



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Adopt Two Resolutions (1) approving the Addendum to the Transit Area Specific Plan Environmental Impact Report (TASP EIR) for Project No. 5102 McCandless Park, Project No. 7076 Well Upgrade - McCandless Well, and Project No. 2005 Penitencia Creek Pedestrian Bridge; and, (2) approving project plans and specifications for Project No. 7076 Well Upgrade - McCandless Well, and to award a construction contract for the Base Bid and authorize the Interim City Manager to execute the contract with Pacific Coast Well Drilling, Inc. in the amount of \$884,620; and to authorize the Engineering Director/City Engineer to negotiate and execute contract change order(s) in an aggregate amount not to exceed \$265,000 (Staff Contact: Steve Erickson, 408-586-3301)</b>
<b>Category:</b>	Consent Calendar-Community Services and Sustainable Infrastructure
<b>Meeting Date:</b>	1/21/2020
<b>Staff Contact:</b>	Steve Erickson, City Engineer, 408-586-3301
<b>Recommendations:</b>	<ol style="list-style-type: none"> <li>1. Adopt a Resolution approving the Addendum to the Transit Area Specific Plan Environmental Impact Report (TASP EIR) for the Project No. 5102 McCandless Park, Project No. 7076 Well Upgrade - McCandless Well, and Project No. 2005 Penitencia Creek Pedestrian Bridge.</li> <li>2. Adopt a Resolution to approve project plans and specifications for Project No. 7076 Well Upgrade - McCandless Well; and to award a construction contract for the Base Bid and authorize the Interim City Manager to execute the contract with the lowest responsible bidder submitting a responsive bid, Pacific Coast Well Drilling, Inc., in the amount of \$884,620; and to authorize the Engineering Director/City Engineer to negotiate and execute contract change order(s) in an aggregate amount not to exceed \$265,000 for the Project.</li> </ol>

### **Background:**

The 2019-2024 Capital Improvement Program includes Project No. 5102, McCandless Park, Project No. 7076 Well Upgrade - McCandless Well (“McCandless Well Project”), and Project No. 2005 Pedestrian Bridge - McCandless Park (**Attachment 7**). These three projects are located within the Transit Area Specific Plan (TASP) on a City owned parcel adjacent to the Mabel Mattos Elementary School. The projects provide for the design and construction of a City park, potable water well facility, and a pedestrian bridge across East Penitencia Creek, all to be located within the future McCandless Park.

The City's environmental consultant, David J. Powers and Associates, created an Addendum to the certified June 3, 2008 TASP Environmental Impact Report (EIR), in conformance with the California Environmental Quality Act (CEQA) guidelines. The purpose of the Addendum is to evaluate these projects with respect to site specific environmental impacts that may result from their implementation, and to determine whether the projects would result in any new significant impacts, or substantially increase the severity of impacts previously identified in the certified TASP EIR.

### **Project 7076 Well Upgrade - McCandless Well**

The McCandless Well Project provides for the construction of a potable water well located in future McCandless Park adjacent to the Mabel Mattos Elementary School. The 10,000 square foot project site

includes the installation of a new potable water well, pump, emergency generator, and treatment facility to serve the City's Midtown and Transit Area Specific Plan (TASP) area. The McCandless Well Project is being constructed in phases with the first test well phase being successfully completed last year. The next phase that is ready to start construction in Spring 2020 will be installation of the permanent 600-foot deep water well facility that will be pumped from a 16-inch diameter casing ("Phase 2 - McCandless Well Project").

**Analysis:**

**TASP EIR Addendum**

The City's consultant, David J. Powers and Associates has reviewed the requirements and conditions of CEQA guideline Section 15162 and determined that a new EIR for the three City projects is not required. It was determined the proposed projects would not result in any new impacts not previously disclosed in the certified June 3, 2008 TASP EIR, and implementation of the three City projects would not result in a substantial increase in magnitude of any significant environmental impact previously identified in the EIR.

For these reasons, David J. Powers determined that a supplemental or subsequent EIR to the June 3, 2008 TASP EIR, is not required, and an Addendum to the certified TASP EIR would adequately disclose the environmental impacts of the proposed projects. The consultant has completed the Addendum to the June 3, 2008 TASP EIR as allowed by CEQA guideline Section 15164 to address minor changes and additions (**Attachment 2**). This Addendum and all documents referenced are available for public review in Engineering Department

Staff recommends the City Council adopt a Resolution (**Attachment 1**) approving the Addendum to the TASP EIR for City Project's No. 2005, Pedestrian Bridge, Project No. 7076 Well Upgrade -McCandless Well, and Project No. 5102 McCandless Park.

**Project 7076 Well Upgrade - McCandless Well**

The City's well design consultant completed plans and specifications for the construction of the Phase 2 - McCandless Well Project (**Attachment 4**). The Engineers Estimate for the Phase 2 - McCandless Well Project is \$900,000. The plans and specifications were advertised in accordance with the Uniform Public Construction Cost Accounting Act. The bid opening was held on December 6, 2019, and five bids were received ranging from \$884,620 to \$1,166,241. The lowest responsible bidder submitting a responsive bid is Pacific Coast Well Drilling, Inc., in the amount of \$884,620, which is lower than the Engineer's Estimate by \$15,380 (1.7%). No bid protests were filed with the City regarding this bid.

The Summary of Bid Results is shown as follows and is included in the agenda as **Attachment 3**.

