

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Cano  
Margaret McCahan

**SUBJECT:** 7802- BOLLINGER RD- BLANEY AVE  
SANITARY SEWER IMPROVEMENT

**DATE:** November 29, 2018

Approved

Date

11-29-18

**COUNCIL DISTRICT: 1**

## RECOMMENDATION

- (a) Report on bids and award of contract for the 7802- Bollinger Rd- Blaney Ave Sanitary Sewer Improvement to the low bidder, Pacific Underground Construction, Inc., for the base bid and Add Alternate No. 1, in the amount of \$7,995,801 and approve a contingency in the amount of \$799,580.
- (b) Adopt the following 2018-2019 Appropriation Ordinance amendments in the Sewer Service and Use Charge Capital Improvement Fund:
  - (1) Decrease the Unrestricted Ending Funding Balance in the amount of \$1,200,000; and
  - (2) Increase the Bollinger Road – Moorpark Avenue – Williams Road Sanitary Sewer Improvements appropriation to the Public Works Department in the amount of \$1,200,000.

## OUTCOME

Award of the construction contract to Pacific Underground Construction, Inc. will enable the 7802- Bollinger Rd- Blaney Ave Sanitary Sewer Improvement 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 Bollinger Road and Blaney Avenue Sanitary Sewer Improvement project is located along Bollinger Road between Lawrence Expressway and Blaney Avenue, Blaney Avenue between Bollinger Road and Chiala Lane, and Chiala Lane between Blaney Avenue and Weyburn Lane (map attached). This project will provide additional capacity to the Forest-Rosa basin as identified in the Sanitary Sewer Master Plan Capacity Assessment Phase II and Phase I.

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The sanitary sewer systems included in this improvement project are identified in the Cost-Sharing Agreement between City of San Jose (City) and Cupertino Sanitary District (District) as joint use sanitary sewers. In accordance with the Cost-Sharing Agreement, the District will reimburse the City approximately 12% of the total project cost.

The project includes the upsize of approximately 3,700 linear feet of existing 12-inch to new 18-inch diameter vitrified clay pipe (VCP) and 3,600 linear feet of existing 15-inch to new 21-inch diameter VCP. In addition, this project will install approximately 4,000 linear feet of new 21-inch diameter VCP and 450 linear feet of new 24-inch diameter reinforced concrete pipe (RCP). This project will also remove and replace 24 existing sanitary sewer manholes and construct 22 new sanitary sewer manholes.

In coordination with the Department of Transportation (DOT), this project will include Add Alternate No. 1, which consists of paving restoration and lane striping modification along Blaney Avenue between Bollinger Road and Chiala Lane. This portion of the work will be funded with State Gas Tax resources.

Construction is scheduled to begin in April 2019 with substantial completion by February 2020.

### **ANALYSIS**

Bids for this project were opened on November 1, 2018 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Add Alt. Total</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Pacific Underground Construction, Inc. (San Jose)	\$7,667,910	\$327,891	\$7,995,801	(\$642,459)	(7)
Cratus, Inc. (San Francisco)	7,819,240	304,555	8,123,795	(514,465)	(6)
Anderson Pacific Engineering (Santa Clara)	7,923,000	352,000	8,275,000	(363,260)	(4)
JMB Construction, Inc. (South San Francisco)	7,980,807	376,638	8,357,445	(280,815)	(3)

<b>Engineer's Estimate</b>	<b>8,377,940</b>	<b>260,320</b>	<b>8,638,260</b>	<b>---</b>	<b>---</b>
Ranger Pipelines, Inc. (San Francisco)	8,458,370	282,805	8,741,175	102,915	1
Mountain Cascade, Inc. (Livermore)	9,044,890	413,310	9,458,200	819,940	10
Garney Pacific Inc. (Tracy)	10,854,860	275,865	11,130,725	2,492,465	29

There were a total of seven bids submitted that varied from seven percent below to twenty-nine percent over the Engineer's Estimate. The low bid submitted by Pacific Underground Construction, Inc. is seven percent below the Engineer's Estimate. Staff considers the low bid and Add Alternate No. 1 submitted for this project to be acceptable for the work involved and recommends award of contract to Pacific Underground Construction, Inc.

