

Agenda Report

TO: CITY COUNCIL

DATE: September 22, 2008

THROUGH: FINANCE COMMITTEE

FROM: CITY MANAGER

SUBJECT: CONTRACT AWARD TO S.H.E. ENGINEERING & CONSTRUCTION GROUP INC. FOR THE LAKE AVENUE BRIDGE ENHANCEMENTS FOR AN AMOUNT NOT TO EXCEED \$2,375,000

RECOMMENDATION:

It is recommended that the City Council:

1. Accept the bid, dated June 19, 2007, submitted by S.H.E. Engineering & Construction Group Inc. for the Lake Avenue Bridge Enhancements; reject all other bids received; authorize the City Manager to enter into such contract for a "not to exceed" amount of \$2,375,000;
2. Approve a journal voucher recognizing and appropriating \$200,000 from the Public Benefits Charge operating budget account 8176-410-831700-0914-22-21840 to the Lake Avenue Light Rail Enhancements CIP project (budget account 75038);
3. Transfer \$700,000 of Gold Line Surplus funds from the Gold Line Phase I – Project Enhancements CIP project (budget account 75506) and \$300,000 from Water and Power's PV Distributed Generation Systems, CIP project (budget account 3163) to the Lake Avenue Light Rail Enhancements CIP project (budget account 75038); and
4. Find that the categorical exemption that was previously filed on February 10, 2004 under Section 15301 (Class 1, existing facilities) of the California Environmental Quality Act (CEQA) applies to this project.

EXECUTIVE SUMMARY:

This report addresses the contract award of and transfer of funds for the construction of the Lake Avenue Bridge Enhancements over the MTA Gold Line and the 210 Freeway. The

scope of work includes the completion of the clock tower above the east light-rail station entrance, the construction of sidewalk canopies along both sides of the bridge, and the installation of a building-integrated solar photovoltaic system. The City's Departments of Public Works and Water & Power have worked together on the photovoltaic system.

BACKGROUND:

The Lake Avenue Bridge Enhancements project provides for the completion of the clock tower with four clocks at the east entrance to the Gold Line Light Rail Station at Lake Avenue, the construction of structural steel canopies along the sidewalk, the installation of a photovoltaic system within the roof of the sidewalk canopies capable of generating solar power for the City's Water and Power Department, the installation of a new decorative streetlight and canopy lighting system, the construction of three bike rack areas with stamped concrete paving, and the installation of decorative benches and trash cans.

The Lake Avenue Bridge Enhancements are the final phase of a multi-year improvement plan along the Lake Avenue Bridge, as described below:

- Phase I – The MTA Bridge Retrofit project included the Lake Avenue Bridge widening, and the construction of pedestals in the bridge barrier railing for the future sidewalk canopy construction as part of the subject Enhancements project (completed).
- Phase II – The Lake Avenue Gold Line/Station construction included the partial construction of the clock tower (lower portion completed).
- Phase III – The City project for the Lake Avenue sidewalk and raised planter construction (completed).
- Phase IV – The City project for the "Lake Avenue Bridge Enhancements." The remaining work is described in the previous paragraph.

The project includes installation of a 20 kW building-integrated solar photovoltaic system to demonstrate and promote the integration of solar power generation in the building design of mass transit transportation systems. This unique demonstration of solar power generation will be located at a high-traffic public site and visible to thousands of people who drive through Pasadena on a daily basis. The system is expected to generate approximately 32,000 kilowatt hours per year that will be used as part of Pasadena's electric supply portfolio for its Green Power customers.

The allocated \$500,000 cost of this demonstration solar system is substantially more than for typical roof-top solar installations, due largely to the system's unique structure, design requirements and installation. A typical solar system of this size would be in the range of \$160,000 to \$200,000, and qualify for an incentive under the Pasadena Solar Initiative of approximately \$80,000.

The funding of this demonstration is not intended to be a model for future projects. When Water and Power funding was committed to this project about five years ago, the anticipated project costs represented a modest premium over market rates then in effect. Water and Power had a small solar incentive program that only targeted residential customers, and the state had not yet adopted the California Solar Initiative calling for a million solar roofs in the state. Under the Pasadena Solar Initiative to install 14,000 kW of customer-owned solar, the Water and Power Department will focus on providing customer incentives to install solar systems and pursuing local solar projects that do not have higher costs than typical roof-top systems.

A Notice of Exemption for the project was filed on February 10, 2004 with the Los Angeles County Clerk, pursuant to the provisions of the California Environmental Quality Act (CEQA), Section 15301 (Class 1), Subsection (c), minor alteration of existing public facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

The Department of Public Works prepared Plans and Specifications for the subject project. In accordance with Section 4.08.070 of the Pasadena Municipal Code, bids have been requested and received. The project was advertised in the Pasadena Journal on July 3, 2008. In addition, the Notice Inviting Bids was published in four trade publications, listed on two web sites, and mailed to 23 potential bidders. Bid packets were obtained by 32 contractors, two of whom submitted bids for the project.

Following advertising, bids were opened on August 13, 2008, and are as follows:

	<u>Bidder</u>	<u>Amount</u>
1.	S.H.E. Engineering & Construction Group Inc., Reseda	\$ 2,155,697.74
2.	Powell Constructors, Fontana	\$ 2,586,115.00
	Engineer's Estimate	\$ 1,772,355.00

The variance between the Engineer's Estimate and the lowest bid received is due to an increase in cost to furnish and install the structural steel. The Engineer's Estimate was prepared several months before bid opening, and during that time the worldwide demand for steel and the cost to fabricate and transport it increased. After an analysis of the bids received, it appears that the cost for steel fabrication is also significantly higher than anticipated due to the complexity of the work.

It is recommended that S.H.E. Engineering & Construction Group Inc. be awarded the contract for this project as they are the lowest responsive and responsible bidder. The proposed contract with S.H.E. Engineering & Construction Group Inc. fully complies with the Competitive Bidding and Living Wage Ordinances. The Contractor has indicated that the award of this contract will result in zero new hires to his present workforce.

The proposed contract will be set up as follows:

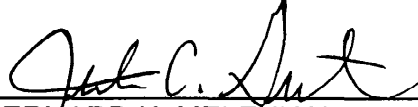
Base Bid	\$ 2,155,697.74
Contingency Allowance	\$ 219,302.26
Contract "Not to Exceed" Amount	\$ 2,375,000.00

It is anticipated that the project will begin in November 2008 and be completed in May 2009.

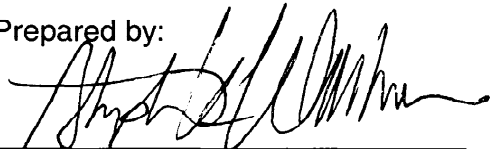
FISCAL IMPACT:

With the approval of a journal voucher recognizing and appropriating \$200,000 from the Public Benefits Charge operating budget account 8176-410-831700-0914-22-21840, and the transfer of \$700,000 of Gold Line Surplus funds from the Gold Line Phase I – Project Enhancements CIP project (budget account 75506) and \$300,000 from PV Distributed Generation Systems, CIP project (budget account 3163) to the Lake Avenue Light Rail Enhancements CIP project (budget account 75038), sufficient funds will be available to complete this project.


Respectfully submitted,


602 BERNARD K. MELEKIAN
City Manager

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Approved by:


Martin Pastucha, Director
Department of Public Works