



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Cano

**SUBJECT:** 8709 - SANITARY SEWER REPAIRS  
2017-18 PACKAGE III

**DATE:** May 14, 2018

Approved

Date

5-24-18

**COUNCIL DISTRICT:** 1, 3, 5, 6 & 9

## RECOMMENDATION

Report on bids and award of contract for the 8709 – Sanitary Sewer Repairs 2017-18 Package III to the low bidder, Southwest Pipeline & Trenchless Corporation, in the amount of \$2,174,891 and approve a contingency in the amount of \$217,489.

## OUTCOME

Award of the construction contract to Southwest Pipeline & Trenchless Corporation will enable the 8709 – Sanitary Sewer Repairs 2017-18 Package III 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

This project is in various locations in Council Districts 1, 3, 5, 6, and 9 (see attached maps). The purpose of this project is to improve and rehabilitate sewer mains that were found to have moderate to severe defects identified through recent condition assessment inspections.

This project will evaluate 39 sanitary sewer segments or approximately 9,100 linear feet of small diameter sanitary sewer pipelines that have severe structural defects and determine the necessary rehabilitation method to repair the segments.

The contractor will also be performing repairs to the sewer mains. Depending on the assessment of the condition of the sewer mains, the repairs may include localized repairs on the pipe and/or inserting a liner inside the pipe to seal the cracks and rehabilitate the pipe. Additionally, there will be a few segments that will have their existing flushing inlet replaced with new sanitary sewer manholes. Lastly, Add Alternate No. 1, which consists of 16 segments or approximately

4,200 linear feet of larger diameter sanitary sewer pipelines is included as part of the project will also be evaluated and rehabilitated.

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

### ANALYSIS

Bids for this project were opened on April 19, 2018, with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alt No.1</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Southwest Pipeline & Trenchless Corporation (Torrance, CA)	\$1,489,341	\$685,550	\$2,174,891	(\$308,862)	(12)
<b>Engineer's Estimate</b>	<b>1,590,868</b>	<b>893,145</b>	<b>2,483,753</b>	--	--
JMB Construction, Inc. (San Francisco, CA)	2,115,121	447,940	2,563,061	79,308	3
Michels Corporation dba Michels Pipeline Construction (Salem, OR)	1,865,774	974,448	2,840,222	356,469	14

There were three bids submitted that varied from 12 percent under to 14 percent over the Engineer's Estimate. The low bid submitted by Southwest Pipeline & Trenchless Corporation was 12 percent below the Engineer's Estimate. Southwest Pipeline & Trenchless Corporation has successfully worked on City projects as both a prime contractor and subcontractor. Staff considers the low bid acceptable for the work involved in the project. Add Alternative No. 1 is recommended for award because the project budget is sufficient to accommodate this addition to the project.

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 substantial completion by December 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 Bid Sync (<http://www.bidsync.com/>) 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 June 5, 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 Attorney's 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 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:	<b>\$ 3,023,989</b>
	Project Delivery	\$631,609 *
	Construction	2,174,891
	Contingency	217,489
	Total Project Costs	<u>\$3,023,989</u>
	Cost to Date Expenditures	67,403
	<b>REMAINING PROJECT COSTS</b>	<b>\$2,956,586</b>

\* Project delivery includes \$67,403 for Design Services and \$553,241 for Inspection, Survey and Materials Lab Services, Construction Management, and project closeout costs

2. COST ELEMENTS OF CONTRACT:

Mobilization, Permits, and Traffic Control	\$ 159,625
Pipeline Installation and Repairs	1,118,940
CIPP Liner Installation	731,326
Manhole Construction/Rehabilitation	<u>165,000</u>
<b>TOTAL AGREEMENT/CONTRACT AMOUNT</b>	<b>\$ 2,174,891</b>

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 appropriation proposed 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 Sanitary Sewer Repairs	191265	\$5,500,000	\$1,600,000	199	6/20/2017, 29962
545	4272	Immediate Replacement & Diversion	193855	\$6,500,000	\$574,891	200	6/20/2017, 29962