Pacific Underground Construction, Inc. has consistently submitted bids on City projects and has successfully completed numerous sanitary sewer projects with the City in the past. For this project, Pacific Underground Construction, Inc. listed Chrisp Company, St. Francis Electric, MCK Services Inc., and Presidio Systems as their subcontractors to perform work on the installation of striping and markings, traffic loops, grinding and paving, and closed-circuit television, respectively.

Council Policy provided 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.

### **Project Labor Agreement Applicability**

In accordance with direction from the Mayor and City Council on October 16, 2018, the project labor agreement (PLA) between the City and the Santa Clara and San Benito Counties Building & Construction Trades Council is in final draft form and pending execution. It is expected to be executed by the end of the calendar year, if not sooner. This Bollinger Road project does not include a PLA because it has already been advertised for bid, prior to the PLA being executed. However, if the PLA had been executed prior to this project being advertised, it would likely have included a PLA for the following reasons: (1) The engineer's estimate for construction was over three million dollars; and (2) Over fifty percent of the project is for upsizing sewers.

### **Local and Small Business Outreach**

The recommended contractor is both a small and local business. In order to facilitate small and local business participation on this project, the following actions were taken: (1) during the design, the project engineers separated the following items for subcontracting opportunities: street clean-up; traffic control; pavement improvement; traffic striping and pavement markings; loop detectors; and cleaning and inspection of sanitary sewer laterals in order to facilitate the ability for more local contractors to bid on the project; and (2) procurement staff outreached with 6,300 suppliers invited through BidSync, 262 of them identified as local.

### **EVALUATION AND FOLLOW-UP**

This project is currently scheduled to be completed by February 2020. 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*. 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 December 11, 2018, City Council agenda.

### **COORDINATION**

This memorandum has been coordinated with the Department of Planning, Building, and Code Enforcement, the Department of Transportation, and the City's Attorney Office.

Moreover, the project has been coordinated with the Cupertino Sanitation District for their cost share of the project.

### **COMMISSION RECOMMENDATION/INPUT**

This item does not have input from a board or commission.

### **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: \$7,995,801**

Project Delivery (Base Bid)	\$1,262,621*
Construction Base Bid	7,667,910
Add Alternate	327,891
Contingency	799,580
Total Project Costs	10,058,002
Prior Year Expenditures	(462,612)

**REMAINING PROJECT COSTS \$9,595,390**

\*Project delivery for the sewer improvement includes \$462,621 for Design Services, \$800,000 for Inspection, Survey and Materials Testing Laboratory Services, Construction Management, and project closeout costs. The design and inspection services for the roadway improvements will be provided by the Department of Transportation and their associated costs of \$35,000 are not included herein and will be paid from resources in the Construction Excise Tax Fund.

**2. COST ELEMENTS OF AGREEMENT/CONTRACT:**

<u>Base Bid</u>	
Mobilization, Permits, and Traffic Control	\$596,130
Pipeline Installation	6,491,280
Manhole Construction	580,500

<u>Add Alternate</u>	
Roadway Improvement	327,891

**TOTAL AGREEMENT/ CONTRACT AMOUNT \$7,995,801**

**3. SOURCE OF FUNDING: 545 - Sewer Service and Use Charge Capital Improvement Fund, 540 – Sanitary Sewer Connection Fee Fund, and 465 – Construction Excise Tax Fund (Pavement Maintenance- State Gas Tax).**

While the low bid is seven percent below the most recent Engineer's Estimate, total project costs will exceed the remaining available budget. An additional \$1.2 million is necessary to fund anticipated work in 2018-2019, with an additional \$300,000 currently programmed in 2019-2020 as part of the 2019-2023 Capital Improvement Program. The Cupertino Sanitary District will pay for their share of the increased project costs, approximately \$144,000, as part of the regular reimbursement process that occurs every six months per the cost sharing agreement. These reimbursements will be incorporated into the development of the upcoming 2019-2020 Proposed Capital Budget and 2020-2024 Capital Improvement Program.

**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 operating impacts.**

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**BUDGET REFERENCE**

The table below identifies the fund and appropriations to fund the contract recommended as part of this memo and remaining project costs, including project delivery, construction, and contingency costs.

