

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Barry Ng

SUBJECT: 8654 – SANITARY SEWER REPAIRS
2017-18 PACKAGE I

DATE: November 13, 2017

Approved

D. D. S. Y. L.

Date

11/30/17

COUNCIL DISTRICT: 6

RECOMMENDATION

Report on bids and award of contract for the 8654 – Sanitary Sewer Repairs 2017-18 Package I Project to the low bidder, Southwest Pipeline & Trenchless Corp., in the amount of \$1,068,336 and approval of a contingency in the amount of \$106,834.

OUTCOME

Award of the construction contract to Southwest Pipeline & Trenchless Corp. will enable the 8654 – Sanitary Sewer Repairs 2017-18 Package I Project to proceed. Approval of a ten percent contingency will provide funding for any unanticipated work or unforeseen conditions that may arise during construction.

BACKGROUND

The City of San Jose Department of Public Works has developed an Exfiltration Abatement Program Plan to minimize the risk of wastewater leaking out of sanitary sewer pipes and entering into adjacent storm sewer pipes. The Sanitary Sewer Repairs 2017-18 Package I project is a part of this program and will consist of repairing damaged sewer segments that are crossing above or are parallel within 10 feet of a storm sewer at multiple locations throughout Council District 6.

This project will evaluate the condition and rehabilitate 38 selected 6-inch and 8-inch diameter sewer segments, approximately 11,389 linear feet, using Cured-in-Place Pipe (CIPP) lining. The project will also include approximately 250 linear feet of point repairs and removal and replacement of 4 existing sanitary sewer manholes.

Council Districts/Streets affected by the project include the following streets in Council District 6 (see attached Council District Location Map):

Bird Avenue	Dean Avenue	Glenwood Avenue	Kirkland Avenue
Cherry Avenue	Dry Creek Road	Hamilton Way	Malone Road
Coastland Avenue	Duke Way	Hicks Avenue	Newport Avenue
Cottle Avenue	Everett Avenue	Hill Avenue	Pine Avenue
Creek Drive	Fairview Avenue	Johnston Avenue	Robsheal Drive
			Willow Glen Way

Construction is scheduled to begin in February 2018 with substantial completion in August 2018.

ANALYSIS

Bids for this project were opened on October 26, 2017, with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance</u> <u>Amount</u>	<u>Over/(Under)</u> <u>Percent</u>
Southwest Pipeline & Trenchless Corp. (Torrance, CA)	\$1,068,336	(\$80,451)	(7%)
Engineer's Estimate	\$1,148,787	---	---
JMB Construction (South San Francisco, CA)	\$1,190,399	\$41,612	4%
Michels Pipeline Construction (Salem, OR)	\$1,387,381	\$238,594	21%

There were a total of three bids submitted which varied from 7 percent under to 21 percent over the Engineer's Estimate. The low bid submitted by Southwest Pipeline & Trenchless Corp. was seven percent below the Engineer's Estimate. Southwest Pipeline & Trenchless Corp. has worked on City projects as both a prime contractor and subcontractor. Staff considers the low bid submitted for this project acceptable for the work involved and recommends award of contract to Southwest Pipeline & Trenchless Corp.

Council Policy provides for a standard contingency of ten percent on public works projects involving utilities, storm drains or sanitary sewers. The standard contingency is appropriate for this project.

EVALUATION AND FOLLOW-UP

This project is currently within budget and expected to be completed by August 2018. No additional follow up action with the Council is expected at this time.

PUBLIC OUTREACH

To solicit contractors, this project was listed on the BidSync and advertised in the *San José Post Record*. The complete bid package and project information for all Department of Public Works construction projects is available on BidSync for interested contractors, contractor organizations and builders' exchanges. This memorandum will be posted on the City's website for the December 12, 2017, City Council agenda.

COORDINATION

This project and memorandum have been coordinated with the Departments of Planning, Building & Code Enforcement, Transportation, City's Attorney Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

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

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$1,068,336
Project Delivery Costs	\$345,000*
Construction Award Amount	1,068,336
Contingency	<u>106,834</u>
TOTAL PROJECT COSTS	\$1,520,170
Cost to Date Expenditures	(35,532)
REMAINING PROJECT COSTS	\$1,484,638

* Project delivery for the sewer improvement includes \$30,000 for Design Services, \$120,000 for Inspection Services and \$195,000 for Construction Management and project closeout costs.

2. COST ELEMENTS OF CONTRACT:

<u>Bid Amount</u>	
Mobilization, Permits, and Traffic Control	\$297,650
Pipeline Repairs	\$235,000
CIPP Liner Installation	\$457,486
Manhole Construction/Rehabilitation	<u>\$78,200</u>
TOTAL AGREEMENT/CONTRACT AMOUNT	\$ 1,068,336

3. SOURCE OF FUNDING: 545 - Sewer Service and Use Charge Capital Improvement Fund.
4. OPERATING COSTS: 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.

