on August 12, 2014. Two bids were received: one bid was deemed non-

responsive due to information missing on the Bid Form; the other bid from Joseph Murphy Construction for \$763,425 was deemed the lowest responsive bid. The bid amount was \$153% higher than the engineer's estimate of \$300,000. Staff evaluated the bid submitted by Joseph Murphy Construction and determined that the following key factors contributed to the high bid:

- Robust construction market
 - Higher than normal cost escalation rate
 - Contractors being more selective and bidding more profitable, larger projects
- Project constraints
 - Remoteness of site
 - Lack of available utilities
 - Relatively small project size
- Disproportionately high bid items
 - Cost to clean structure of debris, animal feces, and dead birds
 - Cost to remediate and conduct safe lead work practices (site preparation work)

Staff evaluated cost saving opportunities, including modifying the project scope and bid packages. The following changes were incorporated into the revised bid documents:

- Scope modifications
 - Reduced quantity of first floor concrete infill to just the openings on the east side
 - Reduced number of openings in-filled with metal panels to just those that are currently inadequately sealed to eight (8) windows and one large door
 - Eliminated demolition of catch basin & storm drain
- Bid package modifications
 - Bid cleanup work separately (R-14-158).
 - Bid remediation / safe lead work practice scope of work separately (R-14-158)

These modifications were incorporated into the revised bid package for the Interim Radar Tower Repair Project. A separate Request for Proposals was issued for the building cleanup and a separate bid package was issued for the Radar Tower Interior Remediation Project.

The revised Request for Bids for the repair work was issued on November 11, 2014, and was sent to contractors, subcontractors and consultants who had requested to be notified of the project, as well as five (5) builders' exchanges. Legal notices were posted in the San Jose Mercury News and San Mateo County Times. The Invitation to Bid was also posted on the District website.

A mandatory pre-bid meeting and site tour was held on November 17, 2014, and was attended by seventeen (17) contractors. Sealed bids were due on December 2, 2014, and one (1) bid was received and opened with the results as follows:

Bidder	Location	Total Base Bid	Percent Difference from Engineer's Estimate of \$220,000
Ashron Construction and Restoration, Inc.	Milpitas, CA	\$469,733	+113%

Bid Analysis

Evaluation of the bids revealed that Ashron Construction and Restoration, Inc., (Ashron) presented a complete and responsive bid package. Staff contacted other public agencies who had

worked with Ashron to confirm their qualifications and experience. Ashron has successfully completed similar projects for other public agencies, and is deemed to be a professional, responsive and safety-conscious contractor. Ashron's bid stipulated a 120-day project schedule, which is 30-days greater than staff had anticipated, and would result in a portion of the project being completed in FY2015-16.

Ashron proposes to self-perform all work, and is therefore amenable to working with the District to value-engineer the project scope to better achieve the District's budget goals to bring the total contract amount closer to the engineer's estimate. Through this effort, staff proposes to reduce the Project cost by \$50,000 to \$100,000, for a Project construction cost between \$369,733 and \$419,733.

FISCAL IMPACT

The District's FY2014-15 Action Plan and Budget includes \$390,000 for completion of the Mount Umunhum Radar Tower Interim Repair Project. The total project budget was set by the Board (R-12-104) at \$414,885. The first round of bidding resulted in a bid of \$763,425, which was \$416,450 over the Board-approved total project budget. As a result of the modifications made in the revised bid package, where scope was reduced and separate bid packages released for repairs, remediation and cleanup, the construction cost was reduced by \$245,442 (refer to Table 1). Approximately \$151,000 of this savings is attributed to bidding out the remediation and cleanup work separately from the repair project. The remaining \$94,442 in savings was derived by reducing the repair project scope of work.

Table 1

	Original Budget	Budget 1 st Round of Bids	Budget 2 nd Round of Bids	Proposed Budget Low	Proposed Budget High
Professional Consultants	\$114,885	\$67,910	\$67,910	\$67,910	\$67,910
Added cost to revise bid docs			\$15,000	\$15,000	\$15,000
Inspections				\$7,500	\$15,000
Construction - Total Scope	\$300,000	\$763,425			
Repairs			\$469,733	\$369,733	\$419,733
Remediation			\$40,000	\$36,000	\$40,000
Cleanup			\$8,250	\$8,250	\$8,250
TOTAL PROJECT COST	\$414,885	\$831,335	\$600,893	\$504,393	\$565,893
Amount over original budget		\$416,450	\$186,008	\$89,508	\$151,008

The General Manager proposes to work with Ashron to value-engineer the repairs in an effort to reduce the base bid by \$50,000 to \$100,000. If successful, additional project funds needed to complete the repair project beyond the original Board-approved project budget of \$414,885 may range between \$89,508 and \$151,043. Assuming the project construction cost is reduced to \$419,733, staff estimates that the project will require an additional \$40,000 in FY2014-15, with the remainder of the final negotiated additional cost included in the FY2015-16 Budget. Staff has identified project budget savings in the FY2014-15 Midyear Budget to cover the additional cost through the end of this fiscal year.

BOARD COMMITTEE REVIEW

This item was not previously reviewed by a Committee. As noted above, the full Board approved the completion of interim repairs for the radar tower in 2012.

PUBLIC NOTICE

Public notice of this Agenda Item was provided per the Brown Act. Additional notification was sent to the Mount Umunhum Interested Parties list. No additional notice is required.

CEQA COMPLIANCE

On June 12, 2012 (R-12-59), the Board approved the adoption of a Final Environmental Impact Report for the Mount Umunhum Environmental Restoration and Public Access Project, which included an environmental analysis of the radar tower interim repairs.

NEXT STEPS

Upon approval by the Board of Directors, the General Manager will direct staff to negotiate a not-to-exceed contract amount no greater than \$419,733. The General Manager will issue a Board FYI summarizing the results of the negotiations, the final contract amount, and the fiscal impacts.

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