



COUNCIL AGENDA: 12/19/17

FILE: 17-458

ITEM: 2.16

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Barry Ng

SUBJECT: 8589–CAST IRON REPLACEMENT
FY17-18 PACKAGE I

DATE: November 27, 2017

Approved

D. OSY L

Date

12/5/17

COUNCIL DISTRICT: 9

RECOMMENDATION

Report on bids and award of contract for the 8589 - Cast Iron Replacement 2017-2018 Package I Project to the low bidder, Casey Construction, Inc., in the amount of \$1,133,346 and approve a contingency in the amount of \$113,335.

OUTCOME

Award of the construction contract to Casey Construction, Inc. will enable the 8589 - Cast Iron Replacement 2017-2018 Package I 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 Replacement Program to address unlined cast iron sewer mains that have corroded significantly since their installation in the late 1950's. The 8589 - Cast Iron Sewer Replacement 2017-2018 Package I 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), vitrified clay pipe (VCP) and high density polyethylene (HDPE) pipe.

This project will remove approximately 3,370 linear feet of 6-in. CIP sanitary sewer main and replace it with 3,000 linear feet of 6-in. DIP, 120 linear feet of 6-in. VCP and 250 linear feet of 6-in. HDPE. This work occurs at various locations in Council District 9 (see attached map) and will be completed using open trenching methods as well as trenchless technologies, and is intended to address maintenance issues and restore capacity.

To minimize disturbance at one of the project locations within an easement on private property, pipe bursting will be used to replace 250 linear feet of sewer main. This easement location is between Alby Court and Hendrix Court.

Due to the long lead time to obtain cast iron pipe and fittings, construction is scheduled to begin in March 2018 with completion in July 2018.

ANALYSIS

Bids for this project were opened on November 9, 2017 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Casey Construction, Inc. (Emerald Hills)	\$1,133,346	(\$34,654)	(3)
Engineer's Estimate	\$1,168,000	---	---
KJ Woods Construction, Inc. (San Francisco)	\$1,188,000	\$20,000	2
Pacific Underground Construction, Inc. (San Jose)	\$1,268,031	\$100,031	9
JMB Construction, Inc. (South San Francisco)	\$1,283,820	\$115,820	10
Stoloski & Gonzalez (Half Moon Bay)	\$1,295,280	\$127,280	11
Advance Chemical Transport, Inc. (San Diego)	\$1,302,385	\$134,385	12
Cratus, Inc. (San Francisco)	\$1,303,095	\$135,095	12

There were a total of seven bids submitted that varied from three percent under the Engineer's Estimate to twelve percent over the Engineer's Estimate. The low bid submitted by Casey Construction, Inc. is three percent below the Engineer's Estimate. Staff considers the low bid submitted for this project acceptable for the work involved and recommends award of contract to Casey Construction, Inc.

Casey Construction, Inc. has successfully completed several cast iron sanitary sewer projects with the City in the past and is currently working on a similar cast iron replacement project for the City, namely 8534 – Cast Iron Replacement 2016-2017 Package II.

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 July 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*. The complete bid package and project information for all Department of Public Works construction projects are available on BidSync for interested contractors, contractor organizations and builders' exchanges.

This memorandum will be posted on the City's website for the December 19, 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:	\$1,133,346
	Project Delivery	\$ 416,132 *
	Construction	1,133,346
	Contingency	113,335
	Total Project Costs	1,662,813
	Cost to Date Expenditures	(70,042)
	REMAINING PROJECT COSTS	\$1,592,771

* Project delivery includes \$128,544 for Design Services and \$287,588 for Inspection, Survey and Materials Lab Services, Construction Management, and project closeout costs.

2. **COST ELEMENTS OF CONTRACT:**

Mobilization, Permits, and Traffic Control	\$ 72,000
Pipeline Installation	973,346
Manhole Construction	88,000
TOTAL AGREEMENT/CONTRACT AMOUNT	\$1,133,346

3. **SOURCE OF FUNDING:** 545 – Sewer Service and Use Charge Capital Improvement Fund4. **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 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	7472	Cast Iron Pipe - Remove and Replace	189875	\$4,500,000	\$1,133,346	198	06/20/17, 29962

HONORABLE MAYOR AND CITY COUNCIL

November 27, 2017

Subject: 8589 - Cast Iron Replacement 2017-2018 Package I

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CEQA

Exempt, File No. PP17-031, CEQA Guidelines Section 15301 Existing Facilities, dated April 25, 2017; Expiration Date: April 20, 2022.

/s/

BARRY NG

Director of Public Works

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

Attachment: Location Map

8589 - Cast Iron Replacement FY17-18 Package I
Location Map - Council District 9

CD 9: Andover Lane, Faraday Drive, Faraday Place, Faraday Court, Alby Court, Hendrix Court, Hendrix Way, Jeffery Avenue, Revere Avenue, Lynhurst Way, Reinoso Court, Ethan Court, Cuen Court, and Bournemouth Court