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**CEQA**

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

/s/  
MATT CANO  
Director of Public Works

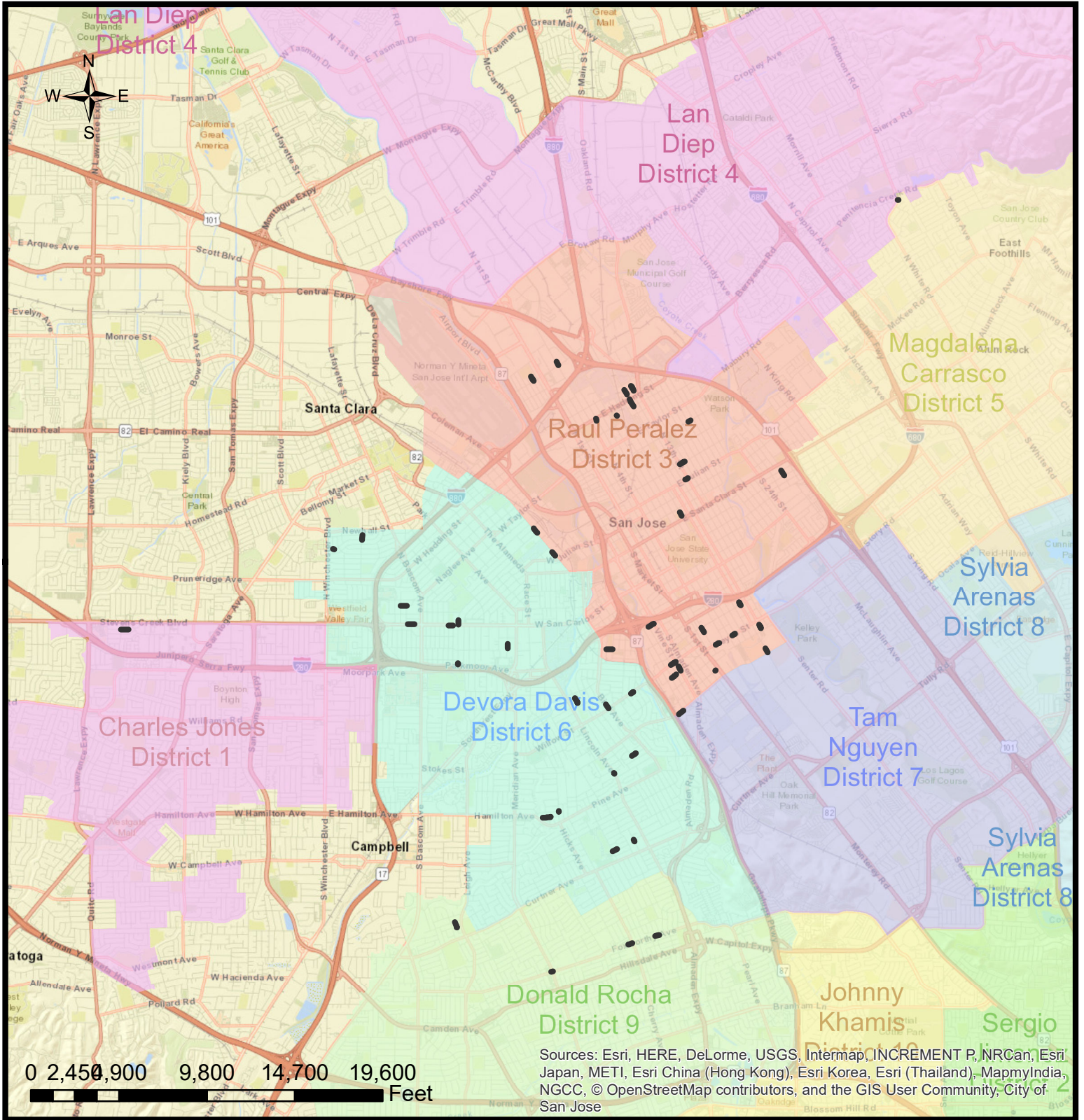
Attachments:

Location Map – All Districts  
Council District 1 Location Map  
Council District 3 Location Map  
Council District 5 Location Map  
Council District 6 Location Map  
Council District 9 Location Map

