



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Loesch

**SUBJECT:** See Below

**DATE:** April 28, 2025

Approved

Date:

5/7/25

**COUNCIL DISTRICT: 1**

**SUBJECT: Report on Bids and Award of Contract for the 10416 – Sanitary Sewer Condition Assessment Fiscal Year 2024-2025 Package IV Project**

## **RECOMMENDATION**

- (a) Report on bids and award of contract for the construction of 10416 – Sanitary Sewer Condition Assessment Fiscal Year 2024-2025 Package IV Project to the lowest responsive, responsible bidder, Pipe and Plant Solutions, Inc., in the amount of \$1,249,140; and
- (b) Approve a 10% contingency in the amount of \$124,914.

## **SUMMARY AND OUTCOME**

Award of the contract to Pipe and Plant Solutions, Inc. enables the 10416 – Sanitary Sewer Condition Assessment Fiscal Year 2024-2025 Package IV Project (Project) to proceed with construction to clean and assess the condition of the City's sanitary sewer system. The completion of the Project will provide information related to the condition of the pipelines and allow staff to plan for future repairs as needed. Approval of the 10% contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the Project.

## **BACKGROUND**

The Department of Public Works has developed a condition assessment program to video inspect and evaluate the condition of the City's sanitary sewer pipelines via Closed Circuit Television. This Project is part of the condition assessment program and

will clean and assess the condition of 20 sanitary sewer segments, which includes approximately 8,500 linear feet of 36-inch to 42-inch diameter sanitary sewer pipelines within Council District 1 as shown in the attached Project Location Map. (Attachment A – 10416-Sanitary Sewer Condition Assessment Fiscal Year 2024-2025 Package IV - Location Map).

Defects found on the sewer pipelines will be observed, analyzed and coded in accordance with the National Association of Sewer Service Companies Pipeline Assessment and Certification Program standards. The data will then be incorporated into the City's InfoMaster database to be used for asset management and scoping future projects.

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

## **ANALYSIS**

Bids were opened on March 13, 2025, with the following results:

<b><u>Contractor</u></b>	<b><u>Bid Amount</u></b>	<b><u>Variance Amount</u></b>	<b><u>Over/(Under) Percent</u></b>
Pipe and Plant Solutions, Inc. (San Francisco)	\$1,249,140	(\$400,860)	(24)
National Plant Services, Inc. (Long Beach) (non-responsive)	\$1,396,332	(\$253,668)	(15)
<b>Engineer's Estimate</b>	<b>\$1,650,000</b>	--	--

### *Procurement Issues*

The bid submitted by National Plant Services, Inc. was deemed non-responsive for failing to submit a minimum of two completed projects as references and failure to submit a California Air Resource Board Certificate of Compliance.

### *Bid Price Analysis*

The lowest bid, submitted by Pipe and Plant Solutions, Inc., is 24% below the Engineer's Estimate. Price for cleaning of pipelines was lower and had the greatest variance from the Engineer's Estimate. The lower than estimated bid can be attributed to a competitive bidding environment as well as the contractor's familiarity with this type of work. Staff will continue to monitor issues influencing construction costs and will

consider these uncertainties on future projects. Staff considers the low bid to be acceptable for the work involved.

### *Contractor Responsibility Analysis*

Pipe and Plant Solutions, Inc. has successfully completed multiple sanitary and storm sewer projects for the City including Sanitary Sewer Condition Assessment Fiscal Year 2022-2023 Package I, accepted in March 2024, as well as for other agencies including Emergency Storm Drain Cleaning Project for City of Brisbane, accepted in January 2024.

### *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 13, 2025, and again on April 3, 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 \$1.21 million.

### *Local and Small Business Analysis*

The recommended contractor is not a local business or a small business enterprise. No local business enterprises were 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 proposed operating and maintenance costs of this Project have been reviewed and it has been determined that the Project will have no significant adverse impact on the Sewer Service and Use Charge Fund or General Fund operating budgets. This Project

is consistent with the City Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy.

Project costs, including project delivery costs and construction costs, are expected to be realized in 2025-2026, Funding for this Project and all associated costs is subject to the appropriation of funds by City Council.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$ 459,340
Construction	1,249,140
Contingency	124,914
<b>TOTAL PROJECT COSTS</b>	<b>\$1,833,394</b>
Prior Years' Expenditures	167,766
<b>TOTAL REMAINING PROJECT COSTS</b>	<b>\$1,665,628</b>

\*Project delivery includes \$167,766 for design services and \$291,574 for construction management and inspection services.

