



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: 9105 – CAST IRON SEWER
REPLACEMENT FY 2019-2020
(PACKAGE 1)

DATE: May 4, 2020

Approved

Date

5/7/2020

COUNCIL DISTRICT: 2 & 10

RECOMMENDATION

- (a) Report on bids and award of contract for the 9105 – Cast Iron Sewer Replacement FY 2019-2020 Package I to the low bidder, Bay Pacific Pipelines, Inc., for the base bid in the amount of \$1,233,040; and
- (b) Approve a contingency in the amount of \$123,304.

OUTCOME

Award of the construction contract to Bay Pacific Pipelines, Inc. will enable the 9105 – Cast Iron Sewer Replacement FY 19-20 (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

The City of San Jose 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 Cast Iron Sewer Replacement FY 19-20 (Package I) project is a part of this program and will consist of the removal of existing corroded unlined cast iron pipe (CIP) and subsequent replacement with epoxy lined ductile iron pipe (DIP) and vitrified clay pipe (VCP) at various locations throughout Council Districts 2 and 10.

This project will remove approximately 4,900 linear feet of unlined 6-inch and 8-inch diameter CIP and replace these segments with epoxy lined DIP and VCP. In addition, one new sanitary sewer manhole will be constructed, one sanitary sewer manhole will be removed and replaced, and one will be rehabilitated. Additionally, 130 active sanitary sewer laterals will be inspected

and repaired as necessary within the City's Right of Way. This work will be completed using open cut trenching methods and is being undertaken to address maintenance issues and improve flow characteristics.

The project location includes multiple areas within Council District 2 and two locations in Council District 10 (see attached map). Construction is scheduled to begin in July 2020 with substantial completion by January 2021.

ANALYSIS

Bids for this project were opened on March 12, 2020 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Bay Pacific Pipelines, Inc. (Novato)	\$1,233,040	(\$405,585)	(24.8%)
Subterra Construction, Inc. (San Francisco)	\$1,285,000	\$(353,625)	(21.6%)
Casey Construction, Inc. (Emerald Hills)	\$1,360,375	(\$278,250)	(17%)
Ranger Pipelines, Inc. (San Francisco)	\$1,384,860	(\$253,765)	(15.5%)
Cratus, Inc. (San Francisco)	\$1,561,970	(\$76,655)	(4.7%)
KJ Woods Construction Inc. (San Francisco)	\$1,588,000	(\$50,625)	(3.1%)
Pacific Underground Construction, Inc. (San Jose)	\$1,607,805	(\$30,820)	(1.9%)
Engineer's Estimate	\$1,638,625	--	--

There were a total of seven bids submitted that varied from twenty-five percent to two percent below the Engineer's Estimate. The low bid submitted by Bay Pacific Pipelines, Inc. is twenty-five percent below the Engineer's Estimate. The favorable bid prices may be attributed to more competition in the industry during this time of year for this project.

Bay Pacific Pipelines, Inc. has consistently submitted bids on City projects and has successfully completed sanitary sewer projects with the City in the past. Staff considers the low bid submitted for this project to be acceptable for the work involved and recommends award of contract to Bay Pacific Pipelines, Inc.

Council Policy provided for a standard contingency of ten percent on public works projects involving utilities, storm drains, and sanitary sewers. The standard contingency is appropriate for this project.

Project Labor Agreement Applicability

A project labor agreement (PLA) is not applicable to this project as the engineer's estimate is under three million dollars.

Local and Small Business Outreach

The recommended contractor did not meet the requirements for local and small business. In order to facilitate local and small business participation on this project, the project engineers separated the following items for subcontracting opportunities: street clean-up; traffic control; pavement improvement; and cleaning and inspection of sanitary sewer laterals in order to facilitate the ability for more local contractors to bid on the project.

CONCLUSION

In summary, this memorandum reported bids for project 9105 – Cast Iron Sewer Replacement FY 19-20 Package I, award of construction contract to Bay Pacific Pipelines, Inc., in the amount of \$1,233,040, and approval of contingency in the amount of \$123,304. Construction is scheduled to begin in July 2020 with substantial completion by January 2021.

EVALUATION AND FOLLOW-UP

This project is currently within budget and schedule to be completed by January 2021. No additional follow up action with the City Council is expected at this time.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

To solicit contractors, this project was listed on Biddingo and advertised in the *San José Post Record*. Bid package for all Department of Public Works construction project were provided to various contractor organization and builders' exchanges.

This memorandum will be posted on the City's website for the May 19, 2020, City Council agenda.

COORDINATION

This memorandum had been coordinated with the Department of Planning, Building, and Code Enforcement, the Department of Transportation, City Manager's Budget Office, and the City's Attorney 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 Economic Recovery section in that it will spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Project Delivery	\$616,520
Construction	1,233,040
Contingency	123,304
Total Project Costs	\$1,972,864
Prior Year Expenditures	(224,788)
REMAINING PROJECT COST	\$1,748,076

*Project delivery for the sewer improvement includes \$349,495 for Design Services, \$267,025 for Inspection, Survey and Materials Testing Laboratory Services, Construction Management, and project closeout.

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

Base Bid

Mobilization, Permits, and Traffic Control	\$107,340
Pipeline Installation	1,105,600
Manhole Construction/Rehabilitation	20,100

TOTAL AGREEMENT/CONTRACT AMOUNT 1,233,040

3. **SOURCE OF FUNDING:** 545 – Sewer Service and Use Charge Capital Improvement Fund

4. **FISCAL IMPACT:** 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.

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	Total Appn	Amt. for Contract	2019-2020 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
545	7472	Cast Iron Pipe – Remove and Replace	\$6,300,000	\$1,233,040	V-52	10/22/2019, Ord No. 30325

HONORABLE MAYOR AND CITY COUNCIL

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CEQA

Categorically Exempt, File No. PP17-031, CEQA Guidelines Section 15301, Existing Facilities.

/s/

MATT CANO

Director of Public Works

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

Attachment: Location Map

9105 - Cast Iron Sewer Replacement FY 19-20 (Package I) Overall Location Map