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

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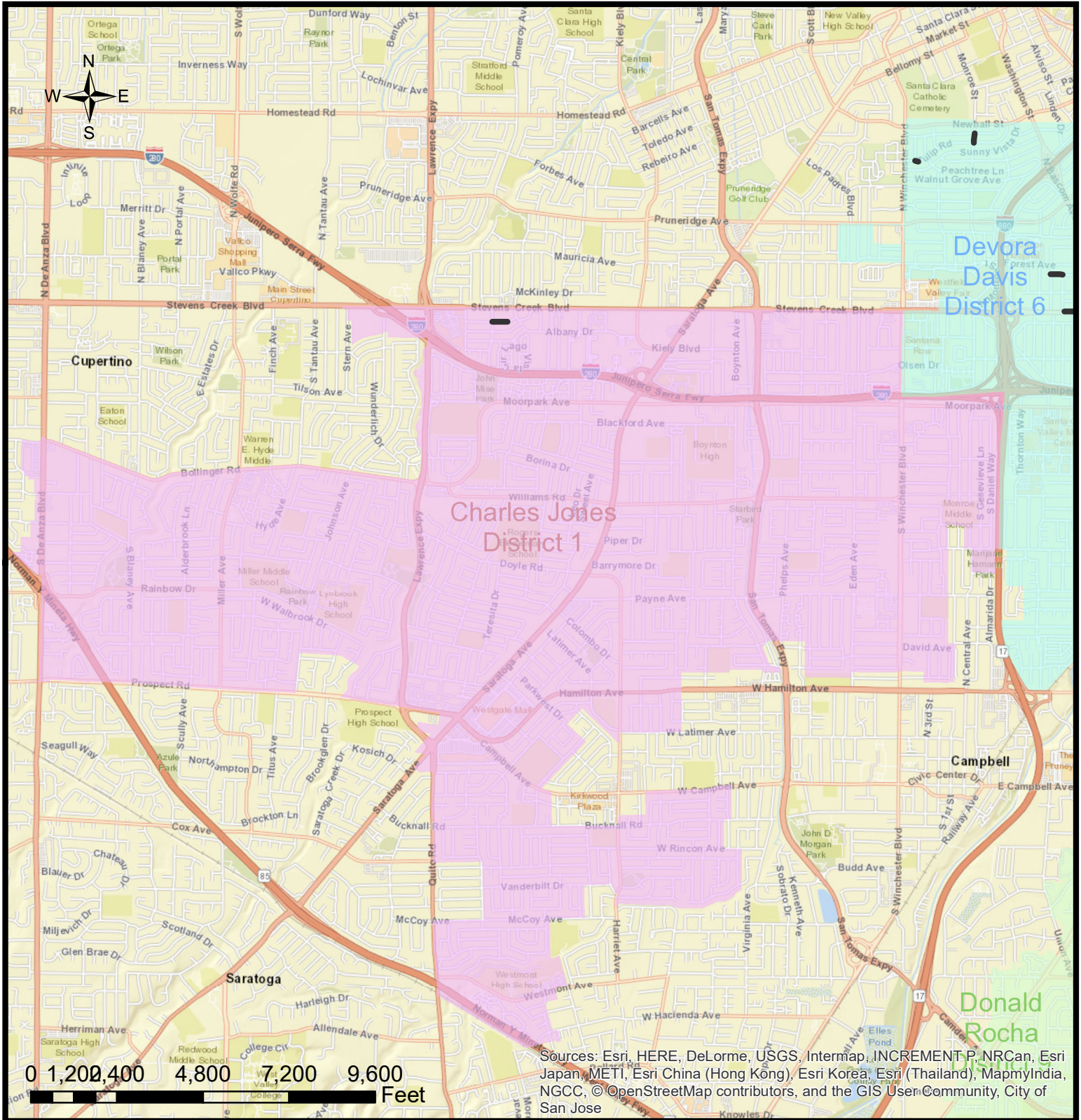
## Location Map - ALL DISTRICTS