2. COST ELEMENTS OF CONTRACT AS RECOMMENDED AS PART OF THE MEMORANDUM:

Traffic Control	\$ 90,000
SONAR inspection	84,780
CCTV inspection	83,760
Cleaning of Pipelines	888,600
Other Construction Costs	102,000
<b>TOTAL CONTRACT AMOUNT</b>	<b>\$1,249,140</b>

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### **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	6521	Infrastructure Sanitary Sewer Condition Assessment	\$5,700,000	\$1,249,140	199	02/11/2025 Ord. No. 31176

### **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 May 20, 2025 City Council meeting.

### **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

### **CEQA**

Exempt, File No. ER23-189. CEQA Guidelines Sections 15301(b) Existing Facilities, and 15302(c) Replacement or Reconstruction. (Attachment B – Statement of Exemption, ER23-189.)

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## **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](mailto:Mathew.Nguyen@sanjoseca.gov) or (408) 535-8300.

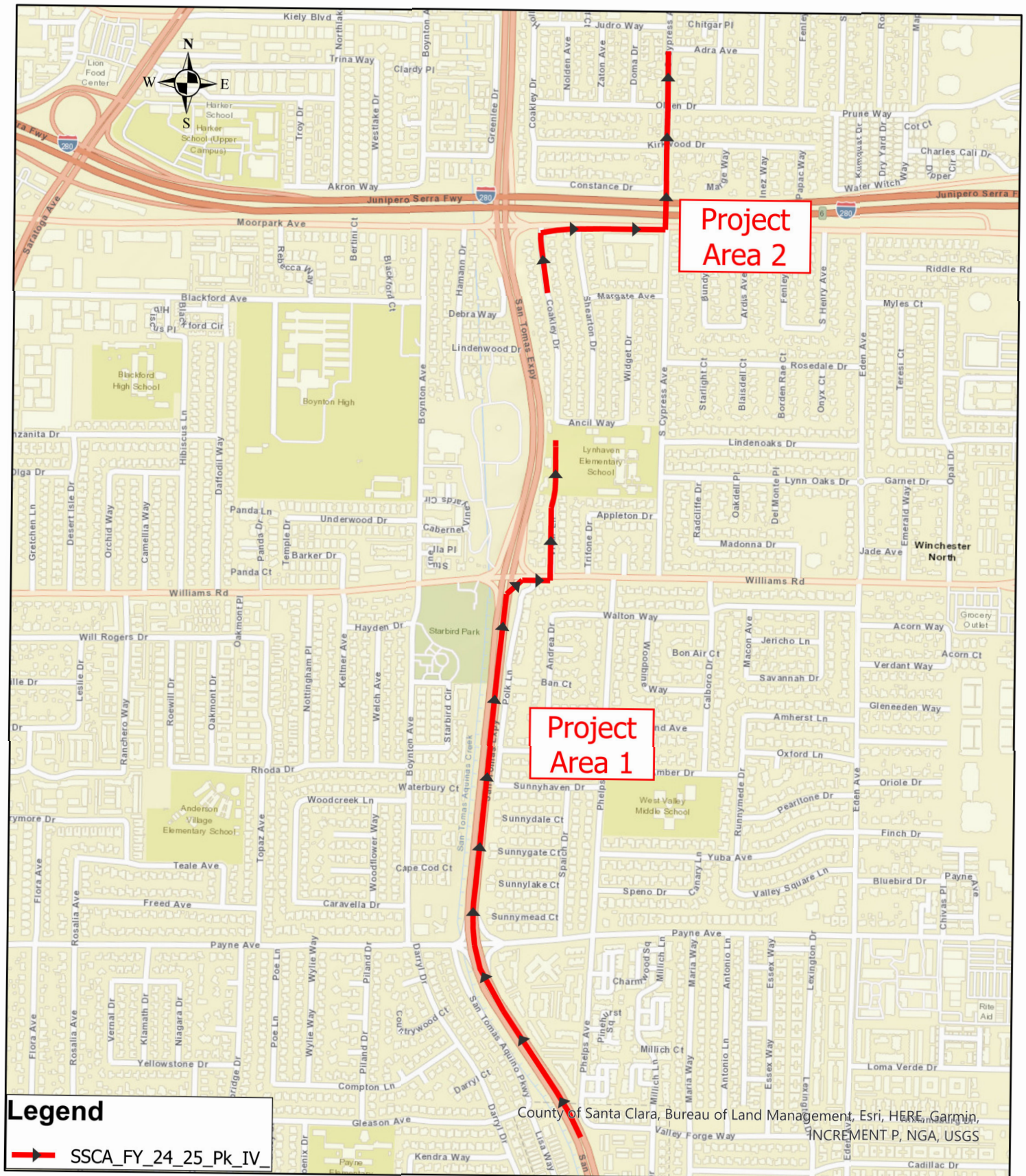
## **ATTACHMENTS:**

Attachment A – 10416-Sanitary Sewer Condition Assessment Fiscal Year 2024-2025  
Package IV - Location Map