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. #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2017-2018 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord.No.)
Remaining Project Costs				\$1,484,638			
Current Funding Available							
545	7356	Condition Assessment Sewer Repairs	191125	\$5,500,000	\$1,068,336	199	6/20/2017, 29962
Total Current Funding Available				\$5,500,000	\$1,068,336		

CEQA

Exempt, File No. PP17-029, CEQA Guidelines Section 15301, Existing Facilities and 15302, Replacement or Reconstruction.

/s/
 BARRY NG
 Director of Public Works

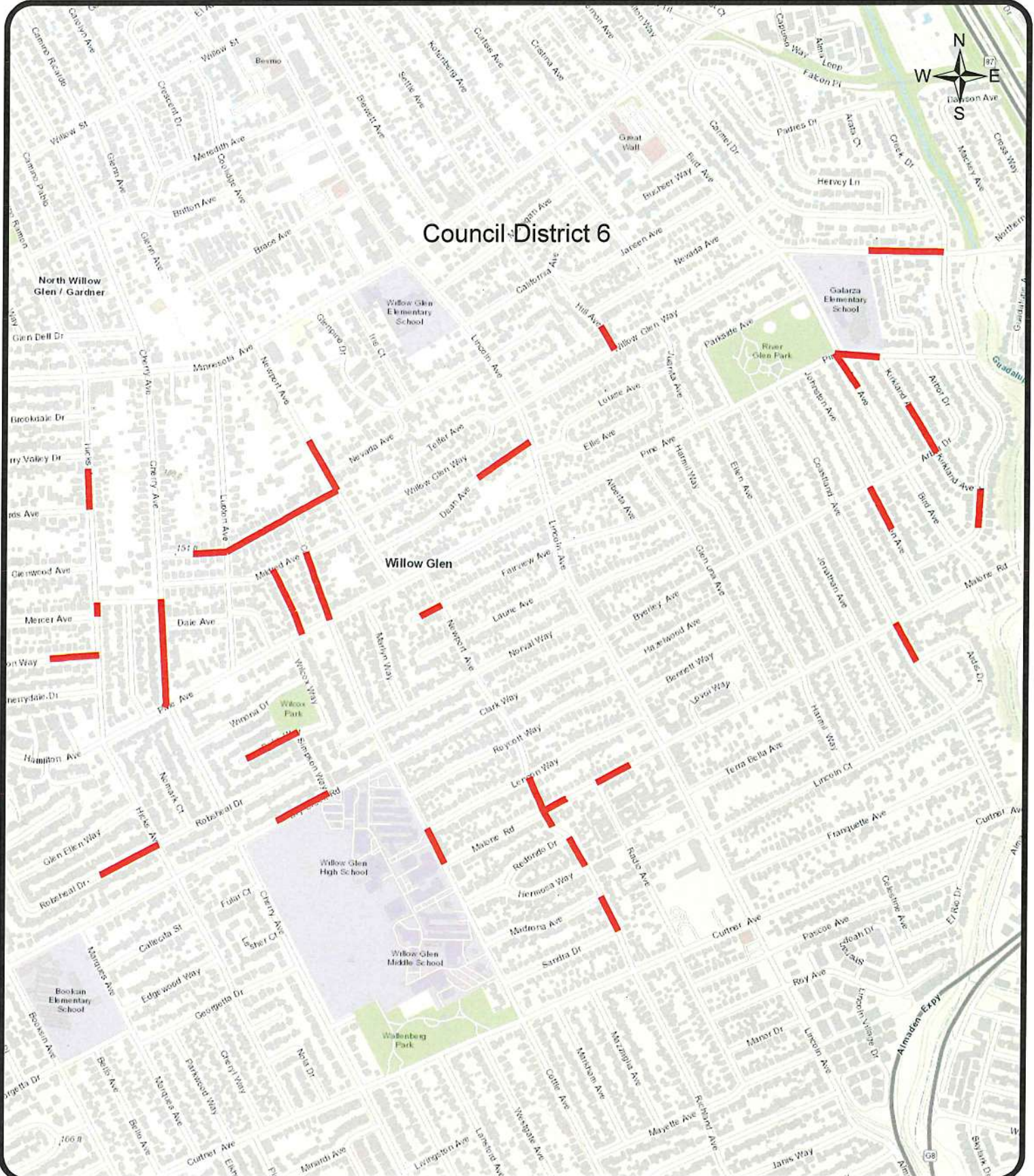
Attachment: Sanitary Sewer Repairs Location Map Council District 6

For questions please contact Michael O’Connell, Deputy Director, at (408) 535-8300.

8654 - Sanitary Sewer Repairs 2017-18 Package I

Location Map - Council District 6

CD 6: Bird Ave, Cherry Ave, Coastland Ave, Cottle Ave, Creek Dr, Dean Ave, Dry Creek Rd, Duke Wy, Everett Ave, Fairview Ave, Glenwood Ave, Hamilton Wy, Hicks Ave, Hill Ave, Johnston Ave, Kirkland Ave, Malone Rd, Newport Ave, Pine Ave, Robsheal Dr, Willow Glen Wy



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