



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: 8946 - SANITARY SEWER REPAIRS
FY 2018-2019 PACKAGE I

DATE: January 30, 2019

Approved

D. D. S. L.

Date

1/31/19

COUNCIL DISTRICT: 1

RECOMMENDATION

Report on bids and award of contract for the 8946 - Sanitary Sewer Repairs FY 2018-2019 Package I to the low bidder, Devaney Engineering, Inc. in the amount of \$1,117,856 and approval a contingency in the amount of \$111,786.

OUTCOME

Award of the construction contract to Devaney Engineering, Inc. will enable the 8946 - Sanitary Sewer Repairs FY 2018-2019 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

This project is in various locations in Council District 1 (see attached map). The City of San Jose Department of Public Works has developed an Exfiltration Abatement Program Plan to minimize the risk of wastewater leaking out of sanitary sewer pipes and entering into adjacent storm sewer pipes. The Sanitary Sewer Repairs FY 2018-2019 Package I project is a part of this program and will consist of repairing sewer segments that are crossing above or are parallel within 10 feet of a storm drain at multiple locations throughout Council District 1.

This project will evaluate the condition of 36 selected 6- and 8-inch diameter sewer segments, perform approximately 300 linear feet of point repairs, and install approximately 10,000 linear feet of Cured-in-Place Pipe (CIPP) lining. The Add Alternate No. 1 scope of work will include point repairs to correct severe structural defects on the pipes prior the rehabilitation of approximately 500 linear feet of 10- and 12-inch Vitrified Clay Pipes (VCP) using Cured-In-

Place-Pipe (CIPP) liner. Additionally, there will be a manhole replaced based on the poor condition of the manhole.

Construction is scheduled to begin in April 2019 with substantial completion in September 2019.

ANALYSIS

Bids for this project were opened on January 10, 2019, with the following results:

| <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> |
|--|------------------|----------------------|------------------|------------------------|-----------------------------|
| Devaney Engineering, Inc. (San Francisco, CA) | \$1,059,779 | \$58,077 | \$1,117,856 | (\$163,092) | (13) |
| Cratus Inc. (San Francisco, CA) | 1,108,095 | 41,514 | 1,149,609 | (131,339) | (10) |
| JMB Construction, Inc. (San Francisco, CA) | 1,088,422 | 87,881 | 1,176,303 | (104,645) | (8) |
| Engineer's Estimate | 1,178,078 | 102,870 | 1,280,948 | -- | -- |
| Southwest Pipeline & Trenchless Corporation (Torrance, CA) | 1,169,630 | 116,150 | 1,285,780 | 4,832 | 0 |
| Kerex Engineering, Inc. (San Francisco, CA) | 1,276,929 | 73,403 | 1,350,332 | 69,384 | 5 |

There were 5 bids submitted that varied from 13 percent under to 5 percent over the Engineer's Estimate. The low bid submitted by Devaney Engineering, Inc. was 13 percent below the Engineer's Estimate. Devaney Engineering, Inc. is a new contractor that has not worked on City sanitary projects as either a prime contractor and subcontractor. However, we have worked extensively with the subcontractor, Southwest Pipeline, Inc., which will be doing a majority of the CIPP lining work. Devaney Engineering, Inc. has successfully completed projects of similar size and scope for other public agencies in the Bay Area. Staff considers the low bid acceptable for the work involved in the project. Two of the bids from Southwest Pipeline & Trenchless Corporation and Kerex Engineering, Inc. were considered non-responsive because there was no signed Addendum No. 1 submitted. Add Alternative 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 utilities, storm drains or sanitary sewers. The standard contingency is appropriate for this project.

Project Labor Agreement Applicability

Project labor agreement (PLA) is not applicable to this project because a PLA is not yet executed. However, if the PLA had been executed prior to this project being advertised, it would not have included a PLA as the Engineer's Estimate for construction was less than three million dollars.

Local and Small Business Outreach

The recommended contractor is not a 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 7,060 suppliers invited through BidSync, 322 of them are located within Santa Clara County.

EVALUATION AND FOLLOW-UP

This project is currently within budget and on schedule with expected substantial completion by September 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 (<http://www.bidsync.com/>) 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 February 12, 2019, City Council agenda.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

| | | |
|----|---|--------------------|
| 1. | AMOUNT OF RECOMMENDATION/COST OF PROJECT: | \$1,618,142 |
| | Project Delivery | \$388,500 * |
| | Construction | 1,117,856 |
| | Contingency | <u>111,786</u> |
| | Total Project Costs | \$1,618,142 |
| | Cost to Date Expenditures | 29,453 |
| | REMAINING PROJECT COSTS | \$1,588,689 |

* Project delivery includes \$18,765 for Design Services and \$369,735 for Inspection, Survey and Materials Testing Lab Services, Construction Management, and project closeout costs

2. COST ELEMENTS OF CONTRACT:
- | | |
|--|--------------------|
| Mobilization, Permits, and Traffic Control | \$97,400 |
| Pipeline Installation and Repairs | 476,525 |
| CIPP Liner Installation | 525,031 |
| Manhole Construction/Rehabilitation | <u>18,900</u> |
| TOTAL AGREEMENT/CONTRACT AMOUNT | \$1,117,856 |
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 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 | 2018-2019 Adopted Capital Budget (Page) | Last Budget Action (Date, Ord.No.) |
|--------|---------|------------------------------------|--------|-------------|-------------------|---|------------------------------------|
| 545 | 7356 | Condition Assessment Sewer Repairs | 195535 | \$5,500,000 | \$1,117,856 | V-62 | 06/19/18, Ord No. 30124 |

CEQA

Categorically Exempt, File No. PP17-029, CEQA Guidelines Sections 15301, Existing Facilities and 15302, Replacement or Reconstruction.

/s/
MATT CANO
Director of Public Works

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

Attachment: Council District 1 Location Map