Attachment B – Statement of Exemption. ER23-189



# 10416 - Sanitary Sewer Condition Assessment FY 2024-2025 Package IV LOCATION MAP



General Project Location Map  
Not to Scale

<b>STATEMENT OF EXEMPTION</b>
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<b>FILE NO.</b>	ER23-189
<b>LOCATION OF PROPERTY</b>	Citywide
<b>PROJECT DESCRIPTION</b>	Public Project Exemption for sewer inspection, removal and replacement, and rehabilitation work. These types of projects would include the inspection, replacement, and rehabilitation of existing sewer mains ranging from approximately 4- to 44-inch in diameter and associated facilities (e.g. manholes) located in the public-right-of-way and/or in a public utility easement (PUE) throughout the City of San Jose. These projects will evaluate the current condition of each segment of sewer pipeline to determine the appropriate repair method, and deploy pipeline point repairs, Cured-In-Place-Pipe (CIPP) liners, or removal and replacement of entire segments to eliminate exfiltration. These projects may also result in replacing the existing sewer pipeline with a different material than the original but will not increase the size of the sewer pipelines and will not result in expansion of capacity. New associated facilities, such as manholes, may be installed as part of the replacement work. This exemption is only valid for projects that are within the scope of work as described below. This exemption will not be valid for segments that have significant impact to scenic highways, historic resources, or located on a site that is included on any list compiled pursuant of Section 65962.5 of the Government Code.

**Expiration date: August 21, 2028**

**CERTIFICATION**

Under the provisions of Sections 15301(b) and 15302(c) 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

## **15302. REPLACEMENT OR RECONSTRUCTION**

Class 2 consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, including but not limited to:

- (c) Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

## **ANALYSIS**

Public Project Exemption for the inspection, removal and replacement, and rehabilitation of existing sewer segments ranging from approximately 4- to 44-inch diameter in size. This project will evaluate the current condition of each segment of sewer main to determine the appropriate repair method and deploy appropriate point repairs, Cured-In-Place-Pipe (CIPP) liners, or removal and replacement of entire segments to eliminate exfiltration. The purpose of this work is to upgrade and ensure efficiency and safety of the existing utility service system. If replacements are needed, the replacement will not increase the size of the sewer mains and will not result in expansion of capacity. Associated equipment, such as manholes, may need replacement as well.

All of the sewer main segments are located within the City boundary. Most are located within the right-of-way and/or a PUE. There are a few segments of sewer mains that are not within the public-right-of way and/or a PUE, within 100 feet of a water way, or within the wildlife survey areas or other fee zones as defined by the Santa Clara Valley Habitat Conservation Plan. Even so, the type of work proposed would qualify for a Habitat Conservation Plan exemption from all conditions as the proposed work is considered as, "Routine infrastructure maintenance by public agencies within the planning limit of urban growth that do not affect stream, riparian, serpentine, ponds, or wetland land cover types" (Habitat Conservation Plan, Chapter 6.2). In addition, the work taking place would be within existing disturbed areas and the project would not expand the capacity or length of the sewer main 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.

In addition, as mentioned above, any tree that is not a Heritage tree that must be removed as a result of the project shall be removed and replaced in accordance with the Department of Transportation regulations. This exemption is only valid for projects that are within the scope of work described. This exemption will not be valid for any segments that have significant impacts to scenic highways, historical resources, or in areas that are included on any list compiled pursuant of Section 65962.5 of the Government Code.

As the project consists of inspection, removal and replacement, and repair of existing utilities facilities or structures, the project, will not involve expansion of the existing infrastructure. Therefore, the project is exempt to CEQA Guideline Section 15301(b) and 15302(c). Projects that are not within the scope of work will require separate environmental review and determination. This exemption is valid until August 21, 2028.

### *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 of 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. Section 15300.2(a) stated that a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Section 15300.2(a) does not apply to the Class Category 1 and 2 of exemptions as the project will not occur in a sensitive area.
- (b) Cumulative Impact. Based on the above analysis, there is no evidence of a potential significant cumulative impact on the environment from the proposed project. The project proposes review and rehabilitation of existing sewer mains throughout the city. It has been determined that 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 resources. If one does, it is subject to 15300.2(d) and may not utilize this categorical exemption.
- (e) Hazardous Waste Sites. It is not anticipated that the specific project sites will be implemented in area that is included on any list compiled pursuant to Section 65962.5 of the Government Code. If one does, it is subject to 15300.2(e) and may not utilize this categorical exemption.
- (f) Historical Resources. It is not anticipated that the specific project sites will results in damage to any historic resources. If one does, it is subject to 15300.2(f) and may not utilize this categorical exemption.

Christopher Burton, Director  
Planning, Building and Code Enforcement



Date: August 23, 2023

Deputy

Environmental Project Manager:  
Tina Garg