Location Map  
Not to Scale



# 8709 - Sanitary Sewer Repairs FY17-18 PKG III DISTRICT 1

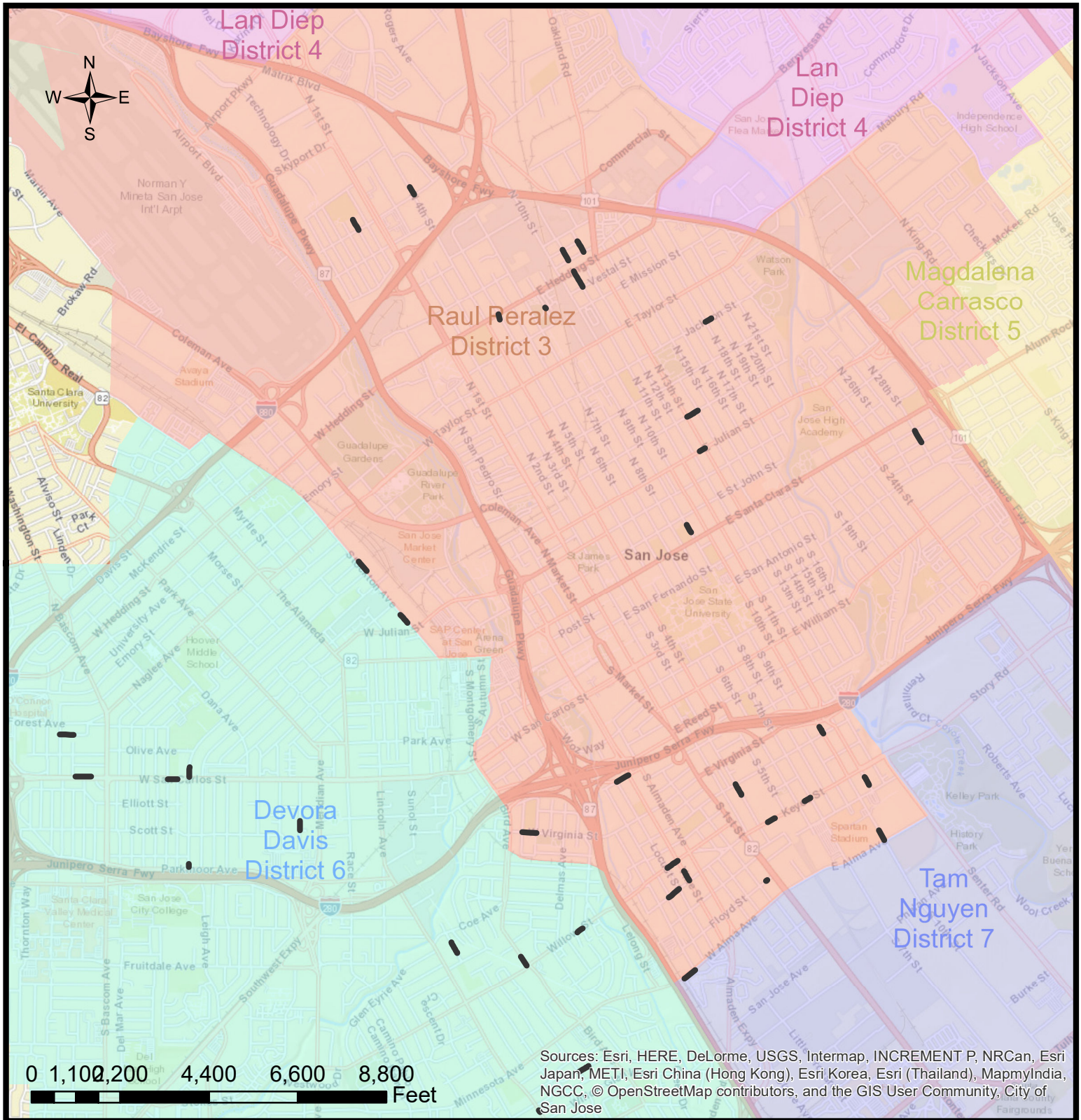


Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