



DATE: May 4, 2020

TO: Mayor and Members of the City Council

VIA: Dante Hall, Acting City Manager

FROM: Norm Dorais, Public Works Director/City Engineer

SUBJECT: LEVEE PROTECTION PLANNING AND IMPROVEMENTS PROJECT
(CIP 301-657) - APPROVAL OF PLANS AND SPECIFICATIONS AND
AUTHORIZATION TO CALL FOR BIDS FROM THE SEVEN
CONTRACTORS PREQUALIFIED TO BID

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution approving the Plans and Specifications and authorizing the call for bids from the seven contractors prequalified to bid for the Levee Protection Planning and Improvements Project (CIP 301-657).

EXECUTIVE SUMMARY

The Levee Protection Planning and Improvements Project (CIP 301-657) includes improvements to the City's existing levee system to provide flood protection in accordance with updated Federal Emergency Management Agency (FEMA) guidelines, retain FEMA accreditation for the levee, and protect against future sea level rise.

The project has been methodically put together over the last five (5) years and consisted of the coordination and approval of a myriad of regulatory agencies, adoption of the Environmental Impact Report, the formation of the funding mechanism that led to the passage of the Measure P Bond, and the design and preparation of plans and specifications for the project. The permits have been secured, the funding of \$90 Million for the project was authorized and passed by the voters in June 2018, and the plans and specifications have been prepared and are ready for City Council approval.

Following the selection of the lowest responsible and responsive bidder, staff will present the funding scenario required to successfully construct the project. The City Council action will allow staff to issue the plans and specifications to seven (7) contractors that have been prequalified to bid on the project. Construction is anticipated to take approximately three (3) years.

BACKGROUND/ANALYSIS

The current levee system in Foster City was recertified and accredited by FEMA in 2007, designating land within Foster City as Zone X (moderate-risk area), and exempting residents from having to purchase mandatory flood insurance. In 2012, San Mateo's Bayfront levee between the Foster City limit and San Mateo Creek, along East Third Avenue, was accredited by FEMA, which means all of Foster City and a portion of San Mateo were mapped as Zone X in the Flood Insurance Rate Map (FIRM) effective October 16, 2012.

In July 2014, FEMA completed the San Francisco Bay Coastal Flood Hazard Study as part of the California Coastal Analysis and Mapping Program (CCAMP). Results of the study were used by FEMA to remap FIRMs for San Francisco Bay communities including Foster City. The new FIRM became effective April 2019 and included seclusion mapping for Foster City while the project continues to make progress. (Seclusion mapping allows for a new FIRM to be issued for the area in question while carving out the area in question until further data or action is taken.)

The stated purpose of the levee project is to improve the City's approximately 34,300 lineal feet (6.5 miles) of existing levee system to provide flood protection in accordance with updated Federal Emergency Management Agency (FEMA) guidelines, retain FEMA accreditation for the levee, and protect against future sea level rise to 2050.

The plans and specifications were prepared by Schaaf & Wheeler in accordance with the Basis of Design Overview Report prepared in 2016 to identify the City's flood risk and determine potential levee improvement alternatives that may be necessary to restore levee accreditation. The report concluded that the levee surrounding Foster City will have to be raised by up to four (4) feet, and an additional two (2) feet in height to meet sea level rise freeboard projections and to accommodate future settlement, and also provide a margin of safety regarding future FEMA restudies.

Other significant milestones on the project include:

- Final EIR approved on May 8, 2017
- Bond Measure P passed by Foster City voters in June 2018
- Design Plans and Specifications submitted to permit agencies in Fall 2018

- Final permits for project secured in January 2020

REGULATORY PERMITS

The Levee Project required permits from four (4) major regulatory agencies. They include the State Lands Commission (SLC), the Regional Water Quality Control Board (RWQCB), the San Francisco Bay Conservation and Development Commission (BCDC), and the U.S. Army Corps of Engineers (USACE). Prior to the last update, the SLC and the RWQCB permits had been issued. The remaining permits were issued in November 2019 (BCDC) and in January 2020 (USACE).

PROJECT SCHEDULE

Approval of Plans and Specifications & Authorization to Call for Bids: May 4, 2020

Bid Opening: June 16, 2020

Award of Contract: July 20, 2020

Contract Execution and Construction: August 2020 to July 2023

Project Notice of Completion: September 2023

LEVEE SUBCOMMITTEE

The Levee Subcommittee, consisting of Councilmembers Awasthi and Froomin, have reviewed and discussed this analysis and support staff's recommendation, as presented in the subject staff report.

REQUEST FOR QUALIFICATIONS

At the City Council meeting on February 18, 2020, the Council adopted Resolution No. 2020-11, authorizing the issuance of a Request for Contractor Qualifications (RFQ) for CIP 301-657 in order to prequalify prospective contractors to bid on the project. Eleven (11) responses were received on the due date of April 2, 2020. An evaluation committee consisting of the Design Engineer from Schaaf and Wheeler, the Construction Manager from Tanner Pacific, and staff reviewed the submitted responses. The evaluation included review of each firm's past performance, safety history, bonding capacity, financial soundness, and demonstrated expertise to perform the work on a project of this size and complexity. A list of seven (7) qualified contractors was established consisting of the following firms: Barnard, Granite Rock, Kiewit, Power, Shimmick, Teichert, and Walsh. A Notice of Determination was issued to each contractor who submitted a response to the RFQ notifying each of the results.

FISCAL IMPACT

A construction cost estimate was prepared by the Construction Manager (CM) as part

of the 90% constructability review and submitted on March 17, 2020. The cost estimate was prepared independently based on the CM's review of the 90% plans, specifications, and proposed project schedule. Following is a breakdown of the total project's estimated costs:

Estimated Cost – (in Millions)	
Constructability Review Cost Estimate	\$86
Construction Contingency (10%)	\$9
Construction Management	\$7
Design and Permitting Costs	\$6
Miscellaneous Costs including: outreach, advertising, printing, etc. (encumbered and anticipated)	\$1
Total Project Expenditures	\$109

The \$6 million in design and permitting costs were authorized by the City Council as a CIP project and funded using the CIP Fund over the past five (5) years. If this portion of the project was not included in the items to be recovered using bond proceeds, and based on the construction cost estimate and project expenditures and encumbrances to date, the Levee Project is still likely to exceed the \$90 million GO bond limit approved by voters in June 2018. As authorized by the City Council, the City has committed to fund up to \$10 million for additional Levee Project costs, for a total of \$100 million. Minus the \$6 million in design and permitting costs, it is anticipated that the project may exceed the \$100 million by up to \$3 million. Staff will return to the City Council for a discussion of funding options, following receipt of bids.

Should the bids received exceed the project budget, City staff will recommend a funding source to supplement the existing project budget. In addition to the approved \$90 million bond measure, the City Council has authorized up to \$10 million to fund the project. Should there be overruns in excess of the \$100 million in the combined project fund balance, the City Council will be asked to provide policy direction to consider the use of either General Fund Reserves or an alternative source of funding to cover the overage, in order to award the construction contract.

A copy of the plans and specifications will be provided to the City Council for review electronically.

Attachment:

- Attachment 1 - Resolution