



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

**SUBJECT: 9238 – SANITARY SEWER
REPAIRS FY 2018-2019
PACKAGE IV**

DATE: May 4, 2020

Approved

Date

5/7/2020

COUNCIL DISTRICTS: 3, 6

RECOMMENDATION

Report on bids and award of contract for the 9238 - Sanitary Sewer Repairs FY 2018-2019 Package IV project to the low bidder, Ranger Pipelines, Inc., in the amount of \$1,298,550 and approval of the contingency in the amount of \$129,855.

OUTCOME

Award of the construction contract to Ranger Pipelines, Inc. will enable the 9238 - Sanitary Sewer Repairs FY 2018-2019 Package IV 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 Sanitary Sewer Repairs FY 2018-2019 Package IV project was developed under the City of San Jose's Sanitary Sewer Exfiltration Abatement Program, which was designed to minimize the risk of wastewater leaking out of sanitary sewer pipes and entering into adjacent storm sewer pipes. This project will consist of repairing defective sewer segments that are crossing above or are parallel within 10 feet of a storm drain at multiple locations throughout Council District 6.

This project will evaluate the condition of 43 selected 6- and 8-inch diameter sewer segments totaling approximately 12,000 linear feet, repair defective segments utilizing the open trenching method and install Cured-in-Place Pipe (CIPP) lining accordingly.

The Add Alternate #1 scope of work consists of the removal and replacement of a 12-inch diameter sewer segment in downtown San Jose on Santa Clara St, between Market St and San

Pedro St. This work is deemed necessary after the Department of Transportation performed a condition assessment video inspection that indicated pipe defects. The Add Alternate #1 in this project will help expedite the needed repairs and reduce the ongoing maintenance requests received on this pipeline.

The project location includes multiple areas within Council District 6 and one area in Council District 3 (see attached maps). The project is scheduled to begin in August 2020 with substantial completion by December 2020.

ANALYSIS

Bids for this project were opened on March 5, 2020 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alt No. 1</u>	<u>Total Bid</u>	<u>Variance Over/(Under)</u>	
				<u>Amount</u>	<u>Percent</u>
Ranger Pipelines, Inc. (San Francisco, CA)	\$1,079,014	\$219,536	\$1,298,550	(\$387,872)	(23.0%)
Express Sewer & Drain, Inc. (Rancho Cordova, CA)	\$1,178,599	\$283,290	\$1,461,899	(\$224,523)	(13.3%)
Engineer's Estimate	\$1,427,314	\$259,108	\$1,686,422	--	--
Nor-Cal Pipeline Services (West Sacramento, CA)	\$1,375,898	\$315,577	\$1,691,475	\$5,053	0.3%
Pacific Underground Construction, Inc. (San Jose, CA)	\$1,526,395	\$259,118	\$1,785,513	\$99,091	5.9%
Southwest Pipeline & Trenchless Corp. (Torrance, CA)	\$1,536,834	\$643,616	\$2,180,450	\$494,028	29.3%

There were a total of five bids submitted that varied from twenty-three percent under to twenty-nine percent over the Engineer's Estimate. The low bid submitted by Ranger Pipelines, Inc. is twenty-three 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. Ranger Pipelines, Inc. has successfully completed projects with the City of San Jose in the past. Staff considers the low bid submitted for this project to be acceptable for the work involved and recommends award of contract, including Add Alternate No. 1, to Ranger Pipelines, Inc.

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

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. Only one of the bidding contractors met the requirements. In order to facilitate more local and small business participation, the following work were separated into its own line items as part of the bid: street clean-up, traffic control, pavement improvement, traffic striping, installation of loop detectors and cleaning and inspection of sanitary sewer laterals. This makes it simpler for smaller subcontractors to bid on parts of this project.

CONCLUSION

In summary, this memorandum reported bids for project 9238 - Sanitary Sewer Repairs FY 2019-2020 Package IV and is recommending the award of contract to the low bidder Ranger Pipelines, Inc. in the amount of \$1,298,550 and approval of the contingency in the amount of \$129,855. Construction is scheduled to begin in August 2020 with substantial completion by December 2020.

EVALUATION AND FOLLOW-UP

This project is currently within budget and on schedule with expected substantial completion by December 2020. 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 (<http://www.biddingo.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 May 19, 2020, City Council agenda.