community, City of San Jose

Location Map  
Not to Scale



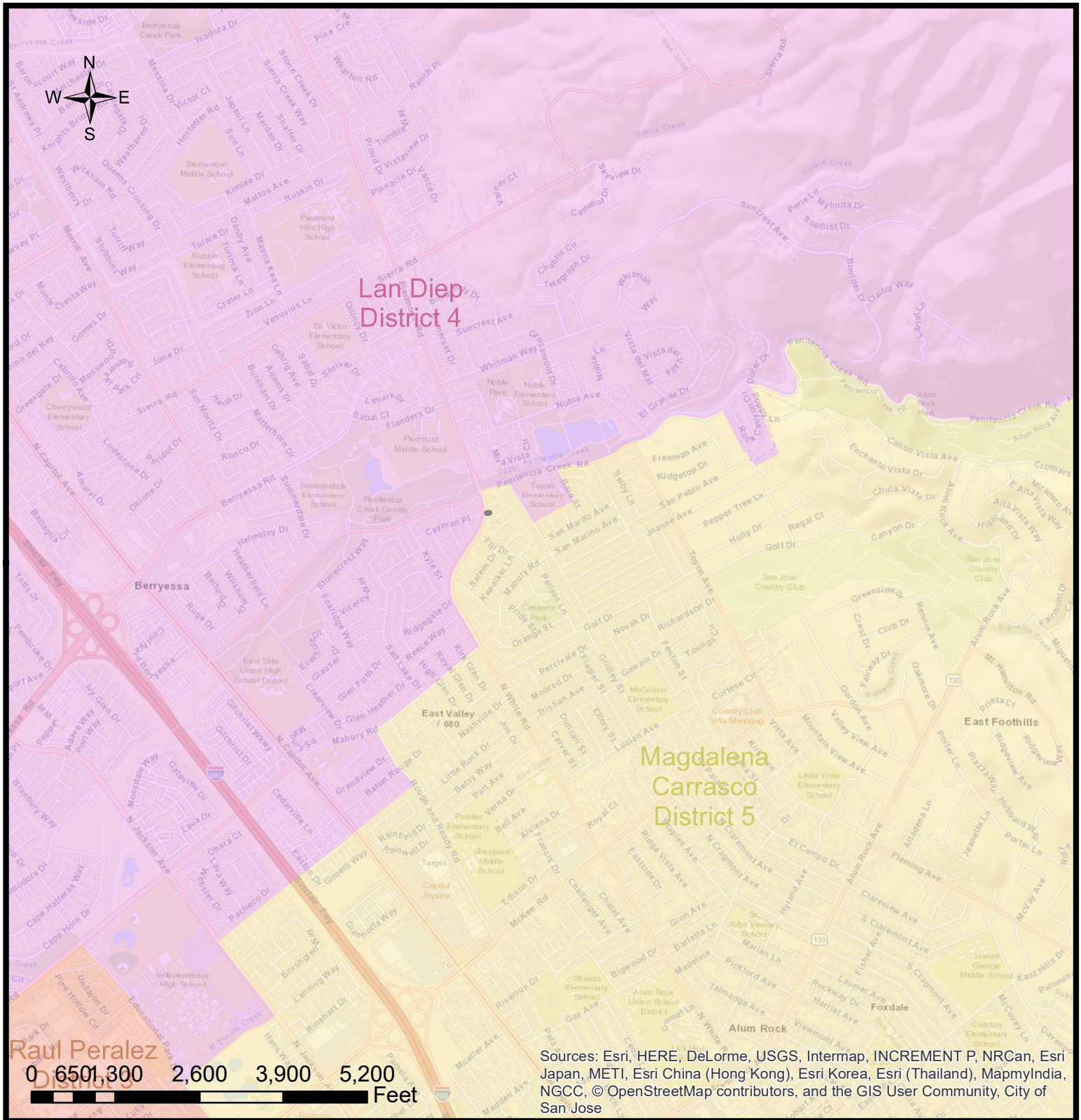
# 8709 - Sanitary Sewer Repairs FY17-18 PKG III DISTRICT 3



