



Agenda Item No. 2

To: Building and Operation Committee/Committee of the Whole  
Meeting of January 25, 2007

From: Denis J. Mulligan, District Engineer  
Celia G. Kupersmith, General Manager

Subject: **APPROVE ACTIONS RELATIVE TO THE AWARD OF CONTRACT NO. 2007-FT-5, LARKSPUR FERRY TERMINAL FUEL PIPELINE REPLACEMENT, TO STEPHENS CONSTRUCTION, INC.**

**Recommendation**

The Building and Operating Committee recommends that the Board of Directors approve the following actions relative to Contract No. 2007-FT-5, *Larkspur Ferry Terminal Fuel Pipeline Replacement*:

1. Authorize award of contract to Stephens Construction, Inc., Arnold, CA, in the amount of \$543,088;
2. Authorize a contingency fund in the amount of \$54,308, equal to 10% of the contract award; and,
3. Authorize a budget increase in the amount of \$68,000 in the FY 06/07 Ferry Division Capital Budget to be funded with a transfer from the Engineering Department FY 06/07 Operating Budget, subject to the concurrence of the Finance-Auditing Committee at its meeting of January 25, 2007.

This matter will be presented to the Finance-Auditing committee at its January 25, 2007, meeting for concurrence and to the Board of Directors at its January 26, 2007, meeting for appropriate action.

**Summary**

The Larkspur Ferry Terminal fuel pipeline was originally constructed in 1975 to transfer diesel fuel from the District's storage tanks to the fueling stations at Berths 1, 2 and 3. The steel pipeline is located under the terminal's concrete deck above Bay waters and has been subjected to severe salt air and tidal exposure. After over 30 years of usage the pipeline has developed substantial corrosion and deterioration and must be replaced in order to maintain safe and reliable fueling operations. At Berths 1 and 2 the steel piping has severe corrosion; this piping is

separately undergoing expedited replacement. Berth 1 piping has been replaced and Berth 2 piping replacement is on-going.

Staff has evaluated the existing pipeline system and determined that in order to ensure a long useful life with low maintenance the steel pipeline will be replaced with marine grade stainless steel piping, control valves, and pipe supports, and all the flex hoses be replaced with new rubber flex hoses. Extra control valves will be installed to isolate the pipeline at each berth and between berths for easier inspection, testing and maintenance. Additional galvanized steel access platforms will be installed at Berths 1 and 2 to facilitate the inspection and maintenance of the pipeline and control valves. Galvanized steel pipe bollards will be installed along the perimeter sidewalk to protect the pipeline control valves and fire hydrants from parked vehicles. The pipeline will be located closer to the edge of concrete platform at a higher elevation for easier access, inspection and maintenance.

Staff has prepared the plans and specifications to replace the diesel fuel pipeline system, including upgrading to marine grade stainless steel piping and installing additional platforms and bollards, to be constructed under Contract No. 2007-FT-5, *Larkspur Ferry Terminal Fuel Pipeline Replacement*. Contract No. 2007-FT-5 was advertised for bids on November 21, 2006. On January 16, 2007, the following three bids were received, opened and publicly read:

	<u>COMPANY</u>	<u>AMOUNT</u>
1.	Stephens Construction, Inc. Arnold, CA	\$543,088
2.	Bay Pacific Pipelines, Inc Novato, CA	\$968,500
3.	Valentine Corporation San Rafael, CA	\$978,369

The Engineering staff, DBE Program Office and Attorney have evaluated the bids and concluded that the apparent responsive, responsible low bidder is Stephens Construction Services, Inc. with a bid price of \$543,088.

No specific Disadvantaged Business Enterprise (DBE) participation goal was established for this Contract; however, bidders were urged to obtain DBE participation and were required to document their activities in the solicitation and selection of subcontractors and suppliers to ensure that the bidding process was carried out in a nondiscriminatory manner. The DBE Program Administrator has determined that Stephens Construction, Inc. has complied with the DBE requirements applicable to the Contract. At this time, no DBE participation is anticipated during the performance of this project.

**Fiscal Impact**

This project is included in the FY 06/07 Ferry Division Capital Budget in the amount of \$650,000 and is 100% District funded. To date, approximately \$43,600 has been spent on the expedited replacement of Berth 1 and Berth 2 piping, staff labor and printing. A capital budget increase in the amount of \$68,000 is required to fully fund this project at the estimated total cost of \$718,000. The detailed budget for this project is as follows:

Contract No. 2007-FT-5	543,088
Construction Contingency (10%)	54,308
Contract administration (staff time)	70,000
Testing and Inspection (consultant)	5,000
Miscellaneous (printing, advertising, mailing, etc.)	5,604
Expedited Replacement of Berth 1 and Berth 2 Piping	<u>40,000</u>
<b>TOTAL BUDGET</b>	<b>\$ 718,000</b>

Award of this contract requires a project budget increase of \$68,000 to be funded with a transfer from the FY 06/07 Engineering Department Operating Budget.