



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Public Works

Meeting Date: April 7, 2025

Report #:2502-4126

TITLE

Approval of Construction Contract No. C25192033B with Anderson Pacific Engineering Construction, Inc. in the Amount of \$9,994,970 and Authorization for the City Manager or Their Designee to Negotiate and Execute Change Orders for Related Additional but Unforeseen Work that May Develop During the Project Up to a Not-to-Exceed Amount of \$999,497 for the Corporation Way System Upgrades and Pump Station and West Bayshore Road Pump Station and Trunk Line Improvement Projects, Capital Improvement Program Project (SD-21000, SD-20000, SD-23000, and PO-05054), and Approval of a Budget Amendment in the Stormwater Management Fund; CEQA Status – Exempt Under CEQA Guidelines Section 15301(d), 15302(c) and Section 15303

RECOMMENDATION

Staff recommends that the City Council:

1. Approve and authorize the City Manager or their designee to execute construction contract no. C25192033B with Anderson Pacific Engineering Construction, Inc. in the amount of \$9,994,970 for the Corporation Way System Upgrades and Pump Station (SD-21000), West Bayshore Road Pump Station (SD-20000), West Bayshore Road Trunk Line Improvements (SD-23000), and Street Light Improvements (PO-05054) projects;
2. Authorize the City Manager or their designee to negotiate and execute one or more change orders to contract no. C25192033B with Anderson Pacific Engineering Construction, Inc. for related, additional, and unforeseen work that may develop during the project, the total value of which shall not exceed \$999,497; and
3. Amend the Fiscal Year 2025 Budget Appropriation for the Stormwater Management Fund (requires a 2/3 vote):
 - a. Increase the expense appropriation for the West Bayshore Road Pump Station Project (SD-20000) by \$1,296,848;
 - b. Increase the expense appropriation for the West Bayshore Road Trunk Line Improvement Project (SD-23000) by \$2,500,523; and
 - c. Decrease the Stormwater Management Fund balance by \$3,797,371.

EXECUTIVE SUMMARY

East Bayshore Road and West Bayshore Road are prone to flooding due to an inadequate storm pipe system. With the current system configuration, the flap gates at the outfalls shut when the water level in Adobe Creek is high. The 2015 Storm Drain Master Plan identified upgrades to the storm systems at East Bayshore Road and West Bayshore Road as a high priority, and the projects were included among the 13 high priority capital projects in the 2017 Stormwater Management ballot measure. The project will install larger storm pipes on both streets and new pump stations to convey the storm runoffs from a 10-year storm event. The pumps will force the flap gates to open even when the creek water level is high.

The project will install all the electrical systems and motor control systems for the pump stations. Programmable Logic Controllers (PLC) and fiber optics will also be installed and connected to the City Supervisory Control and Data Acquisition (SCADA) system.

BACKGROUND

The 2015 Storm Drain Master Plan identified projects throughout the City to convey a 10-year storm event. In 2017, voters approved a ballot measure to continue the Storm Water Management Fee to implement 13 new storm drain Capital Improvement Program (CIP) projects to upgrade and improve the storm drain system in Palo Alto. Three of the 13 projects have been completed. Loma Verde Avenue Trunk Line Improvements project (SD-19000) was completed in 2020, and East Meadow Drive Capacity Upgrades (SD-22000) and East Meadow Circle Connection to Adobe Creek Pump Station (SD-26000) were both completed in June 2024.

This contract implements three CIP projects, the Corporation Way System Upgrades and Pump Station (SD-21000), West Bayshore Road Pump Station (SD-20000) and West Bayshore Road Trunk Line Improvements (SD-23000). Currently, the existing pipes along East Bayshore (from Corporation Way) and West Bayshore Road cannot convey the 10-year storm runoff or discharge runoff into Adobe Creek during a large storm event. During these events, the water levels in the creek rise and the flap gates, at the outfalls, cannot open against the water pressure.

