



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen

**SUBJECT: DAVIS STREET SANITARY
SEWER REPLACEMENT
PROJECT**

DATE: 12-04-06

Approved

Date

12/18/06

COUNCIL DISTRICT: 6

RECOMMENDATION

Report on bids and award of contract for the Davis Street Sanitary Sewer Replacement Project to the low bidder, D'Arcy Harty Construction, Inc., in the amount of \$1,163,690.40 and approval of a contingency in the amount of \$117,000.

OUTCOME

Award of the construction contract to D'Arcy Harty Construction, Inc., will enable the Davis Street Sanitary Sewer Replacement project to proceed with the repair and replacement of the existing sanitary sewer. Approval of the ten percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the project.

BACKGROUND

The Davis Street Sanitary Sewer Replacement Project is located in a residential neighborhood along Davis Street between El Dorado Avenue and Mc Kendrie Street (map attached).

Internal video inspection of the sewer revealed numerous broken pipe sections and severe root intrusion throughout the system along Davis Street. Furthermore, the sewer was constructed in the 1940s with relative flat slopes. These flat slopes contribute to lower flow velocities, resulting in the need for frequent cleaning by DOT staff.

This project will remove and replace approximately 4,180 feet of sewer pipe. In addition, a total of 16 manholes along the new sewer will either be rehabilitated or rebuilt. The new sewer will be constructed to have better self-cleaning velocities.

Construction is scheduled to begin in March 2007 with completion in July 2007.

ANALYSIS

Bids were opened on November 16, 2006 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Pacific Underground Construction (San José)	\$2,147,275.00	\$747,275	53
JMB Construction, Inc. (South San Francisco)	1,817,338.95	417,339	30
Mountain Cascade, Inc. (Livermore)	1,438,253.00	38,253	3
Engineer's Estimate	1,400,000.00	---	---
KJ Woods Construction, Inc. (San Francisco)	1,318,000.00	(82,000)	(6)
Ranger Pipelines, Inc. (San Francisco)	1,247,226.20	(152,774)	(11)
D'Arcy Harty Construction, Inc. (San Francisco)	1,163,690.40	(236,310)	(17)

The bid proposals have been reviewed and found to be in order. The lowest bid submitted by D'Arcy Harty Construction, Inc. is 17 percent below the Engineer's Estimate. The variance between the low bid and Engineer's Estimate can be attributed to the current competitive bidding environment in the area of sewer construction as demonstrated by the number of bids submitted. The low bid is considered to be acceptable for the work involved in the project.

Council Policy provides for a standard contingency of ten percent on public works projects involving utilities. The standard contingency is appropriate for this project.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a

Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criteria 1: Requires Council action on the use of public funds equal to \$1 million or greater. To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges. In addition, this memorandum will be posted on the City's website for the January 9, 2007 Council agenda.

Prior to construction, the City staff will contact the Rose Garden Neighborhood Preservation Association and the St. Nicholas Greek Orthodox Church, in an effort to inform the local residents of the upcoming construction activities.

COORDINATION

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

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: \$1,163,690.40

Project Delivery	\$ 350,000.00*
Construction	1,163,690.40
Contingency	<u>117,000.00</u>
TOTAL PROJECT COSTS	\$1,630,690.40
Prior Year Expenditures	64,631.16
REMAINING PROJECT COSTS	\$1,566,059.24

* Project delivery includes \$140,000 for Design Services and \$210,000 for Construction Management and Inspection Services.

2. COST ELEMENTS OF CONSTRUCTION CONTRACT: The cost elements of construction contract include installation of Vitrified Clay Pipe (VCP) and Ductile Iron Pipe (DIP), construction of twelve (12) manholes, mobilization and traffic control.

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 adverse impact on the General Fund operating budget.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. For Contract	2006-2007 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$1,566,059.24			
Current Funding Available							
545	4271	Miscellaneous Rehabilitation Projects	140595	\$5,871,000	\$1,163,690.40	Capital V-74	10/17/06, Ord. No. 27888
Total Current Funding Available				\$5,871,000	\$1,163,690.40		

CEQA

CEQA: Exempt, PP06-123.

