



COUNCIL AGENDA: 4/17/18

FILE: 18-480

ITEM: 2.10

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jon Cicirelli

SUBJECT: 8643 – CAST IRON REPLACEMENT
FY 17-18 PACKAGE III

DATE: March 26, 2018

Approved

D. D. SyL

Date

4/5/18

COUNCIL DISTRICT: 2 & 10

RECOMMENDATION

Report on bids and award of contract for the 8643 - Cast Iron Replacement FY 17-18 Package III project to the low bidder, Casey Construction, Inc., in the amount of \$1,334,280 and approve a contingency in the amount of \$133,428.

OUTCOME

Award of the construction contract to Casey Construction, Inc. will enable the 8643 - Cast Iron Replacement FY 17-18 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

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 1950s. The 8643 - Cast Iron Sewer Replacement FY 17-18 Package III project is a 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 3,210 linear feet of 6-inch CIP sanitary sewer main and replace it with 6-inch DIP, remove approximately 1,470 linear feet of 8-inch CIP sanitary sewer main and replace it with 8-inch DIP, install one new sanitary sewer manhole, and remove and replace one existing sanitary sewer manhole.

This work occurs at various locations in Council Districts 2 and 10 (see attached map). The removal and replacement of the existing sanitary sewer mains will be completed using open-cut trenching methods and will address maintenance issues and restore capacity to the system.

Due to a long lead time to obtain epoxy lined ductile iron pipes and fittings, construction is scheduled to begin in August 2018 with completion in April 2019.

ANALYSIS

Bids for this project were opened on March 1, 2018 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)	\$1,334,280	(\$12,270)	(1)
Engineer's Estimate	\$1,347,000	---	---
C2R Engineering, Inc. (Mountain View)	\$1,366,096	\$19,096	1
Cratus, Inc. (San Francisco)	\$1,450,604	\$103,604	8
Pacific Underground Construction, Inc. (San Jose)	\$1,489,226	\$142,226	11
Westland Contractors, Inc. (Burlingame)	\$1,513,839	\$166,839	12
JMB Construction, Inc. (South San Francisco)	\$1,688,846	\$341,846	25

There was a total of six bids submitted that varied from one percent under the engineer's estimate to twenty-five percent over the engineer's estimate. The low bid submitted by Casey Construction, Inc. is one 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 8589 – Cast Iron Replacement FY 17-18 Package I.

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 April 2019. 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 April 17, 2018, 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:	\$1,334,280
	Project Delivery	436,992*
	Construction	1,334,280
	Contingency	133,428
	Total Project Costs	<u>1,904,700</u>
	Cost to Date Expenditures	<u>(103,700)</u>
	REMAINING PROJECT COSTS	\$1,801,000

* Project delivery includes \$89,710 for Design Services and \$347,282 for Construction Management, Inspection, Survey and Materials Lab Services, and project closeout costs.

2. COST ELEMENTS OF CONTRACT:

Mobilization, Permits, and Traffic Control	\$100,295
Pipeline Installation	1,221,885
Manhole Construction	12,100
TOTAL AGREEMENT/CONTRACT AMOUNT	\$1,334,280

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 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	190585	\$4,500,000	\$1,000,000	198	6/20/17, 29962
545	4271	Urgent Rehab & Repair Project	193315	\$8,000,000	\$334,280	203	6/20/17, 29962

HONORABLE MAYOR AND CITY COUNCIL

March 26, 2018

Subject: 8643 - Cast Iron Replacement FY 17-18 Package III

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CEQA

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

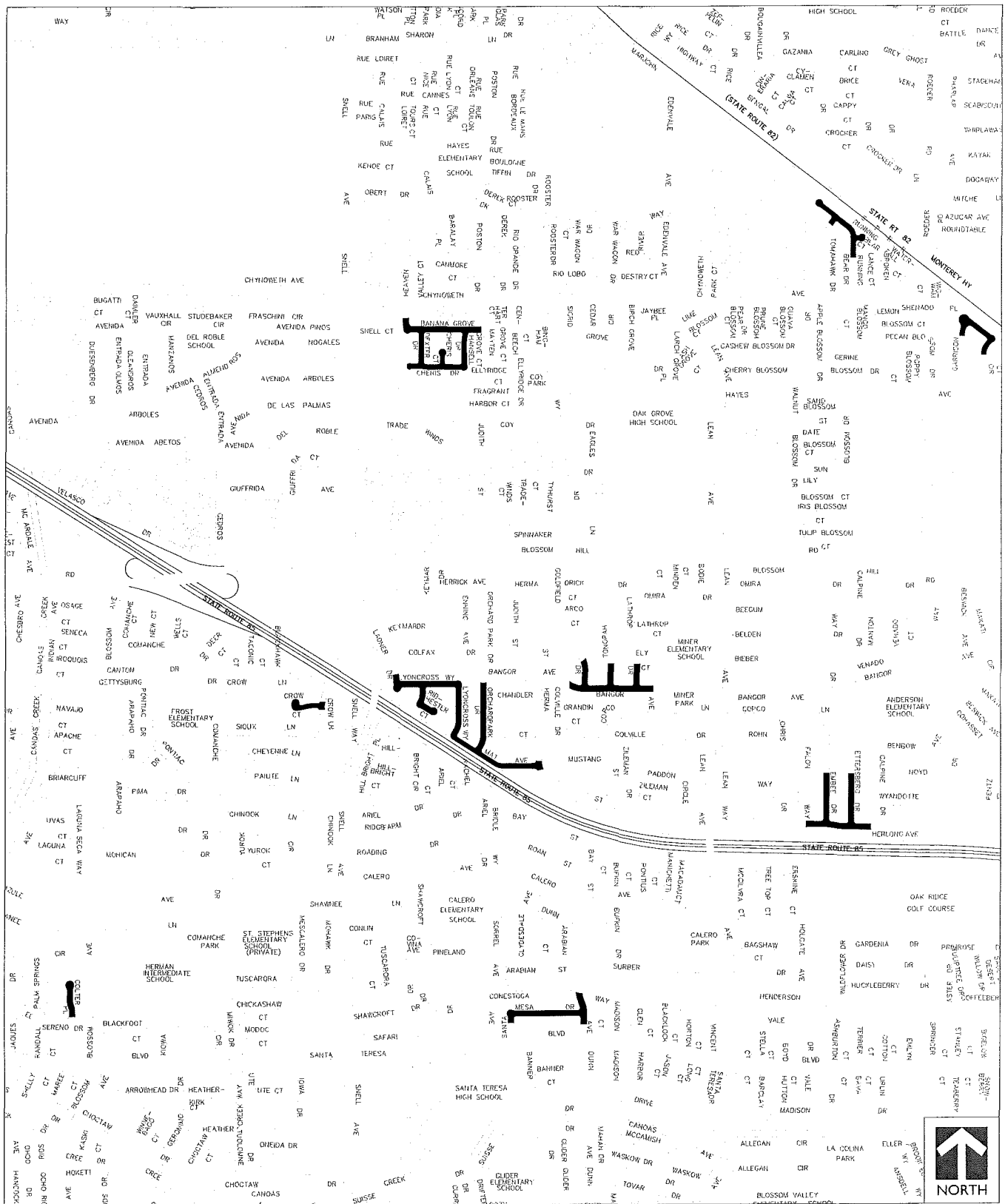
/s/

JON CICIRELLI

Acting Director of Public Works

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

Attachment: Location Map



8643 - CAST IRON REPLACEMENT FY 17-18 PACKAGE III
GENERAL PROJECT LOCATION MAP
 Not To Scale