Location Map  
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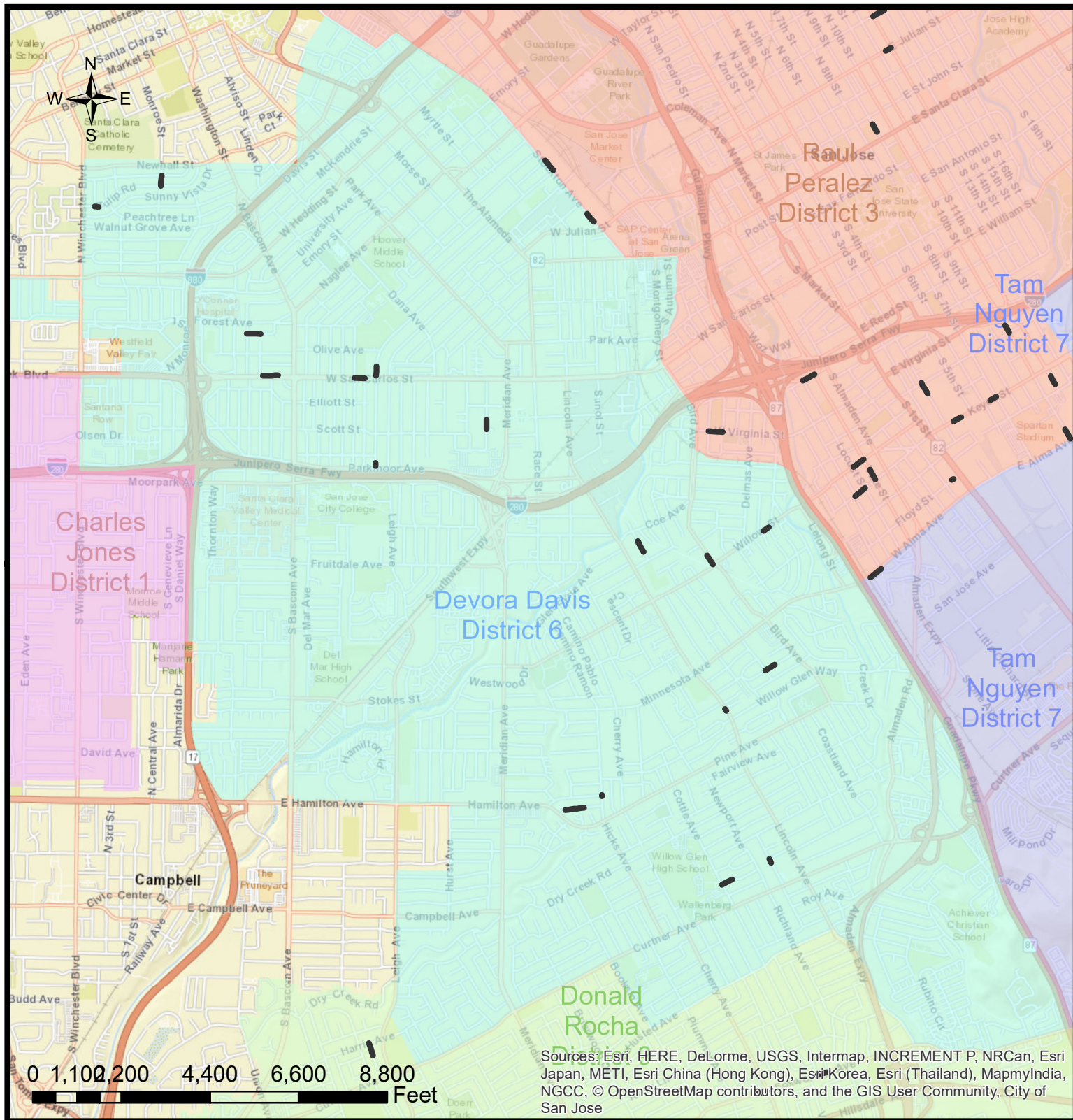
# 8709 - Sanitary Sewer Repairs FY17-18 PKG III DISTRICT 5



Location Map  
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# 8709 - Sanitary Sewer Repairs FY17-18 PKG III DISTRICT 6

