

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: 8679 – DOWNER-CANOAS
COLLECTOR SYSTEM CLEANING
RE-BID

DATE: May 29, 2018

Approved

Date

6-7-18

COUNCIL DISTRICT: 3 & 10

RECOMMENDATION

Report on bids and award of contract for the 8679 – Downer-Canoas Collector System Cleaning Re-Bid project to the low bidder, Pipe and Plant Solutions, Inc., in the amount of \$1,494,284 and approve a contingency in the amount of \$149,428.

OUTCOME

Award of the contract will enable the 8679 – Downer-Canoas Collector System Cleaning Re-Bid project to proceed. Approval of a ten percent contingency will provide funding for any unanticipated work necessary for the proper completion of the project.

BACKGROUND

The Downer-Canoas Trunk system collects sewer flows generated in residential and mixed-use neighborhoods of south San Jose and directs the flow north along an alignment that crosses Canoas Creek within Martial Cottle Park, from east of Route 87 to south of Communication Hill (location map attached). The slope of the line is relatively flat and the diameter varies between 36-inches to 42-inches along the alignment.

During last year's wet season, a higher than normal flow level was observed in the Downer-Canoas Trunk system. Field investigations conducted by City staff confirmed high flow conditions in the pipe and sedimentation along a flat line as the cause of the high flow in this portion of the trunk system.

This project will clean approximately 8,400 feet of 36- and 42-inch diameter trunk sewer system to remove sediments and debris accumulated in the pipes. In addition, the system will be inspected and its condition will be assessed using CCTV and sonar inspection equipment. An encroachment permit from Santa Clara Valley Water District has been issued to allow access to the manholes located within the Canoas Creek easement during the cleaning and inspection. Likewise, a Park Use Permit has been acquired from Santa Clara County Parks to allow access to the manholes on existing sanitary sewer easements within Martial Cottle Park.

In addition to the cleaning of the Downer Canoas system, recently, a sonar investigation conducted on a 72-inch diameter sanitary sewer pipe along Seventh Street between Washington Street and Empire Street (map attached) had found that sediments had accumulated at the downstream end of this pipe segment. An Add Alternate is included to provide for the cleaning and inspection of approximately 900 feet of 72-inch diameter sanitary sewer pipe.

Construction is scheduled to begin in October 2018, with substantial completion in February 2019.

ANALYSIS

The project was originally advertised for bid on November 15, 2017, and bids were opened on December 7, 2017, with only one bid received. The lone bid submitted, however, was significantly higher than the engineer's estimate. On January 16, 2018, a notice of intent to reject all bids was issued on the basis that the low bid exceeded the funds budgeted for this project.

The project was re-advertised on May 2, 2018, and bids were opened on May 24, 2018, with the following results:

| <u>Contractor</u> | <u>Bid Amount</u> | <u>Variance Amount</u> | <u>Over/(Under) Percent</u> |
|--------------------------------|--------------------|------------------------|-----------------------------|
| Pipe and Plant Solutions, Inc. | \$1,364,760 | (\$290,220) | (18) |
| Engineer's Estimate | \$1,654,980 | --- | --- |

In addition to the base bid scope of work, there is one Add Alternate bid item as follows:

Add Alternate No.1: Cleaning and inspection of approximately 900 feet of 72-inch diameter sanitary sewer pipe along Seventh Street.

| <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> |
|-----------------------------------|--------------------|--------------------------|----------------------|----------------------------|--------------------------------------|
| Pipe and Plant Solutions, Inc. | \$1,364,760 | \$129,524 | \$1,494,284 | (\$355,760) | (19) |
| Engineer's Estimate | \$1,654,980 | \$195,066 | \$1,850,064 | --- | --- |

The low bid submitted by Pipe and Plant Solutions, Inc. is 19 percent below the Engineer's Estimate. The lower bid may be attributed to staff's coordination effort with the Santa Clara County Parks to allow the contractor access to all sanitary sewer manholes located within Martial Cottle Park. The bid is considered acceptable for the work involved in the project. Add Alternate 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 sewer cleaning. The standard contingency is appropriate for this project.

EVALUATION AND FOLLOW-UP

No additional follow up action with 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 builder's exchanges. This memorandum will be posted on the City's website for the June 19, 2018, City Council agenda.

COORDINATION

This project and memorandum have been coordinated with the Departments 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

No commission recommendation or input is 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: \$1,494,284

| | |
|---------------------------------|--------------------|
| Project Delivery | \$374,656 |
| Construction | \$1,494,284 |
| Contingency | \$149,428 |
| TOTAL PROJECT COSTS | \$2,018,368 |
| Prior Year Expenditures | (\$55,988) |
| REMAINING PROJECTS COSTS | \$1,962,380 |

* Project delivery includes \$70,656 for Design Services and \$304,000 for Inspection, Construction Management, and Project Closeout costs. A total of \$55,988 was expended through 2017-2018 for Project Delivery Costs.

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

| | |
|--|--------------------|
| Mobilization | \$164,900 |
| CCTV and Sonar Inspection | \$111,264 |
| Cleaning, Removal, and Disposal | \$1,218,120 |
| TOTAL AGREEMENT/CONTRACT AMOUNT | \$1,494,284 |

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 to fund the contract recommended as part of this memorandum. The remaining project costs, including project delivery, construction, and contingency costs are budgeted in 2017-2018 and assumed in the 2019-2023 Capital Improvement Program.

