



## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: Public Works**

**Meeting Date: June 19, 2023**

**Report #:2304-1328**

### **TITLE**

Approval of Construction Contract Number C23187877 with Casey Construction, Inc. in the amount of \$410,604, Authorization for the City Manager to Negotiate and Execute Change Orders up to a Not-to-Exceed Amount of \$41,060, and approval of a FY 2023 Budget Amendment in the Stormwater Management Fund for the Trash Capture Device Installation Project, Capital Improvement Program Project SD-22002; CEQA status – exempt under CEQA Guideline Section 15303.

### **RECOMMENDATION**

Staff recommends that Council:

1. Approve and authorize the City Manager or their designee to execute the construction contract Number C23187877 with Casey Construction, Inc. in the Amount of \$410,604 for the Trash Capture Device Installation Project, Capital Improvement Program Project SD-22002;
2. Authorize the City Manager or their designee to negotiate and execute related change orders to the contract with Casey Construction Inc. for related additional but unforeseen work that may develop during the project, the total value of which shall not exceed \$41,060; and
3. Amend the Fiscal Year 2023 Budget Appropriation for the Stormwater Management Fund (requires 2/3 vote):
  - a. Increase the Trash Capture Device Installation Project (SD-22002) budget appropriation by \$161,837.
  - b. Increase the Trash Capture Device Installation Project (SD-22002) revenue from the State of California by \$161,836.

### **BACKGROUND**

The City of Palo Alto is required by the State Water Resources Control Board (State Water Board) to address trash generated in its right of way. The agency's State Stormwater Permit issued by the State Water Board allows Caltrans to partner with local municipalities by providing funding for regional water quality treatment facilities in significant trash generating areas (as identified in the Caltrans Statewide Trash Implementation Plan). Caltrans receives trash reduction compliance credits for contributions to regional projects. The City is also

required to comply with the Municipal Regional Stormwater NPDES Permit (MRP) in the San Francisco Bay Area (Order R2-2015-0049). The MRP outlines various requirements for protecting the City's storm drain system and local receiving waters from pollutants commonly found in urban stormwater runoff, including trash and other priority pollutants like PCBs and mercury. The MRP requires the 76 Permittees (including the City) to meet the goal of 100 percent trash load reduction, or no adverse impact to receiving waters from trash, by July 1, 2025.

California Department of Transportation's (Caltrans) National Pollutant Discharge Elimination System (NPDES) permit allows and encourages Caltrans to partner with municipalities by providing funding for stormwater quality treatment facilities that address trash or other pollutants. Palo Alto has been selected to receive such funding, and consequently, both agencies will receive compliance credit to meet permit requirements. Caltrans requires that all projects selected to be funded enter into a Cooperative Implementation Agreement (CIA), and Council approved the CIA for the project on June 14, 2021.<sup>1</sup> In the CIA, Caltrans agreed to reimburse the City up to \$613,000 for the design and construction of a trash capture device (TCD) to be installed on Embarcadero Road in front of the Baylands Golf Links

To implement the agreement with Caltrans, Trash Capture Device project SD-22002 was created to install a debris or trash separating device into the existing storm drain system near the Baylands Golf Course. This device is designed to treat an estimated 190 acres of land in the City of Palo Alto's right of way and an additional 20 acres in the Caltrans right of way. Since the project treats a portion of Caltrans land, state funding has been granted for the full cost of the project. The device's design and the analysis of the project have been performed by Schaaf and Wheeler through contract C22184896<sup>2</sup>. This project represents a 5% reduction in trash flows into the San Francisco Bay from the City's jurisdiction and is a part of the Stormwater Compliance group's plan to reduce all trash discharges by 100% by the year 2025.

Implementation of the device will require digging, trenching and shoring in the grass area adjacent to the Baylands Golf Course, followed by attaching the system to the existing 36-inch storm drain system running through the area. Lastly, the area will be backfilled and the existing surface restored. The device will require yearly maintenance and cleanouts to be performed by the Public Works Operations group.