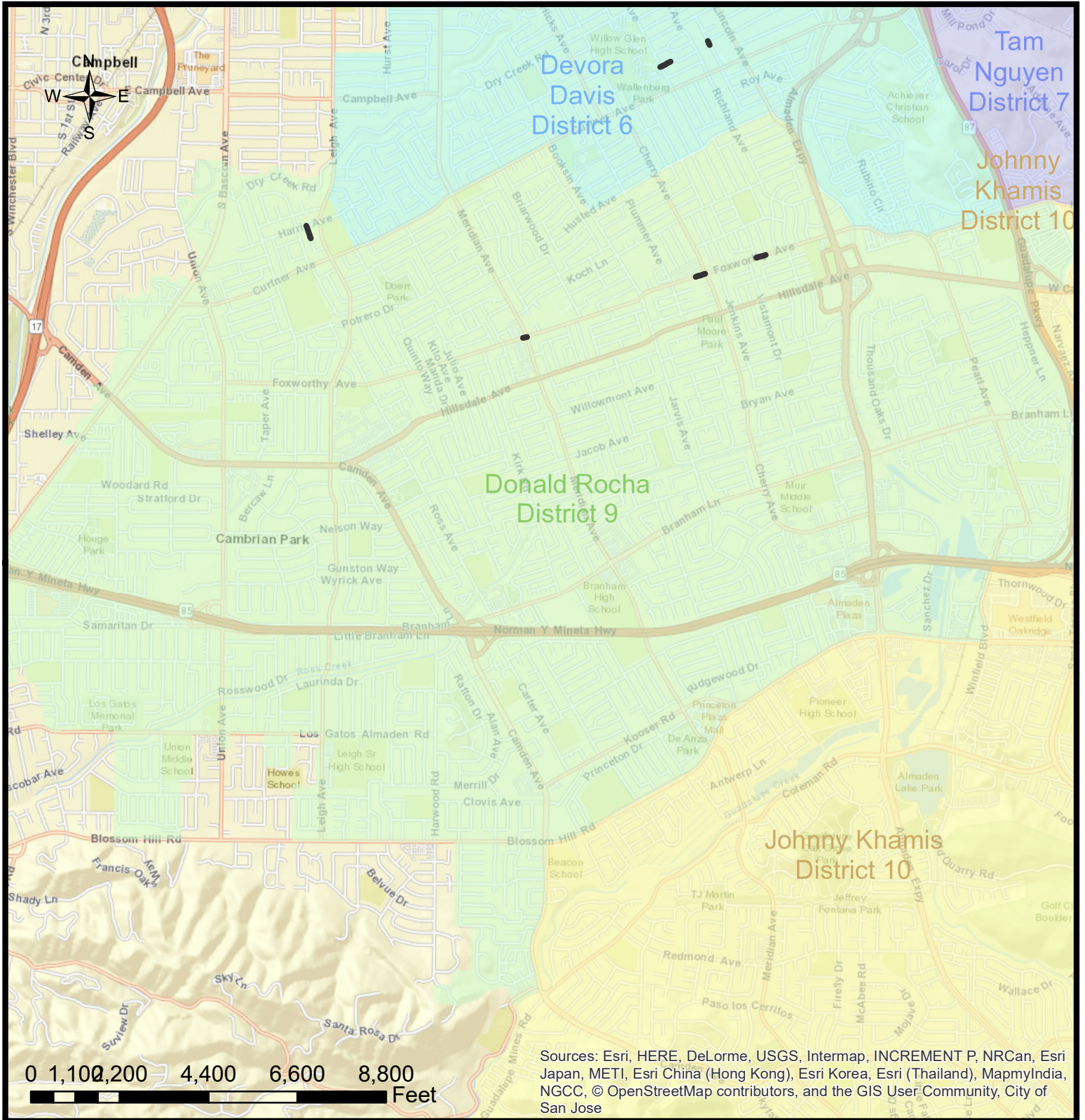


Location Map  
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# 8709 - Sanitary Sewer Repairs FY17-18 PKG III

## DISTRICT 9



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Location Map  
Not to Scale