

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Barry Ng

**SUBJECT: 8383 - CAST IRON SEWER
REPLACEMENT FY 16-17
PACKAGE IV**

DATE: August 21, 2017

Approved

D. D. Sy L

Date

9/11/17

COUNCIL DISTRICT: 6, 9

RECOMMENDATION

Report on bids and award of contract for the 8383 - Cast Iron Sewer Replacement FY 16-17 Package IV to the low bidder, Cratus, Inc., in the amount of \$1,127,268 and approve a contingency in the amount of \$112,727.

OUTCOME

Award of the construction contract to Cratus, Inc., will enable the 8383 - Cast Iron Sewer Replacement FY 16-17 Package IV 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 Department of Public Works has developed a Cast Iron Pipe Replacement Program to address unlined cast iron sewer mains that have corroded significantly since their installation in the late 1950's. The Cast Iron Sewer Replacement FY 16-17 Package IV project is part of this program and consists of the removal of existing corroded unlined cast iron pipe (CIP) and subsequent replacement with epoxy lined ductile iron pipe (DIP).

This project will remove approximately 3,110 linear feet of 5-in, 6-in, and 8-in CIP sanitary sewer main and replace it with 1,700 linear feet of 6-in and 8-in DIP and 1,410 linear feet of 6-in and 8-in vitrified clay pipe (VCP). This project will utilize open-cut trenching methods for the removal and replacement of the existing pipelines.

Council Districts and streets affected by the project include the following (see attached Council District Location Maps):

- Council District 6: Georgetta Drive, Wendy Way, Nola Drive, Jenvey Avenue and Roy Avenue
- Council District 9: Cherry Garden Lane, Castle Drive, Cambridge Drive, and Speciale Way

ANALYSIS

Bids for this project were opened on July 27, 2017 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Engineer's Estimate	\$1,086,363	--	--
Cratus, Inc. (San Francisco)	1,127,268	\$40,905	4
Westland Contractors, Inc. (Burlingame)	1,154,113	67,750	6
K.J. Woods Construction, Inc. (San Francisco)	1,248,000	161,637	15
Pacific Underground Construction, Inc. (San Jose)	1,370,503	284,140	26
JMB Constriction, Inc. (South San Francisco)	1,373,788	287,425	26

There were a total of five bids submitted that varied from four to twenty-six percent over the Engineer's Estimate. The low bid submitted by Cratus, Inc. is four percent above the Engineer's Estimate. Staff considers the low bid submitted for this project acceptable for the work involved and recommends award of contract to Cratus, Inc.

Cratus, Inc. has successfully completed several miscellaneous sanitary sewer projects with the City in the past and is currently working on a similar cast iron replacement project for the City, namely 7488 - Carmel and Arbor Drive Sanitary Sewer Replacement.

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 May 2018. No additional follow up action with the City Council is expected at this time.

PUBLIC OUTREACH

The project was listed on BidSys and advertised in the *San José Post Record*. The complete bid package and project information for all Department of Public Works construction projects are available on BidSys for interested contractors, contractor organizations and builders' exchanges.

This memorandum will be posted on the City's website for the September 12, 2017, City Council agenda.

COORDINATION

This project and memorandum have been coordinated with the Department of Planning, Building and Code Enforcement, Department of Transportation, City Attorney's Office, and 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 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:	\$ 1,127,268
	Project Delivery	\$396,270*
	Construction	\$1,127,268
	Contingency	\$112,727
	TOTAL PROJECT COSTS	\$1,636,265
	Prior Year Expenditures	\$103,270
	REMAINING PROJECT COSTS	\$1,532,995

*Project delivery includes \$110,270 for Design Services and \$286,000 for Inspection, Survey and Material Lab Services, Construction Management, and project closeout costs.

