

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch

SUBJECT: See Below

DATE: May 19, 2025

Approved



Date:

5/27/25

COUNCIL DISTRICT: 3 & 7

**SUBJECT: Report on Bids and Award of Contract for the 5983 – Almaden
Supplement Sewer Rehabilitation (North) Project**

RECOMMENDATION

- (a) Report on bids and award of contract for the construction of 5983 – Almaden Supplement Sewer Rehabilitation (North) Project to the lowest responsive, responsible bidder, Insituform Technologies, Inc., in the amount of \$4,444,845; and
- (b) Approve a 10% contingency in the amount of \$444,485.

SUMMARY AND OUTCOME

Award of the contract to Insituform Technologies, Inc., enables the 5983 – Almaden Supplement Sewer Rehabilitation (North) Project (Project) to proceed with construction to rehabilitate sanitary sewer pipes, manholes, and junction structures. The completion of the Project will improve the reliability of the sanitary sewer system in the area.

Approval of the 10% contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the Project.

BACKGROUND

This Project was developed in response to a condition assessment performed in 2012 on sanitary sewer pipes and junction structures along East Alma Avenue. The structures and unlined reinforced concrete pipes were found to have extensive surface corrosion and deterioration. The Project will rehabilitate existing sanitary sewer manholes, manhole structures, and existing 42-inch diameter sanitary sewer pipes by applying epoxy coating and installing approximately 2,500 linear feet of cured-in-place

May 19, 2025

Subject: Report on Bids and Award of Contract for the 5983 – Almaden Supplement Sewer Rehabilitation (North) Project

Page 2

pipe liner. The Project is located along East Alma Avenue, between Monterey Road and South Ninth Street, within Council Districts 3 and 7 (Attachment A – 5983 - Almaden Supplement Sewer Rehabilitation (North) - Project Location Map).

Construction is scheduled to begin in late September 2025, with substantial completion in March 2026.

ANALYSIS

Bids were opened on March 20, 2025, with the following results:

Contractor	Bid Amount	Variance Amount	Over/(Under) Percent
Engineer's Estimate	\$3,577,000	--	--
Michels Trenchless, Inc. (Brownsville, WI) <i>(non-responsive)</i>	\$4,206,000	\$629,020	18
Insituform Technologies, LLC (Chesterfield, MO)	\$4,444,845	\$867,865	24
SAK Construction, LLC (O'Fallon, MO)	\$4,740,878	\$1,163,898	33

Procurement Issues

The bid submitted by Michels Trenchless, Inc. was deemed non-responsive for failing to submit a completed California Air Resources Board Regulation Compliance form.

Bid Price Analysis

The low bid submitted by Insituform Technologies, Inc. is 24% above the Engineer's Estimate. This was a result of higher bids for diversion and/or pumping of sewage flows and manhole structure rehabilitation. Potential reasons for the higher bids may be due to the competitive bidding environment, higher material and labor costs, and increase in flow diversion cost during the wet season. Staff will continue to monitor conditions influencing construction costs and will consider these uncertainties on future projects. Staff considers the low bid acceptable for the work involved.

Contractor Responsibility Analysis

Insituform Technologies, Inc. has successfully completed multiple sanitary sewer projects for the City of San José in the past, including 6809 – On-Call Small and Medium Diameter Cured-In-Place Pipe General Contract 2011-2013 accepted in July

2014, 6431 – Moorpark-Meridian Trunk Sewer Rehabilitation Phase III accepted in February 2013, and 4899 – Julian-Sunol Supplement Sanitary Sewer Rehabilitation accepted in November 2008. Moreover, Insituform Technologies, Inc. has recently completed similar projects for other agencies, including Union Sanitary District in December 2023 and Los Angeles County Sanitation District in August 2022.

Contingency

San José Municipal Code Section 27.04.050 provides for a standard contingency of 10% on all public works contracts except those involving the renovation of a building or buildings. The standard 10% contingency is appropriate for this Project.

Wage Theft Prevention Policy Check

The Office of Equality Assurance reviewed bidders for compliance with the City's Wage Theft Prevention Policy on March 24, 2025 and again on April 9, 2025. No wage theft issues were identified.

Project Labor Agreement Applicability

The City's Project Labor Agreement is applicable to this Project because the Engineer's Estimate is over \$1,210,000.

Local and Small Business Analysis

The recommended contractor is not a local or a small business enterprise. No local and/or small business enterprise was listed as subcontractors.

EVALUATION AND FOLLOW-UP

No additional follow-up action with the City Council is expected at this time.

COST SUMMARY/IMPLICATIONS

The source of funding for the Project is the Sewer Service and Use Charge Capital Improvement Fund. The proposed operating and maintenance costs of this Project have been reviewed, and it has been determined that this Project will have no net operating and maintenance costs. The contract is expected to be encumbered in Fiscal Year 2025-2026, with funding subject to appropriation by City Council.

