



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

**SUBJECT: 9331-SANITARY SEWER REPAIRS
FY 2019-2020 PACKAGE III**

DATE: June 1, 2020

Approved

Date

6/4/20

COUNCIL DISTRICT: 1

RECOMMENDATION

Report on bids and award of contract for the 9331-Sanitary Sewer Repairs FY 2019-2020 Package III to the low bidder, Express Sewer & Drain, Inc., in the amount of \$1,030,707, and approve a contingency in the amount of \$103,071.

OUTCOME

Award of the construction contract to Express Sewer & Drain, Inc. will enable the 9331-Sanitary Sewer Repairs FY 2019-2020 Package III 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 José Department of Public Works has developed an Exfiltration Abatement Program Plan to address and eliminate any potential sewage exfiltration out of the sanitary sewer pipes and entering adjacent storm sewer pipes. The 9331-Sanitary Sewer Repairs FY 2019-2020 Package III project is a part of this program and will consist of the repair and rehabilitation of sewer segments that are crossing above or are parallel within 10 feet of a storm drain at various locations in Council District 1 (see attached map).

This project will evaluate the current condition of 38 selected 6-inch, 8-inch, and 10-inch diameter sewer segments totaling approximately 11,341 linear feet, perform necessary repairs on defective pipe segments, and install Cured In Place Pipe (CIPP) liners accordingly. The project also includes the construction of 1 new manhole and rehabilitation of 3 existing manholes.

Construction is scheduled to begin in October 2020 with substantial completion in March 2021.

ANALYSIS

Bids for this project were opened on April 30, 2020 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Variance Over/(Under) Percent</u>
Express Sewer & Drain, Inc. (Rancho Cordova, CA)	\$1,030,707	(\$313,968)	(23%)
Nor Cal Pipeline Services (West Sacramento, CA)	\$1,101,055	(\$243,620)	(18%)
Southwest Pipeline & Trenchless Corp. (Torrance, CA)	\$1,317,069	(\$27,606)	(2%)
Engineer's Estimate	\$1,344,675	--	--
JMB Construction, Inc. (So. San Francisco, CA)	\$1,452,437	\$107,762	8%

The low bid submitted by Express Sewer & Drain, Inc. is 23% below the Engineer's Estimate. The favorable bid prices may be attributed to a growing competition in the industry for this project.

Express Sewer & Drain, Inc. has not worked with the City previously but had been consistently submitting bids on City projects in the past year. Staff contacted their listed references and found they had successfully completed projects of similar scope for other agencies in the area including the Counties of Sacramento, Tuolumne and Marin, and the City of Lodi.

City 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. 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. This makes it simpler for small and local contractors to bid on parts of this project.

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CONCLUSION

In summary, this memorandum reported the bids for contract 9331-Sanitary Sewer Repairs FY 2019-2020 Package III, the award of construction contract to Express Sewer & Drain, Inc. in the amount of \$1,030,707 and the approval of the contingency in the amount of \$103,071. Construction is scheduled to begin in October 2020 with substantial completion by March 2021.

EVALUATION AND FOLLOW-UP

This project is currently within budget and on schedule with expected substantial completion by March 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 (<http://www.biddingo.com/>). 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 June 16, 2020, 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's Attorney Office, and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input associated with this action.

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:

Project Delivery	\$515,438
Construction	\$1,030,707
Contingency	\$103,071
TOTAL PROJECT COSTS	\$1,649,216
Total Available Funding	\$10,900,000

2. COST ELEMENTS OF CONTRACT:

Mobilization, Permits, and Traffic Control	\$90,000
Pipeline Installation and Repair	\$539,860
Pipeline Rehabilitation	\$367,147
Manhole Construction	\$33,700
TOTAL AGREEMENT/CONTRACT AMOUNT	\$1,030,707

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 funds and appropriations 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	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	\$30,707	V-53	10/22/2019, 30325
545	4271	Urgent Rehabilitation and Repair Projects	\$8,800,000	\$1,000,000	V-58	10/22/2019, 30325

CEQA

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

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MATT CANO

Director of Public Works

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

Attachment: Location Map

9331-SANITARY SEWER REPAIRS FY 2019-2020 PACKGE III