2.	COST ELEMENTS OF CONTRACT:	
	Mobilization, Permits, and Traffic Control	\$152,738
	Pipeline Installation	\$943,730
	Manhole Construction	\$30,800
	TOTAL AGREEMENT/CONTRACT AMOUNT	\$1,127,268

August 21, 2017

Subject: 8383 - Cast Iron Sewer Replacement FY 16-17 Package IV

Page 4

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 award recommendation as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs:

Fund #	Appn. #	Appn. Name	RC #	Current Total Appn.	Amt. for Contract	2017-2018 Proposed Capital Budget Page*	Last Budget Action (Date, Ord.No.)
Remaining Project Costs				\$1,532,995			
Current Funding Available							
545	7472	Cast Iron Pipe- Remove and Replace	190095	\$4,500,000	\$1,127,268	184	6/20/2017, Ord. 29962
Total Current Funding Available				\$4,500,000	\$1,127,268		

* The 2017-2018 Proposed Capital Budget was adopted on June 20, 2017.

CEQA

Exempt, File No. PP17-031, CEQA Guidelines Section 15301, Existing Facilities, and 15302, Replacement or Reconstruction.

/s/

BARRY NG

Director, Public Works Department

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

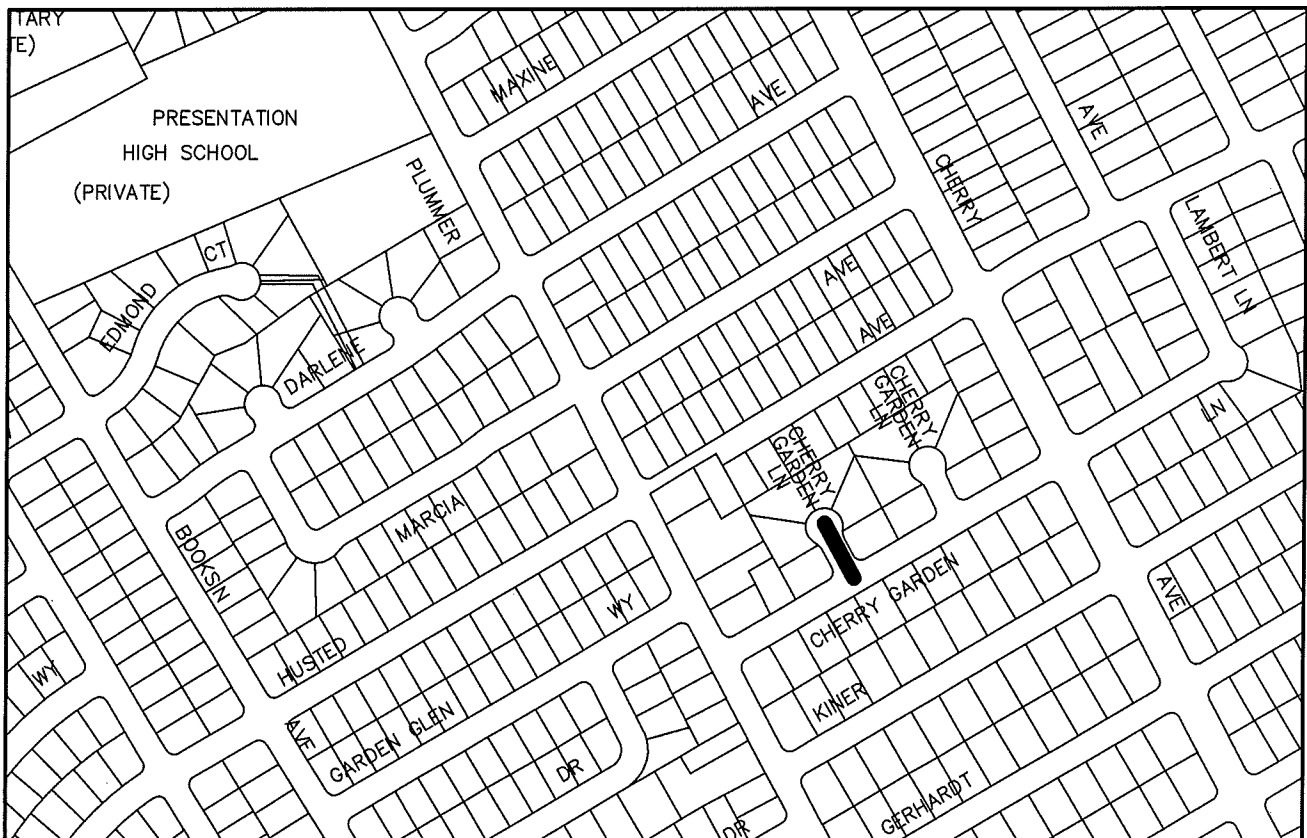
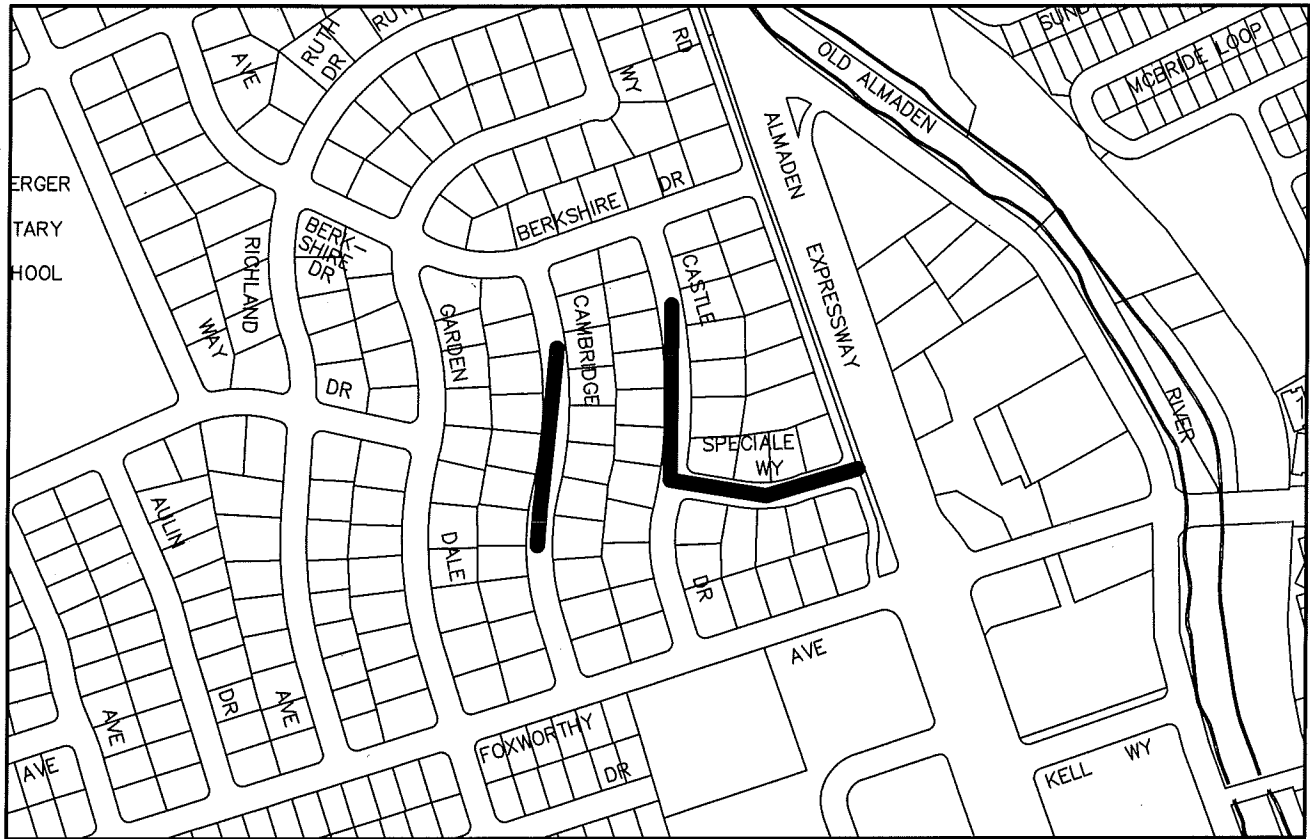
Attachments: Council District 6 Project Location Map
Council District 9 Project Location Map

8383-CAST IRON SEWER REPLACEMENT
FY 16-17 (PACKAGE IV)



COUNCIL DISTRICT 6
LOCATION MAP
N.T.S.

8383-CAST IRON SEWER REPLACEMENT FY 16-17 (PACKAGE IV)



COUNCIL DISTRICT 9
LOCATION MAP
N.T.S.