<b>Bidder</b>	<b>Location</b>	<b>Base Bid</b>
<b>Engineers Estimate</b>		<b>\$ 900,000</b>
Pacific Coast Well Drilling, Inc.	Templeton, CA	\$ 884,620
Zim Industries, Inc.	Fresno, CA	\$ 889,438
Nor-Cal Pump & Well Drilling, Inc.	Yuba, CA	\$ 988,397
Roadrunner Drilling & Pump Comp., Inc.	Woodland, CA	\$ 993,726
Maggiora Bros. Drilling, Inc.	Watsonville, CA	\$1,166,241

Staff recommends the City Council adopt a Resolution (**Attachment 3**) to approve the plans and specifications for the Phase 2 - McCandless Well Project, and to award a construction contract to Pacific Coast Well Drilling, Inc. for the Base Bid contract amount of \$884,620 for construction of the Phase 2 - McCandless Well Project.

As was previously approved for the successful completion of complicated projects with tight completion schedules, staff is requesting the use of the same change order policy (**Attachment 6**). This policy allows for the timely completion of the Phase 2 - McCandless Well Project while addressing the need to respond swiftly to construction conditions and approve necessary change orders in order to limit potential claims or risks to the City. The construction contingency established for the Phase 2 - McCandless Well Project is \$265,000, which is approximately 30% of the total contract value. This high contingency is requested due to potential

unforeseen conditions related to water well construction which is specialized work. The recommended higher contingency is a result of staff experience with construction of the McCandless test well and the Curtis well where high subsurface artesian water pressures were found and resulted in difficult construction.

**Policy Alternatives:**

**Alternative 1:** Not adopt a resolution to approve the Addendum to the certified Transit Area Specific Plan (TASP) Environmental Impact Report (EIR) to include the additional City projects.

Pros: None

Cons: Not approving the Addendum to the TASP EIR will delay and/or prevent construction of the City projects. This may result in forfeiture of grant funding received for McCandless Park if the park is not completed by the January 2022 grant deadline. The City has also received bond funding to complete the McCandless well facilities, which would require its completion within three years.

Reason not Recommended: The adoption of the Addendum to the TASP EIR to include the City projects is required to allow the projects to move forward without delay. Staff recommends the adoption of the resolution approved the Addendum to the TASP EIR.

**Alternative 2:** Not approving the plans and specifications for the Phase 2 - McCandless Well Project and not adopt a resolution to award a construction contract for construction of the Phase 2 - McCandless Well Project.

Pros: None

Cons: Not approving the plans and specifications and awarding the construction contract to the low bidder for Phase 2 - McCandless Well Project will delay completion of the McCandless Well Project.

Reason not Recommended: The City has received bond funding for the completion of the McCandless Well Project. A requirement of the bond financing is that the McCandless Well Project be completed and the funding spent within three years. A delay in the completion of the McCandless Well Project risks a violation of the bond financing requirements including possible monetary penalties for the City.

**Fiscal Impact:**

The City has received bond financing for construction of McCandless Well Project. There is sufficient funding available in the McCandless Well Project budget to award the construction contract for the Phase 2 - McCandless Well Project to Pacific Coast Well Drilling, Inc. As of October 31, 2019, the available McCandless Well Project funding is as follows:

<b>Available Project Budget *</b>	<b>\$ 7,204,446</b>
<b>Summary of Estimated Tenant Improvement Cost</b>	
Construction Contract	\$ 884,620
30% Construction Contingency	\$ 265,386
Administration and Inspection including Special Inspection	\$ 355,000
Total Estimated Cost	\$ 1,505,006

\*Project Budget includes funding for future phases of this project.

**California Environmental Quality Act:**

The requirements and conditions of CEQA guideline Section 15162 have been reviewed, and it has been determined that a new EIR for the three City projects (Project's No. 2005, Pedestrian Bridge, Project No. 7076 Well Upgrade -McCandless Well, and Project No. 5102 McCandless Park) is not required. It has been determined that the proposed projects would not result in any new impacts not previously disclosed in the certified June 3, 2008 TASP EIR, and implementation of the three City projects would not result in a substantial

increase in magnitude of any significant environmental impact previously identified in the EIR. For these reasons, a supplemental or subsequent EIR to the June 3, 2008 TASP EIR is not required, and an Addendum to the TASP EIR would adequately disclose the environmental impacts of the proposed projects. An Addendum to the June 3, 2008 TASP EIR as allowed by CEQA guideline Section 15164 to address minor changes and additions has been created.

**Recommendations:**

- 1) Adopt a Resolution approving the Addendum to the Transit Area Specific Plan Environmental Impact Report (TASP EIR) for the Project No. 5102 McCandless Park, Project No. 7076 Well Upgrade - McCandless Well, and Project No. 2005 Penitencia Creek Pedestrian Bridge.
- 2) Adopt a Resolution to approve project plans and specifications for Project No. 7076 Well Upgrade - McCandless Well; and to award a construction contract for the Base Bid and authorize the Interim City Manager to execute the contract with the lowest responsible bidder submitting a responsive bid, Pacific Coast Well Drilling, Inc., in the amount of \$884,620; and to authorize the Engineering Director/City Engineer to negotiate and execute contract change order(s) in an aggregate amount not to exceed \$265,000 for the project.

**Attachments:**

1. Resolution to Adopt the Addendum to the TASP EIR
2. Addendum to the TASP EIR (Exhibit A to Resolution)
3. Resolution to Award Construction Contract
4. Constructions Plans & Specifications
5. Bid Results
6. Change Order Policy
7. Park Site Plan