



COUNCIL AGENDA: 05-21-19
FILE: 19-352
ITEM: 4.4

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: 7202 – WESTMONT AVE. AND
HARRIET AVE. SANITARY
SEWER IMPROVEMENT

DATE: May 6, 2019

Approved

D. D. Syl

Date

5/9/19

COUNCIL DISTRICT: 1

RECOMMENDATION

Report on bids and award of contract for the 7202 – Westmont Ave. and Harriet Ave. Sanitary Sewer Improvement Project to the low bidder, Bay Pacific Pipelines, Inc., for the base bid and Add Alternate No. 1 in the amount of \$4,304,825, and approval of a contingency in the amount of \$430,500.

OUTCOME

Award of the construction contract to Bay Pacific Pipelines, Inc., will enable the 7202 – Westmont Ave. and Harriet Ave. Sanitary Sewer Improvement 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 Westmont Avenue and Harriet Avenue Sanitary Sewer Improvement project is located along Westmont Avenue, Silacci Drive, and Harriet Avenue in southwest San Jose and in part within the City of Campbell. The sanitary sewer system within the City of Campbell is managed and maintained by the West Valley Sanitation District (WVSD) and identified in the Cost-Sharing Agreement between the City of San Jose (City) and WVSD as joint use sanitary sewers, and therefore, subject to the provisions and conditions of the cost-sharing agreement. In accordance with the Cost-Sharing Agreement, the WVSD will reimburse the City approximately 50% of the total project cost. The proposed improvement will implement project “FSR-5” in the Sanitary Sewer Master Plan Phase II and Phase I Update study which has identified the need to improve the sanitary sewer system in the area to address existing sewer system capacity deficiencies.

The scope of work for the project includes the installation of approximately 4,800 linear feet of new 15-inch diameter and 1,500 linear feet of 18-inch diameter polyvinyl chloride (PVC) and high-density polyethylene (HDPE) pipes to complement the existing 21-inch diameter sanitary sewer system in the project area. In addition, a 150 linear foot siphon consists of a dual barrel 8-inch and a single 12-inch HDPE pipes will be installed to replace an existing single 8-inch diameter siphon crossing the San Tomas Aquino Creek. The project also includes the removal and replacement of 8 existing sanitary sewer manholes and the construction of 21 new sanitary sewer manholes.

Add Alternate No. 1 includes 25 separate pay items in this contract to encompass the pavement and striping work. The seven bids received included add alternate values for all 25 pay items listed in the bid results table below.

An encroachment permit has been issued by the Santa Clara Valley Water District for the jack and bore pipe installation across San Tomas Aquino Creek. Likewise, an encroachment permit has been issued by the City of Campbell for the open trench pipe installation along Silacci Drive and Harriet Avenue.

Construction is scheduled to begin in August 2019 with substantial completion in May 2020.

ANALYSIS

Bids for this project were opened on April 4, 2019 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alt.</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Bay Pacific Pipelines, Inc. (Novato)	\$4,234,455.00	\$70,370.30	\$4,304,825.30	(\$185,518.70)	(4)
KJ Woods Construction, Inc. (San Francisco)	\$4,441,297.00	\$46,703.00	\$4,488,000.00	(\$2,344.00)	(0)
Engineers Estimate	\$4,445,586.00	\$44,758.00	\$4,490,344.00	---	---
JMB Construction, Inc. (S. San Francisco)	\$4,491,165.00	\$81,037.00	\$4,572,202.00	\$81,858.00	2
Cratus, Inc. (San Francisco)	\$4,867,310.00	\$52,929.00	\$4,920,239.00	\$429,895.00	10
Garney Pacific, Inc. (Tracy)	\$5,058,525.00	\$57,628.50	\$5,116,153.50	\$625,809.50	14

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alt.</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Pacific Underground Construction, Inc. (San Jose)	\$5,145,510.00	\$90,430.00	\$5,235,940.00	\$745,596.00	17
Ranger Pipelines, Inc. (San Francisco)	\$5,318,330.00	\$74,613.00	\$5,392,943.00	\$902,599.00	20

Seven bids were submitted that varied from 4 percent below to 20 percent over the Engineer's Estimate. The low bid submitted by Bay Pacific Pipelines, Inc. was 4 percent below the Engineer's Estimate.