The pump stations will be installed on permanent easement areas located at 3803 East Bayshore Road (Attachment A) and 3600 West Bayshore Road (Attachment B). The easement agreements for the two storm water pump stations were executed in 2023.

ANALYSIS

Project Description

Staff recommends approval of Construction Contract No. C25192033B.¹ The pump station installation at 3600 West Bayshore Road includes a 12-ft x 13-ft x 17.5-ft (length, width, depth) wet well, an electrical cabinet with pump motor control center and electrical switch board, and a new electrical transformer. Three new pumps will be installed to discharge 15 cubic feet per second (CFS). Additional improvements include replacing landscaping and the irrigation system and installation of 1,600 linear feet of new 18-inch, high density polyethylene (HDPE) storm pipe and junction boxes within West Bayshore Road to increase the amount of runoff that can be conveyed into the wet well. The pump station at 3803 East Bayshore Road consist of a 12-ft x 15-ft x 24-ft (length, width, depth) wet well, a new electrical cabinet with motor control center and an electrical switch board.

The project will replace an electrical transformer with a new one sized to support the three new pumps that will discharge 25 CFS. Additional improvements include replacing landscaping and the irrigation system and 710 linear feet of new 24-inch HDPE storm pipe and junction boxes with East Bayshore Road to increase the amount of runoff that can be conveyed into the wet well. Both stations will discharge pressurized runoff into Adobe Creek through existing pipe outfalls. Storm runoff into Adobe Creek will continue to be regulated by existing flap gates. The pressure created by the pump stations on the outfall pipes will force the flap gates to open when the water surface in the creek is very high and allow discharge into the creek. When the pump station is not operating, the flap gate will remain closed and will not allow water to back flow from the creek into the City storm system. These improvements will eliminate the street flooding that occurs during moderate storm events. This project will also restore an electrical connection in the area that was determined to be damaged. That work will be performed under the Street Lights Improvements CIP (PO-05054).

Bid Process

On July 17, 2024, an Invitation for Bids (IFB) for the Corporation Way Pump Station and System Upgrades and West Bayshore Road Pump Station and Trunk Line Improvement Project was posted on OpenGov. A non-mandatory field meeting was held within the 27-day bidding period. Three bidders attended the meeting to discuss the project. No bids were received at the end of the bid period. Staff reached out to prospective bidders who downloaded the bid packages and asked why they did not submit a bid. One of the primary reasons given was that the due date was the same as other projects with other agencies and that contractors did not have time to prepare a bid for the project. Some contractors stated they wanted to submit a bid for specific project components but were unable to partner with a prime contractor. Since no bids were received, staff decided to rebid the project with a few changes. The bid documents were updated to address questions raised during the initial bid and additional outreach was done to prospective contractors who have worked with neighboring agencies.

¹ Anderson Pacific Construction Contract for Pump Station Upgrades C25192033B
<https://www.cityofpaloalto.org/files/assets/public/v/1/public-works/staff-reports-all/2025/anderson-pacific-construction-contract-for-pump-station-and-trunkline-improvement-c25192033b.pdf>

The project was re-posted August 20, 2024 on OpenGov, for 28 days, with a bid due date of September 17, 2024. Only one bid was received, with the bid cost 50% higher than the engineer's estimate. The City rejected the bid on October 15, 2024. The project was formally solicited for a third time on December 20, 2024 with revisions that divided bid components into base and add alternates to encourage competitive bidding for the pump stations independently from the pipe component. The invitation for bids was structured to select the lowest bidder using the base bid with no consideration to the add alternate bids. Bids were received from four contractors as listed on the attached Bid Summary (Attachment C).