May 19, 2025

Subject: Report on Bids and Award of Contract for the 5983 – Almaden Supplement Sewer Rehabilitation (North) Project

Page 4

1. TOTAL COST OF PROJECT:

Project Delivery*	\$ 910,670
Construction (See Cost Breakdown Below)	4,444,845
Contingency	444,485
TOTAL PROJECT COSTS	\$5,800,000
Prior Years' Expenditures	454,826
TOTAL REMAINING PROJECT COSTS	\$5,345,174

*Project delivery includes \$454,826 for design services and \$455,844 for construction management, inspection services, survey, materials lab services, utilities, and project closeout costs.

2. COST ELEMENTS OF CONTRACT:

Mobilization	\$ 214,062
Traffic Control	306,076
Diversion and/or Bypass Pumping	1,724,928
Pipe Rehabilitation	1,412,352
Structure Rehabilitation	201,692
Cleaning and Inspection of Pipelines	478,140
Other Construction Costs	107,595
TOTAL BASE BID AMOUNT	\$4,444,845

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2024-2025 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
545	420V	Almaden Supplement Sewer Rehabilitation (North)	\$3,765,000*	\$4,444,845	180	10/22/2024 Ord. No. 31133

* A total of \$6,075,000 is included in the 2025-2026 Proposed Capital Budget. This funding is subject to appropriation by City Council.

HONORABLE MAYOR AND CITY COUNCIL

May 19, 2025

Subject: Report on Bids and Award of Contract for the 5983 – Almaden Supplement Sewer Rehabilitation (North) Project

Page 5

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Planning, Building and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the June 10, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Exempt, File No. ER24-261. CEQA Guidelines Sections 15301 (b) Existing Facilities. (Attachment B – 5983 - Almaden Supplement Sewer Rehabilitation (North) - Statement of Exemption.)

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Matt Loesch
Director of Public Works

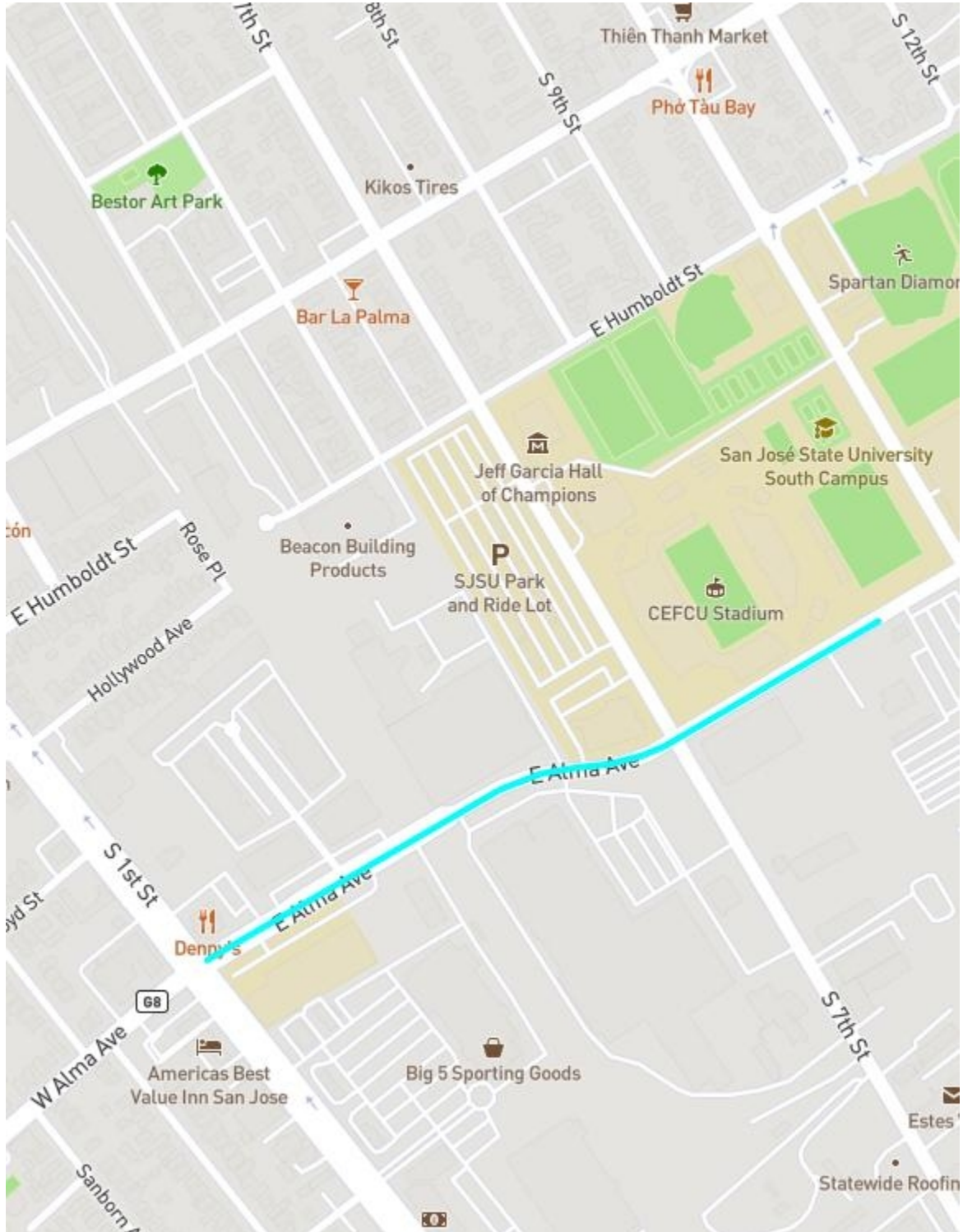
For questions, please contact Mathew Nguyen, Public Works Deputy Director, at mathew.nguyen@sanjoseca.gov or (408) 535-8300.

