



Contract Award

Underground Flow Equalization System & N. Shoreview Levee & Pump Station Improvements

May 4, 2020

Bid Process

- Plans, Specifications & Estimates (PS&E) Developed and Advertised for Bids
 - Procurement & contracting requirements
 - Industry standard for all projects and vetted by City Attorney
- Addenda Issued as needed
 - All bidders receive the same information
- Bids received, reviewed, and lowest responsible bidder determined
- Bid Period
 - Typical - 21 days
 - N. Shoreview: 4 months
 - UFES: 2 months
- Open and Fair bid process
 - Yielded Lowest Responsible Bidder

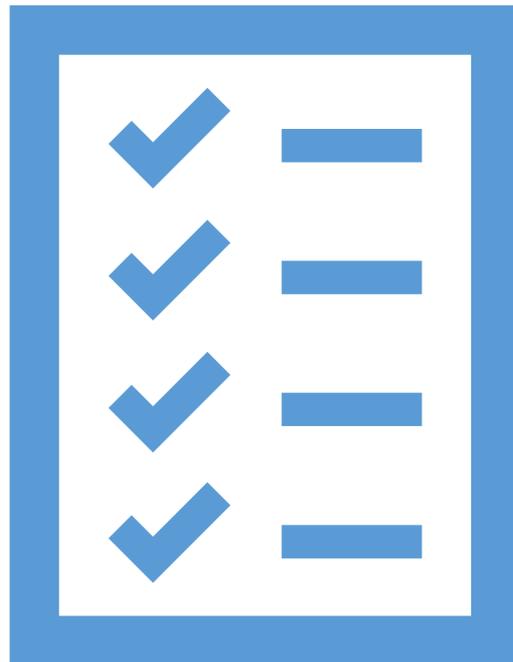


Contractor Pre-Qualification - UFES



- Why?
 - Project size and complexity
 - Desired experienced and reputable contractor
- Pre-Submittal meeting
 - Project Overview
 - Submittal Requirements & Evaluation Criteria - based upon Department of Industrial Relations (DIR) Guidelines
- Submittals Received and Reviewed
- Qualified to Bid List

Contractor Pre-Qualification - UFES



- Key Submittal Requirements for Evaluation
 - Contractor – history, organization, relevant experience, licensing
 - Ability to meet insurance and bonding requirements
 - Financial capability
 - History of litigation, claims or other adverse actions
 - Safety record
 - References

Past City
Council
Action
April 6, 2020

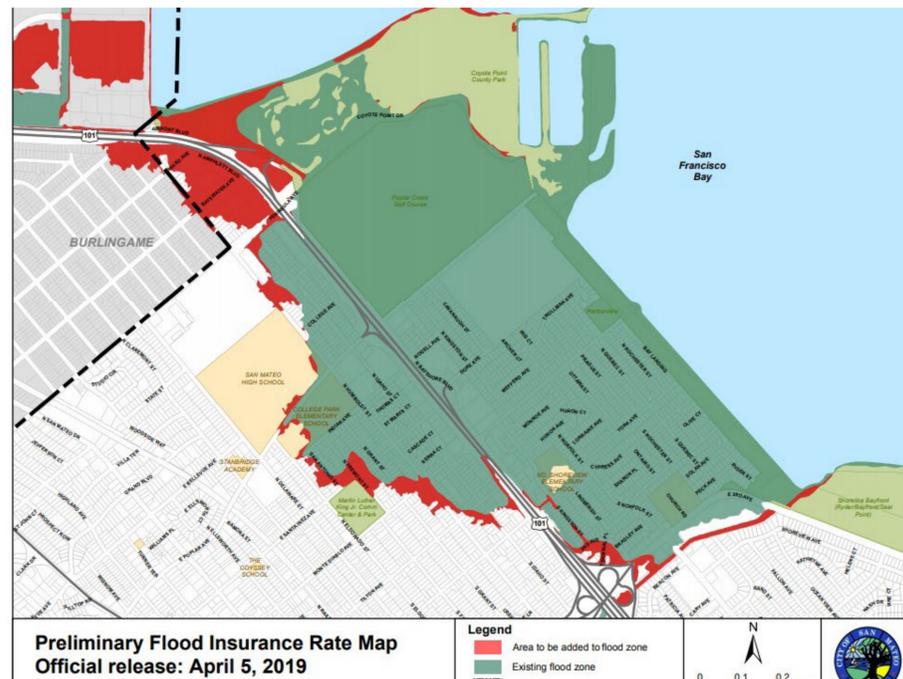
- Reject all bids
- Authorize staff to negotiate with the lowest responsible bidder
- Recommendation vetted with City Attorney
- Why did staff make these recommendations?
 - Projects exceeded Engineer's Estimate
 - Achieve greater project savings
 - Lowest Responsible Bidder willing to provide 100% of anticipated savings prior to award
 - If negotiations occurred after contract award, only 50% savings achieved

Contract Negotiations

- Negotiated with lowest responsible bidder as approved by City Council (allowed by Municipal Code)
- Value Engineering based on construction ideas from Anderson Pacific, not designers
- Savings from Value Engineering would not reduce the second lowest bid to the lowest bid on either project
- Risk to both parties
 - City - bid bond released upon bid rejection
 - Contractor - City Council award of contract still needed
- Both parties have acted in good faith



N. Shoreview Project Negotiations



- Soil Treatment - \$300,000 savings
 - Allows reuse of excavated soil
 - Eliminates 2,000 truckloads of import/export
- Shoring Modifications - \$100,000 savings
 - Flexibility in shoring design
 - Eliminated concern regarding conflict with pile installation
- Total Reduction from Bid - \$400,000 savings
 - Negotiating after award would have yielded only 50% or \$200,000

UFES



UFES Project Negotiations

Value Engineering Items	Contract Savings	Potential Future Savings
Microtunneling of Diversion Pipelines on Delaware Street and Saratoga Drive	\$300,000	
Pre-Cast Diversion Structure	\$405,000	
Replacement of Equipment Backup Alarms	\$100,000	
Porous Concrete Material Substitution	\$200,000	
Micropile Length Adjustment	\$165,000	
Use of Native Backfill (Allowance)	\$120,000	\$200,000
Excavation Spoils to Foster City Levee Project (Allowance)		\$400,000
Total	\$1,290,000	\$600,000

Contract Award and Implementation

- Standard construction contract utilized:
 - Includes 10% contingency for potential unforeseen conditions
 - Full-time, third-party, construction management and inspectors to monitor all work
- Staff Implemented fair process:
 - low bidder experienced and reputable contractor
 - improved project implementation
 - maximized reductions to cost

Staff recommends City Council award the following contracts to Anderson Pacific:

- ✓ Underground Flow Equalization System
- ✓ N. Shoreview Levee and Pump Station Improvements

Both contract prices less than the original bid!





Thank you for your time.



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