



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

**SUBJECT: MONTEREY-RIVERSIDE SANITARY SEWER REHABILITATION
PHASE IV PROJECT** **DATE:** 05-10-04

Approved

Date

Council District: 2

RECOMMENDATION

Report on bids and award of contract for the Monterey-Riverside Sanitary Sewer Rehabilitation Phase IV Project to the low bidder, Spiniello Companies, in the amount of \$1,447,142, and approval of a contingency in the amount of \$145,000.

CEQA: Exempt, PP03-01-017.

BACKGROUND

The Monterey-Riverside Sanitary Sewer Rehabilitation Phase IV Project is located in a residential area along Bangor and Beswick Avenues and continues through a commercial area along Cottle Road and Santa Teresa Boulevard as shown on the attached map. Internal video inspection of the sewer shows that the existing 30-inch diameter reinforced concrete pipe (RCP) suffers from moderate to severe corrosion throughout its entire length.

In order to maintain the structural integrity of the sewer, the project will rehabilitate approximately 7,200 feet of the sewer with a Cured-in-Place Pipe (CIPP) Liner. This trenchless rehabilitation method will minimize the reduction in diameter and maintain adequate capacity in the sewer. The portion of vitrified clay sanitary sewer under Route 85 will not be rehabilitated. This clay pipe material does not suffer from the corrosive effects of the sanitary sewers as does RCP. Internal video inspection shows this portion of clay pipe sewer is in good working condition.

Construction is scheduled to begin in September 2004 with completion in April 2005.

ANALYSIS

Bids were opened on April 22, 2004 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Insituform Technologies (Chesterfield, MO)	\$1,878,285	\$565,285	43
Gelco Services (Salem, OR)	1,794,766	481,766	37
Andes Construction (Oakland, CA)	1,504,850	191,850	15
Spiniello Companies (Fairfield, NJ)	1,447,142	134,142	10
Engineer's Estimate	1,313,000	---	---

The low bid submitted by Spiniello Companies is 10 percent above the Engineer's Estimate. The analysis of the bid amounts for items involving the diversion and pumping of sewage flows indicates that the Engineer's Estimate for these activities were low. Staff considers this reasonable for the work involved.

Council Policy provides for a standard contingency of 10 percent on public works projects involving utilities. The standard contingency is appropriate for this project.

PUBLIC OUTREACH

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.

COORDINATION

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

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$1,447,142

2. COST OF PROJECT:

Project Delivery	\$ 253,000 *
Construction	1,447,142
Contingency	145,000
TOTAL	\$1,845,142

*\$45,865 of the Project Delivery costs were expended in prior fiscal years.

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

4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. 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	2003-2004 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
545	4401	Monterey-Riverside Sewer	125715	2,094,000	547,142	Page 149	10/14/03, Ord. No. 26997
540	4162	Monterey-Riverside Sewer	125715	1,040,000	900,000	Page 149	2/17/04, Ord. No. 27074
		Total		3,134,000	1,447,142		

CEQA

Exempt, PP03-01-017.

KATY ALLEN
Director, Public Works Department