In April 2016, Bay Pacific Pipelines, Inc. successfully completed another major sanitary sewer capacity enhancement project in the City of San Jose, namely Husted Ave. SS Improvement – Phase II project. The Husted Ave. project included the installation of more than 6,000 feet of 15-inch VCP and new sanitary sewer manholes, which is similar and comparable to this project.

Staff considers the low bid submitted for this project acceptable for the work involved and recommends award of contract, including Add Alternate No. 1, to Bay Pacific Pipelines, Inc. Council Policy provides for a standard contingency of ten percent on public works projects involving utilities and sanitary sewers. The standard contingency is appropriate for this project.

Project Labor Agreement Applicability

In accordance with the Project Labor Agreement (PLA) between the City and the Santa Clara and San Benito Counties Building & Construction Trades Council, construction projects with Engineer's Estimate of three million dollars or more will be subject to the PLA. The PLA is not applicable to this project as this project was advertised prior to the execution of the PLA in early April 2019. Had the PLA been executed prior to this project being advertised, the PLA would likely have been applied for the follow 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

This project was advertised in the *San Jose Post Record* newspaper and on BidSync. The BidSync advertisement reached 9,300 businesses of which 318 were located within Santa Clara County.

Due to the size and complexity of this project, the Public Works Department was unable to make any specific modifications to the scope of work that would increase local and small business

HONORABLE MAYOR AND CITY COUNCIL

May 6, 2019

Subject: 7202 – Westmont Avenue and Harriet Avenue Sanitary Sewer Improvement

Page 4

participation as a prime contractor. However, the project engineer was able to separate a few items to allow subcontracting opportunities for small and local contractors to participate.

EVALUATION AND FOLLOW-UP

This project is currently within budget and expected to be completed by May 2020. No additional follow up action with the 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 is available on BidSync for interested contractors, contractor organizations and builders' exchanges.

This memorandum will be posted on the City's website for the May 21, 2019, City Council agenda.

COORDINATION

This project and memorandum have been coordinated with the Departments of Planning, Building, and Code Enforcement, Department of Transportation, City's Attorney Office, and the City Manager's Budget Office. Staff has also coordinated the construction of the project with the City of Campbell, WVSD, and the Santa Clara Valley Water District. Staff also coordinated with WVSD 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 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: **\$4,304,825.30**

Project Delivery*	\$1,008,000.00
Construction (Base Bid)	4,234,455.00
Add Alternate	70,370.30
Contingency	430,500.00
Total Project Costs	\$5,743,325.30
Prior Year Expenditures	(444,977.47)
REMAINING PROJECT COSTS	\$5,298,347.83

* Project delivery includes \$445,000 for Design Services, \$563,000 for Inspection, Materials Lab, Survey, Inspection Services, Construction Management, and project closeout costs.

2. COST ELEMENTS OF CONTRACT:

Mobilization, Permits, and Traffic Control	\$150,000.00
Pipeline Installation	3,827,740.00
Manhole Construction	256,715.00
Add Alternate	70,370.30
TOTAL AGREEMENT/CONTRACT AMOUNT	\$4,304,825.30

3. SOURCE OF FUNDING: 545 - Sewer Service and Use Charge Capital Improvement Fund, and 540 – Sanitary Sewer Connection Fee 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 General Fund operating budget.

May 6, 2019

Subject: 7202 – Westmont Avenue and Harriet Avenue Sanitary Sewer Improvement

Page 6

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2019-2023 Adopted Budget (Page)	Last Budget Action (Date, Ord.No.)
Remaining Project Costs				\$5,298,348			
Remaining Funding Available							
545	404A	Westmont-Harriet Sanitary Sewer Improvement	192495	\$4,825,000	\$4,184,825	Capital V60	6/19/2018 30124
540	404A	Westmont-Harriet Sanitary Sewer Improvement	192495	\$120,000	\$120,000	Capital V60	6/19/2018 30124
Total Current Funding Available				\$4,945,000	\$4,304,825		

CEQA

Addendum to the Envision San José 2040 General Plan Final Program Environmental Impact Report (EIR) (Resolution No. 76041), and Envision San José 2040 General Plan Supplemental EIR (Resolution No. 77617) and Addenda thereto, File Nos. PP18-079.

/s/
MATT CANO
Director of Public Works

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

Attachment:
Location Map