COORDINATION

This memorandum had been coordinated with the Department of Transportation, Department of Planning, Building, and Code Enforcement, the City Manager's Budget Office, and the City Attorney's 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	\$669,596
Construction	\$1,298,550
Contingency	<u>\$129,855</u>
TOTAL PROJECT COSTS	\$2,098,001
Total Available Funding	\$6,700,000

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Mobilization, Permits and Traffic Control	\$216,866
Pipeline Installation and Repairs	\$614,782
CIPP Liner Installation	\$413,252
Manhole Construction/Rehabilitation	\$51,300
Loop Detectors and Traffic Striping	<u>\$2,350</u>
TOTAL AGREEMENT/CONTRACT AMOUNT	\$1,298,550

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.

HONORABLE MAYOR AND CITY COUNCIL

May 4, 2020

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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	Amt for Contract	2019-2020 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
545	7356	Condition Assessment Sewer Repairs	\$6,700,000	\$1,298,550	V-53	10/22/2019 Ord. No. 30325

CEQA

Categorically Except, File No. PP17-029, CEQA Guidelines Section 15301, Existing Facilities 15302, Replacement or Reconstruction

/s/

MATT CANO

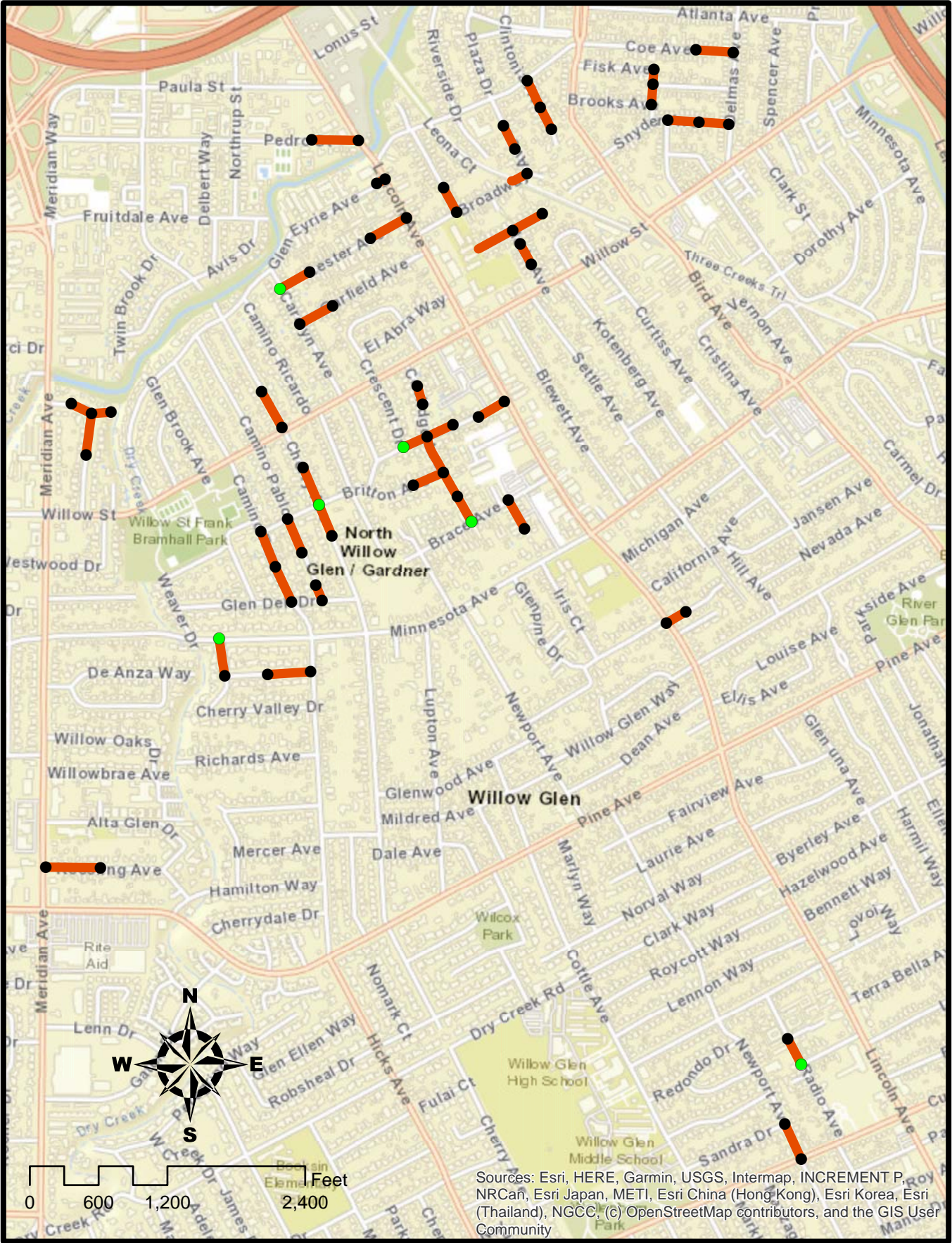
Director of Public Works

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

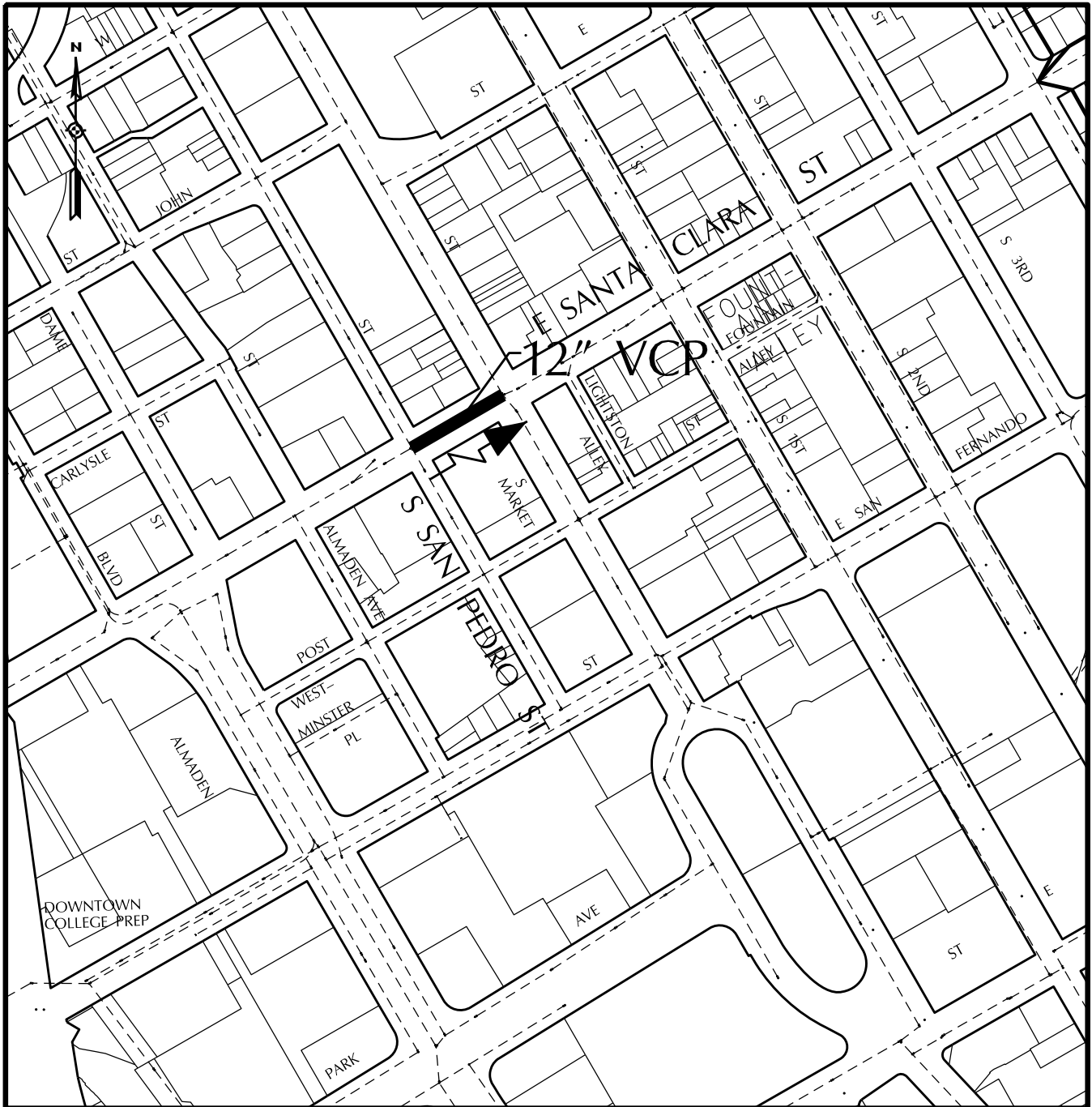
Attachment: Location Map

9238 - Sanitary Sewer Repairs FY 2018-2019 Package IV

Council District 6 Location Map



SANITARY SEWER REPAIR SANTA CLARA ST



MAP 83A

LOCATION MAP
N.T.S.