Table 1: Summary of invitation for Bids	
Project Bid Name/Number	Corporation Way Pump Station and System Upgrade and West Bayshore Road and Trunk Line Improvement Project-REBID #2 SD-20000, SD-21000, SD-23000, IFB 192033B
Proposed Length of Project	450 Calendar Days
Pre-Bid Meeting	None
Number of Company Attendees at Pre-Bid Meeting	N/A
Number of Bids Received	4
Base Bid Price Range	\$5,794,520 to \$9,002,850
Public Link to Solicitation	https://procurement.opengov.com/governments/650/projects/136247

Staff reviewed the bids submitted and recommends that the base bid of \$5,794,520 submitted by Anderson Pacific Engineering Construction, Inc. be accepted, and that Anderson Pacific Engineering be declared the lowest responsible bidder. Staff recommends awarding the add alternate (items 22-28) to install new pipes on East and West Bayshore Road as part of the project. The add alternate amount is \$4,200,450. The total base bid and add alternate amount is \$9,994,970. This bid amount is 30.5% above the engineer's estimate of \$7,657,396. The change order amount of \$999,497 (which equals 10% of the total contract) is requested for related, additional but unforeseen work which may develop during the project. Staff confirmed with the Contractor's State License Board that the contractor has an active license on file. Staff also contacted the listed references for Anderson Pacific and found that they have performed satisfactorily on past construction projects for other clients and the City. Although the low bid received is substantially higher than the engineer's estimate, staff recommends proceeding given that the project was bid three times and that the third solicitation resulted in four competitive bids.

FISCAL/RESOURCE IMPACT

Partial funding is available in the Fiscal Year 2025 Adopted Capital Budget in the West Bayshore Road Pump Station (SD-20000), Corporation Way System Upgrades and Pump Station (SD-21000), West Bayshore Road Trunk Line Improvements (SD-23000), and Street Lights Improvements (PO-05054) projects. To fully fund the contract, staff recommends increasing the appropriation for Fiscal Year 2025 in the West Bayshore Road Pump Station (SD-20000) and

West Bayshore Road Trunk Line Improvement (SD-23000) projects by \$1,296,848 and \$2,500,523, respectively, and decreasing the balance of the Stormwater Management Fund by \$3,797,371.

Staff has reviewed funding in the Stormwater Management Fund and anticipates being able to complete the remaining 6 of the 13 ballot measure projects with the projected funding through the duration of the ballot measure. However, if projects continue to come in higher than the 2015 Storm Drain Master plan estimates that were included in the ballot measure, staff may need to consider adjusting funding for annual rehabilitation and replacement projects and reprioritizing the remaining six projects that have not started design, as well as assessing other non-capital budget appropriations in this fund.

The funding allocation is as follows:

Table 2: Funding Allocation			
Funding Source	Contract	Contingency	Total Funding
SD-20000	\$2,895,680	\$289,568	\$3,185,248
SD-21000	\$2,882,840	\$288,284	\$3,171,124
SD-23000	\$4,200,450	\$420,045	\$4,620,495
PO-05054	\$16,000	\$1,600	\$17,600
Total	\$9,994,970	\$999,497	\$10,994,467

STAKEHOLDER ENGAGEMENT

Staff has presented to the Storm Water Management Oversight Committee on the progress of the Corporation Way System Upgrades and Pump Station and West Bayshore Road Pump Station and Trunk Line Improvement project. Staff will continue to notify and update the Storm Water Management Oversight Committee on the progress of the project.

Extensive public outreach will be conducted before and during the construction phase to keep the community informed throughout the process, including flyers sent to adjacent residences and businesses, and notices posted online on Nextdoor and the City's website.

ENVIRONMENTAL REVIEW

The project is categorically exempt from the provisions of the California Environmental Quality ACT (CEQA) under Section 15301(d), 15302(c) and Section 15303 of the CEQA Guidelines.

ATTACHMENTS

Attachment A: Location Map – 3803 East Bayshore Road
Attachment B: Location Map – 3600 West Bayshore Road
Attachment C: Bid Summary

APPROVED BY:

Brad Eggleston, Director Public Works/City Engineer