ATTACHMENTS

A – 5983 – Project Location Map - Almaden Supplement Sewer Rehabilitation (North)
B – 5983 – Statement of Exemption - Almaden Supplement Sewer Rehabilitation (North)

ATTACHMENT A PROJECT LOCATION MAP

5983 - Almaden Supplement Sewer Rehabilitation (North)



STATEMENT OF EXEMPTION

FILE NO.

ER24-261

LOCATION OF PROPERTY

The City Right-of-Way (ROW) of East Alma Avenue between Monterey Road/1st Street and South 9th Street

PROJECT DESCRIPTION

Public Project Exemption for Sanitary Sewer rehabilitation. Approximately 5,500 linear feet of existing 36, 42, and 48-inch diameter concrete pipe (RCP) will be reinforced using Cure-in-Place Pipe (CIPP) liner. Existing manholes and junction structures will also be rehabilitated by adding a lining to create a new inner wall as reinforcement. The purpose of this work is to rehabilitate, maintain and ensure efficiency and safety of the existing utility service system.

CERTIFICATION

Under the provisions of Sections 15301(b) of the State Guidelines for Implementation of the California Environmental Quality Act (CEQA) as stated below, this project is found to be exempt from the environmental review requirements of Title 21 of the San José Municipal Code, implementing the California Environmental Quality Act of 1970, as amended.

15301. EXISTING FACILITIES

Class 1 consists of operation, repair, maintenance, permitting, leasing, licensing, or minor alternation of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The types of "existing facilities" itemized below are not intended to be all-inclusive of the types of projects which might fall within Class 1. The key consideration is whether the project involves negligible or no expansion of an existing use. Examples include but are not limited to:

- (b) Existing facilities of both investor and publicly owned utilities used to provide electric power, natural gas, sewerage, or other public utility services

ANALYSIS

The proposed project is for a Sanitary Sewer rehabilitation involving existing sanitary sewer pipelines on East Alma Avenue between Monterey Road/1st Street and South 9th Street, and within an easement located between San Jose State University's stadium and soccer complex. The scope includes reinforcing approximately 5,500 linear feet of existing 36, 42, and 48-inch diameter concrete pipe (RCP) along the City Right-of-Way with Cure-in-Place Pipe (CIPP) liner. Existing manholes and junction structures along this stretch of ROW will also be rehabilitated by adding lining to create a new inner wall as reinforcement. There will be no change in capacity, flow direction or alignment of the pipelines. The purpose of this work is to rehabilitate, maintain and ensure efficiency and safety of the existing utility service system. This project would not create any new sewage flows itself.

The work proposed would be within existing disturbed areas and the project would not expand the length of the existing sanitary sewer segments. Therefore, the project will not result in substantial adverse impact to

sensitive biological resources and will not adversely affect creeks or riparian corridor areas. No trees will be removed.

As the project consists of inspection and rehabilitation of existing utilities facilities or structures, the project will involve negligible expansion of the existing use. Therefore, the project is exempt to CEQA Guideline Section 15301(b). Projects that are not within the scope of work, as mentioned and analyzed in this exemption, will require separate environmental review and determination.

Exceptions:

CEQA Guidelines Section 15300.2 provides exceptions to the use of a Categorical Exemptions where the use of a Categorical Exemption is prohibited under certain circumstances. The City evaluated the proposed project's applicability to all the exceptions under Section 15300.2. An analysis of each of these exceptions in reference to this proposed project is provided below.

- (a) Location. Class 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located. This memorandum is for a Class 1 Categorical Exemption. Therefore, this exemption does not qualify for this exception.
- (b) Cumulative Impact. There is no evidence of a potential significant cumulative impact on the environment from the proposed project. The project proposes rehabilitation of existing sewer mains in the City. Therefore, the project will not cumulatively impact traffic, noise, air quality, or water quality.
- (c) Significant Effect. The proposed project site does not have any unusual circumstances that would negatively impact the environment; thus, the project would not result in any significant environmental effects.
- (d) Scenic Highways. It is not anticipated that the specific project sites will results in damage to any scenic highways because the nearest scenic highway is 5 miles away.
- (e) Hazardous Waste Sites. The project location is not included on any list compiled pursuant to Section 65962.5 of the Government Code.
- (f) Historical Resources. The sewer pipelines are located in the City ROW and therefore would not result in any substantial adverse change in the significance of a historical resource.

Christopher Burton, Director
Planning, Building and Code Enforcement

Date 10/5/24



Deputy

Environmental Project Manager:
Charlotte Yuen