## **ANALYSIS**

### **Project Description**

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<sup>1</sup> City Council, June 14, 2021; Agenda Item #4 Staff Report 12267  
<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2021/id-12267.pdf>

<sup>2</sup> City Council, August 15, 2022: Agenda Item #4 Staff Report 14423  
<https://portal.laserfiche.com/Portal/DocView.aspx?id=59300&repo=r-704298fc>

Staff recommends approval of Contract No. C23187877<sup>3</sup> to furnish and install the new trash capture device, which will be maintained by the City of Palo Alto. The contract scope of work includes the trenching and shoring of a suitable installation location, furnishing, delivery and installation of a new trash capture device as detailed in the project's plans and specifications, integration of the device into the existing storm water system, installation of a secondary slide gate system for future maintenance ease, and restoration of the trenched area including relocating or repairing any disturbed or damaged utilities. The nearby pathway will not be within the limits of work and will not need closure or maintenance due to the installation of this device. The proposed location of the device is shown in Attachment A.

#### Bid Process

On May 4, 2023, an invitation for bids (IFB) for the Embarcadero Trash Capture Device Project was posted on the City's Planet Bids eProcurement system. The bidding period was 27 calendar days. The City received 6 bids from qualified contractors as listed on the attached Bid Summary (Attachment C).

<b>Bid Name/Number</b>	<b>Trash Capture Device IFB # 187877</b>
<i>Proposed Length of Project</i>	90 calendar days
<i># of Bid Packages Downloaded by Builder's Exchanges</i>	2
<i>Number of Bid Packages Downloaded by Contractors</i>	19
<i>Total Days to Respond to Bid</i>	27
<i>Pre-Bid Meeting?</i>	No
<i>Number of Bids Received</i>	6
<i>Bid Price Range</i>	\$410,604 - \$798,869
<i>Public Link to Solicitation</i>	<a href="https://pbsystem.planetbids.com/portal/25569/bo/bo-detail/104313">https://pbsystem.planetbids.com/portal/25569/bo/bo-detail/104313</a>

Bids ranged from \$410,604 to \$798,869 and from 17% below to 61% above the engineer's estimate of \$495,900. Staff has reviewed the bids submitted and recommends the base bid in the amount of \$410,604 submitted by Casey Construction, Inc., be accepted, and that Casey Construction, Inc. be declared the lowest responsible bidder. The construction contingency amount of \$41,060, which equals 10 percent of the contract value, is requested for related, additional, but unforeseen work which may arise during the project, implemented via City-approved change orders.

Staff reviewed information and similar projects performed by the lowest bidder, Casey

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<sup>3</sup> Contract No. C23187877 Casey Construction, Inc.

<https://www.cityofpaloalto.org/files/assets/public/public-works/engineering-services/cip-contracts/c23187877-casey-construction-trash-capture-device.pdf>

Construction, Inc. and found them to be the lowest responsive and responsible bidder. Staff also checked with the Contractor's State License Board and confirmed the contractor has an active license on file.

Caltrans has agreed to pay for all project costs above the original estimate of \$613,000 agreed upon in the original CIA. The total project cost for design, construction and staff time is \$774,837. The additional funding of \$161,837 is included in the attached amended CIA (Attachment C). Following construction, the City will accept responsibility for the operations and maintenance of the device.

### **FISCAL/RESOURCE IMPACT**

The recommendation in this memorandum to increase the Fiscal Year 2023 budget appropriation for the Trash Capture Device Project (SD-22002) by \$161,837 includes funding for the construction contract, administrative project costs, and salary and benefits needed to complete the project. Caltrans has agreed to fund all additional costs in excess of the original funding of \$613,000, including the additional construction costs and City staff salary and benefits to manage the project, as detailed in the amended cooperative implementation agreement (CIA) D43CIASCL0001.

This project is anticipated to impact operating expenses in the future. Future maintenance for the device will be performed by Public Works Public Services and will cost an estimated \$8,500 annually.

### **STAKEHOLDER ENGAGEMENT**

The project has been coordinated with the Baylands Golf Course to allow for partial use of the parking area for construction work and staging. The construction should not impact the Golf Course's typical daily operations or use.

### **ENVIRONMENTAL REVIEW**

This project is exempt from CEQA per CEQA Guidelines §15303 (Class 3 - New Construction or Conversion of Small Structures). The project qualifies for an exemption under Class 3 because the project would involve construction of new small structures on-site. The project would include installation of a DSSB trash capture device and associated accessories within an existing storm drain system.

### **ATTACHMENTS**

Attachment A: Project Map

Attachment B: Bid Summary

Attachment C: Amendment No. 1 Cooperative Implementation Agreement

### **APPROVED BY:**

Brad Eggleston, Director Public Works/City Engineer