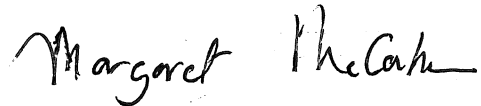
Fund #	Appn. #	Appn. Name	Current Total Appn	Rec. Budget Action	Amt. for Contract	2018-2019 Adopted Capital Budget Page	Last Budget Action (Date, Ord.No.)
545	7478	Bollinger Road - Moorpark Avenue - Williams Road Sanitary Sewer Improvements	\$7,239,000	\$1,200,000	\$6,995,910	V-56	10/16/18, Ord. 30172
540	7478	Bollinger Road - Moorpark Avenue - Williams Road Sanitary Sewer Improvements	\$672,000	N/A	\$672,000	V-56	6/19/18, Ord. 30124
545	8999	Ending Fund Balance	\$9,605,241	(\$1,200,000)	N/A	V-51	10/16/18, Ord. 30172
465	5216	Pavement Maintenance - State Gas Tax	\$9,721,879	N/A	\$327,891	V-885	10/16/18, Ord. 30172

**CEQA**

Not a Project, File No. PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment.

/s/

MATT CANO  
Director of Public Works



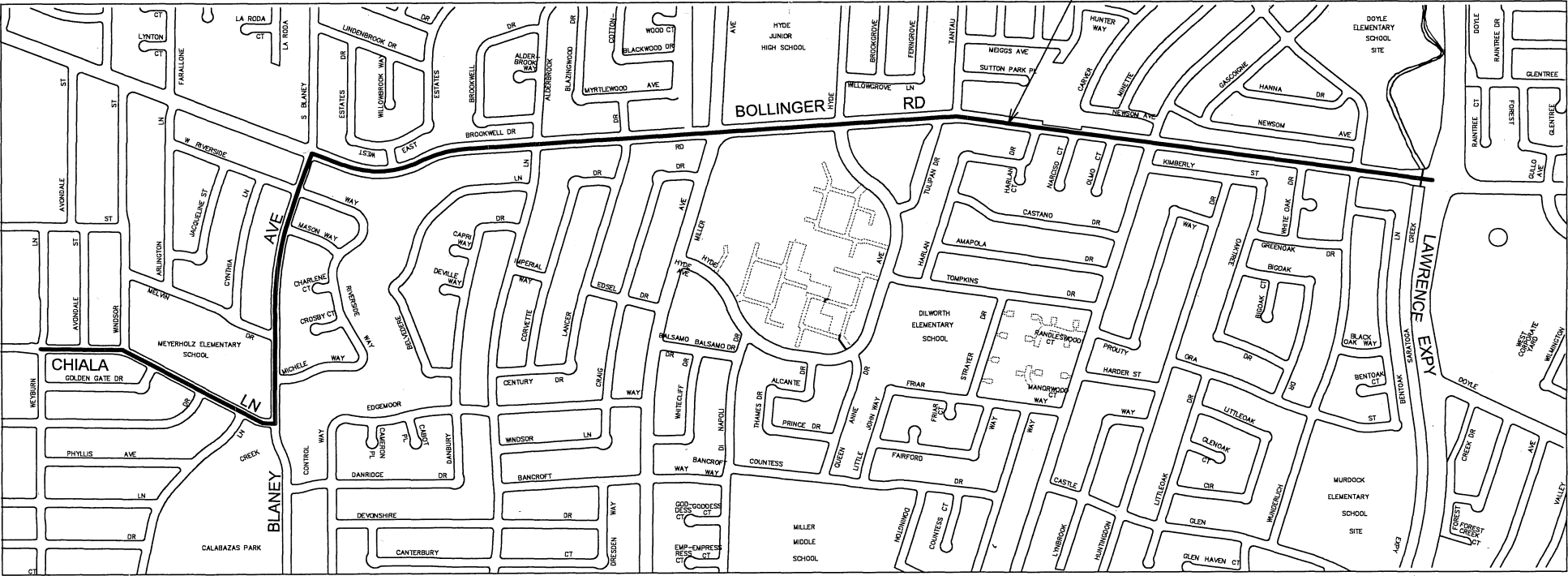
MARGARET MCCAHAN  
Budget Director

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

Attachment: Location Map

# 7802-BOLLINGER RD AND BLANEY AVE SANITARY SEWER IMPROVEMENT

PROJECT LOCATION



LOCATION MAP  
N.T.S.