

Date: July 10, 2007

Committee Meeting Date: July 19, 2007

Board Meeting Date: August 2, 2007

BOARD MEMORANDUM

ACTION X DISCUSSION _____ INFO _____

TO: Committee of the Whole
Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael T. Burns
General Manager

FROM: Jack J. Collins
Chief Engineering and Construction Officer

SUBJECT: Hazmat Soil Removal, Demo Buildings & Install Fences at Newhall Yard Site

Policy-Related Action: No

Government Code Section 84308 Applies: No

RECOMMENDATION:

Authorize the General Manager to execute a contract with Pacific States Environmental, Pacific Contractors Inc., the lowest responsible bidder, in the amount of \$634,604 for contaminated soil stockpiling, demolition of six (6) buildings and installation of security fencing for property acquired from the Union Pacific Railroad located at the Newhall Yard. Also, in lieu of the 15% change order contingency delegated to the General Manager, authorize a contingency amount of \$200,000 for additional contaminated material excavation work, if necessary.

BACKGROUND:

VTA acquired 47.75 acres of land in 2004 from Union Pacific Railroad at the Newhall Yard, which straddles the city limits of San Jose and Santa Clara, for the possible construction of a future Santa Clara BART Station and BART Maintenance Yard. VTA completed initial site investigations at the time of purchase to determine the presence of soil contaminants. The Purchase and Sale Agreement for the property contains provisions that allow for VTA reimbursement by Union Pacific of up to \$1,000,000 for costs incurred for transportation and disposal of contaminated soils that are removed within five (5) years after purchase. Further characterization has occurred in the past 6 months which identify locations where contamination levels exceed those allowed by the Regional Water Quality Control Board. This contract will initiate the soil clean-up of the site, demolish the buildings that were utilized by Union Pacific and complete the construction of security fencing that will restrict access. Additional soil investigation is on-going to complete the characterization of contaminants for removal. For this

reason, we are recommending a \$200,000 contingency authorization for the General Manager rather than the current authority of 15% of the contract amount in order to deal with the excavation of additional contaminated material should this be necessary.

The contractor will stockpile the identified contaminated soil for sampling and analyses by others. Results of the analyses will determine the level of contamination and the landfill appropriate for disposal. VTA will contract directly with the landfill to provide any necessary treatment of the soil at the Newhall site, and to provide rail or truck transportation for removal of the soil for landfill disposal. Union Pacific Railroad will reimburse up to \$1,000,000 of these transportation and disposal costs.

Stockpiling, sampling, treatment and disposal will occur over a 3-month period after demolition of the buildings and removal of debris. Construction will begin in September and be completed in January 2008. VTA is currently conducting a Public Outreach program for this work describing the type and levels of contaminants and the health and safety measures that will be in place during this operation.

DISCUSSION:

The Hazmat Soil Removal, Demo Buildings & Install Fences contract was advertised on April 5, 2007. A pre-qualification program was used for this procurement because the Engineer's Estimate was above the \$1.15 million pre-qualification threshold. Seven bids were submitted on June 8, 2007:

Pacific States Environmental, Pacific Contractors Inc.	\$ 634,604
Evans Brothers Inc.	\$ 741,290
Ferma Corporation	\$ 809,690
HSR, Inc.	\$ 913,346
Aman Environmental Construction Inc.	\$ 954,942
Miller Environmental Inc.	\$1,124,830
Peak Environmental Engineering Inc.	\$1,180,120
Engineer's Estimate	\$1,353,118

Pacific States Environmental, Pacific Contractors Inc. is the lowest responsible bidder. The bid is 53% or \$718,514, below the Engineer's Estimate. Award of the construction contract to Pacific States Environmental, Pacific Contractors Inc. is recommended.

ALTERNATIVES:

This site remediation work could be deferred, however, a \$1.0 million transportation credit from Union Pacific Railroad expires in 2.5 years, therefore, deferring clean-up is not recommended.

FISCAL IMPACT:

Sufficient funds are available in the Fiscal Year 2008 and Fiscal Year 2009 Capital Budget adopted by the VTA Board of Directors on June 7, 2007. This project is funded as part of the 2000 Measure A Transit Improvement Program.

Operating Budget Impact: There is no operating cost impact associated with this site remediation work. The site fencing work will result in less cost to VTA for security patrols, and reduce or eliminate illegal garbage being dumped on the site due to the lack of a continuous fence around the site.

SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:

Based on the identifiable subcontracting opportunities, nature of work, and availability of SBE's, including location of SBE firms, a SBE goal of 12% was established for this contract. Contractor met the goal and has committed to a 17.96% SBE participation on this contract.

Prepared by: Wesley M. Toy, Sr. Environmental Engineer