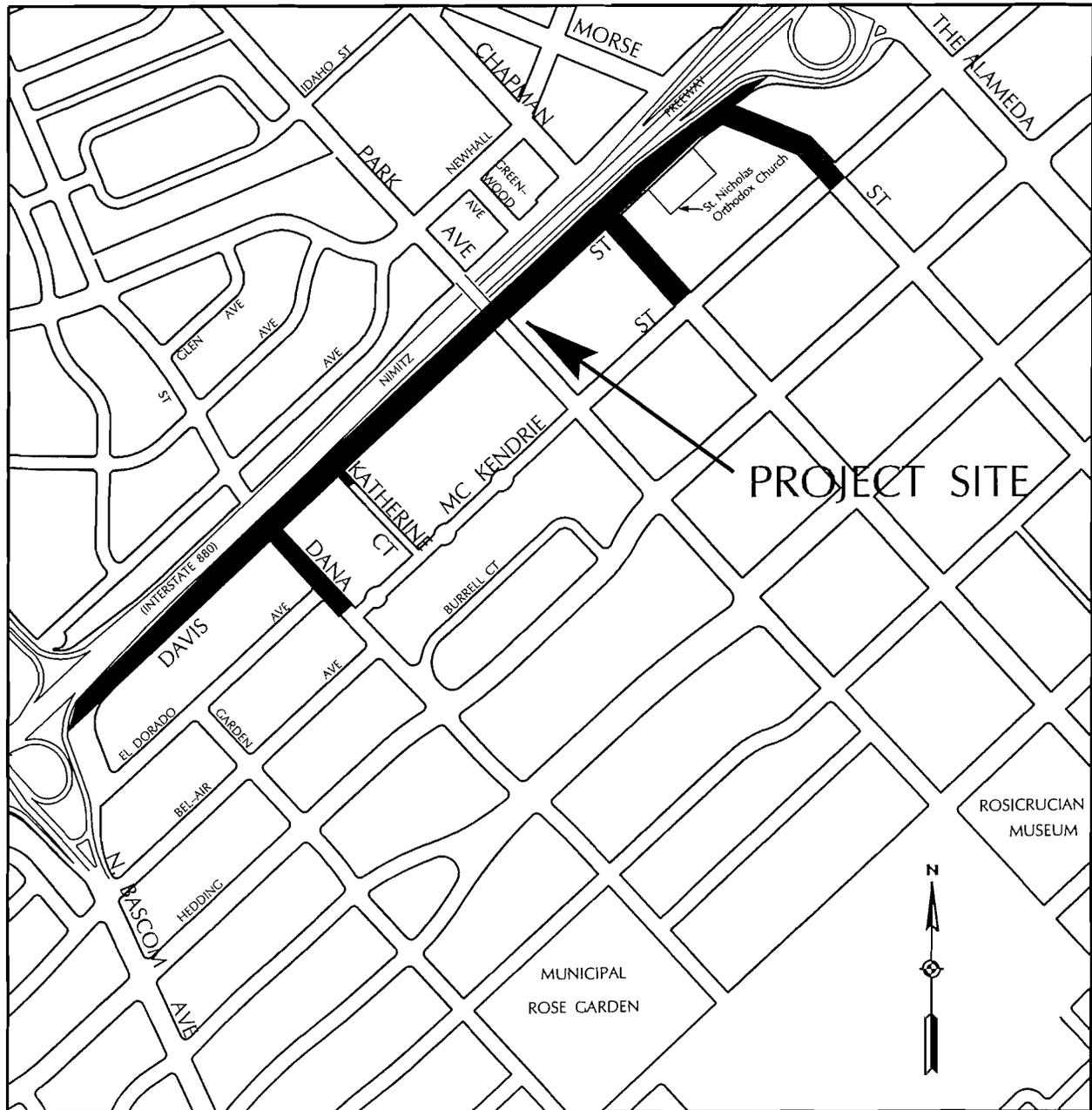


KATY ALLEN

Director, Public Works Department

For questions please contact TIMM BORDEN, DEPUTY DIRECTOR, at (408) 535-8300.

DAVIS STREET SANITARY SEWER REPLACEMENT



LOCATION MAP
N.T.S.