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May 29, 2018

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| Fund # | Appn # | Appn. Name | RC# | Total Appn. | Amt. For Contract | 2017-2018 Adopted Capital Budget Page | Last Budget Action (Date, Ord. No.) |
|--|--------|--|--------|---------------------|--------------------|---------------------------------------|-------------------------------------|
| Remaining Project Costs | | | | \$1,962,380 | | | |
| Current Funding Available | | | | | | | |
| 545 | 4272 | Immediate Replacement and Diversion Projects | 190815 | \$4,200,000 | \$994,284 | 200 | 5/22/2018, 31016 |
| 545 | 4271 | Urgent Rehabilitation and Repair Projects | 194215 | \$4,500,000 | \$500,000 | 203 | 5/22/2018, 31016 |
| Total Current Funding Available | | | | \$14,500,000 | \$1,494,284 | | |

CEQA

Exempt, File No. PP17-059, PP18-054.

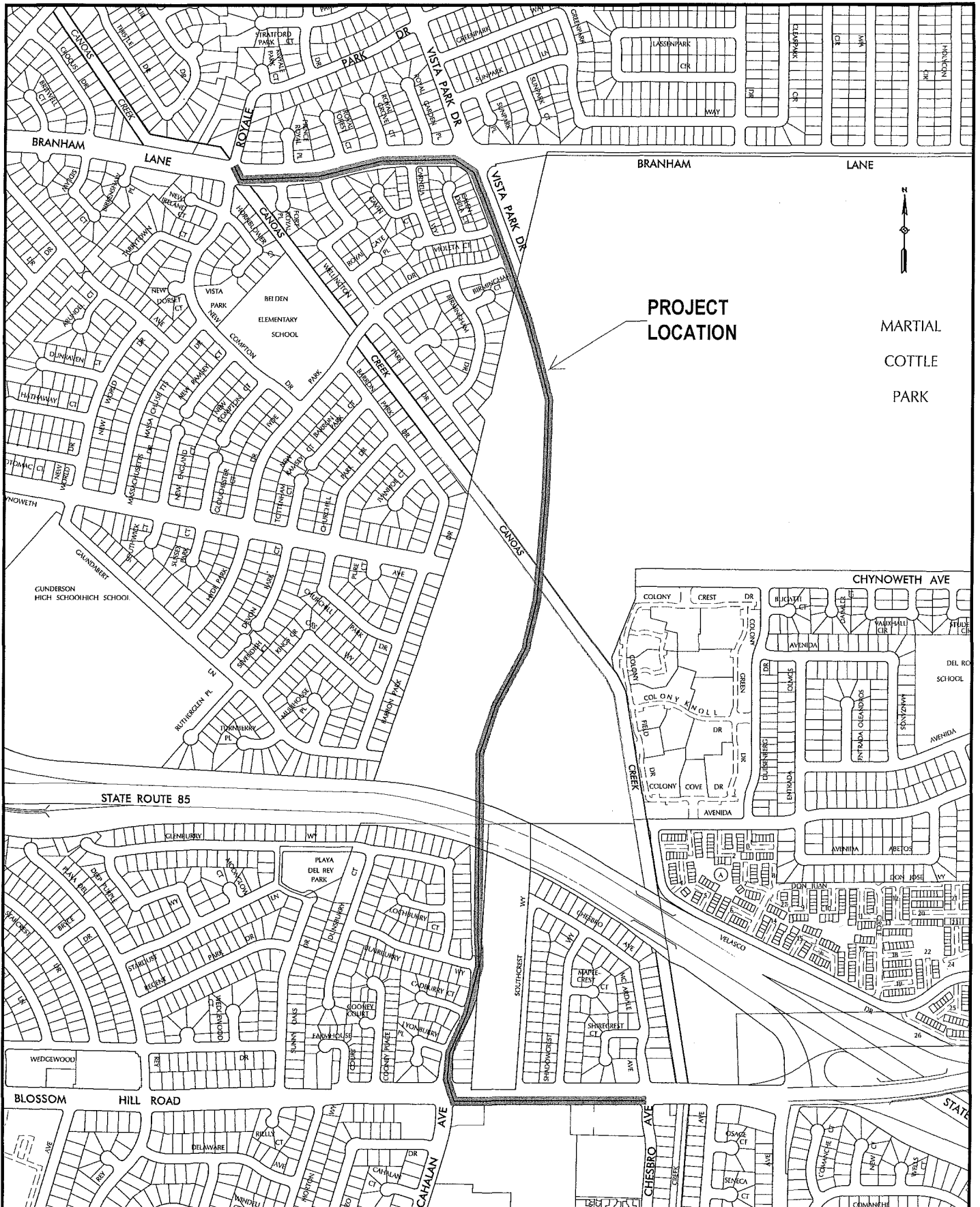
/s/
MATT CANO
Director of Public Works

Attachment: Location Maps

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

LOCATION MAP

8679 - DOWNER-CANOAS COLLECTOR SYSTEM CLEANING (BASE BID)



LOCATION MAP

8679 - DOWNER-CANOAS COLLECTOR SYSTEM CLEANING (ADD ALT. BID #1)

