



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jon Cicirelli

SUBJECT: 8666-SANITARY SEWER REPAIRS
2017-18 PACKAGE II

DATE: February 26, 2018

Approved

Date

3-8-18

COUNCIL DISTRICTS: 3, 5 & 8

RECOMMENDATION

Report on bids and award of contract for the 8666-Sanitary Sewer Repairs 2017-18 Package II to the low bidder, JMB Construction Inc., in the amount of \$1,310,540, and approve a contingency in the amount of \$131,054.

OUTCOME

Award of the construction contract to JMB Construction Inc. will enable the 8666-Sanitary Sewer Repairs 2017-18 Package II Project to proceed. Approval of a ten percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the project.

BACKGROUND

The project is located in Council Districts 3, 5, and 8, in central San José (map attached). The purpose of this project is to repair known defects in approximately 10,500 linear feet of sanitary sewers.

This package of 35 sewer segments, consisting of 6-inch and 8-inch diameter pipe, was selected from Geographic Information System (GIS) data. The data was sorted to identify sewer segments that have known defects and are adjacent to or crossing over existing storm drains. This project will evaluate the current condition of each segment of sewer to determine the appropriate repair method which may include; point repairs, Cured In Place Pipe (CIPP) liners, or removal and replacement of entire segments.

Construction is scheduled to begin in June 2018 with substantial completion in October 2018.

ANALYSIS

Bids for this project were opened on February 1, 2018 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Engineer's Estimate	\$1,133,861.00		
JMB Construction, Inc. (South San Francisco, CA)	\$1,310,540.00	\$176,679.00	15.6%
Southwest Pipeline & Trenchless Corp. (Torrance, CA)	\$1,333,553.00	\$199,692.00	17.6%
Northern Underground Construction, Inc. (San Jose, CA)	\$1,352,606.00	\$218,745.00	19.3%
Michels Corporation (Salem, OR)	\$1,599,267.50	\$465,406.50	41.0%

The low bid submitted by JMB Construction, Inc. is 15.6% over the Engineer's Estimate. The high bid may be attributed to a general increase in construction costs as well as an increase in material and installation cost for CIPP liners.

JMB Construction, Inc. has worked on many City projects as a prime contractor. Staff considers the low bid acceptable for the work involved in the project and recommends award of contract to JMB Construction, Inc.

City 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 on schedule with expected completion by October 2018. No additional follow up action with the City Council is expected at this time.

PUBLIC OUTREACH

To solicit contractors, this project was listed on Bidsync and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects were provided to various contractor organizations and builders' exchanges.

This memorandum will be posted on the City's website for the March 20, 2018, City Council agenda.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

There is no commission recommendation or input associated with this action.

FISCAL/POLICY ALIGNMENT

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.

COST SUMMARY/IMPLICATIONS

1.	AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$ 1,310,540
	Project Delivery	\$341,975 *
	Construction	\$1,310,540
	Contingency	\$131,054
	Total Project Costs	<u>\$1,783,569</u>
	Prior Year Expenditures	(\$59,975)
	REMAINING PROJECT COSTS	\$1,723,594

* Project delivery includes \$59,975 for Design Services and \$282,000 for Inspection, Survey and Materials Lab Services, Construction Management, and project closeout costs.

2.	COST ELEMENTS OF CONTRACT:	
	Mobilization, Permits, and Traffic Control	\$182,000
	Pipeline Installation and Repair	\$645,796
	Pipeline Rehabilitation	\$430,744
	Manhole Construction	\$52,000
	TOTAL AGREEMENT/CONTRACT AMOUNT	<u>\$1,310,540</u>

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 funds 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.)
545	7356	Condition Assessment Sewer Repairs	191065	\$5,500,000	\$1,310,540	199	06/20/17, Ord. No. 29962

CEQA

Exempt, File No. PP17-029.

/s/
JON CICIRELLI
Acting Director of Public Works

For questions please contact Acting Assistant Director, Michael O'Connell at (408) 535-8300.

Attachment: Location Map

8666 - SANITARY SEWER REPAIRS 2017-18 PACKAGE II

