



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

**SUBJECT: RINCON STORM SYSTEM
IMPROVEMENTS PHASE II
PROJECT**

DATE: 05-17-04

Approved

Date

Council District: 4

RECOMMENDATION

Approval of Contract Change Order No. 10 with Anderson Pacific Construction Engineering, Inc., for the Rincon Storm System Improvements Phase II Project, in the amount of \$175,209.75 for a total contract amount of \$21,059,524.59.
CEQA: Resolution No. 60197, PP00-10-149.

BACKGROUND

The Rincon Storm System Improvements Phase II Project consists of the construction of a large capacity pump station on the east bank of the Guadalupe River and the installation of approximately 3,200 linear feet of various large diameter pipelines along Trimble Road from Guadalupe River to North First Street (map attached). The project also includes the installation of a 96-inch diameter pipe under the Valley Transportation Agency's light rail trackway by a jack and bore method.

On October 3, 2002, Council awarded the construction contract to Anderson Pacific Construction Engineering, Inc. in the amount of \$20,646,296. Construction commenced on December 16, 2002.

ANALYSIS

During construction, City project inspection staff inquired about the appropriateness of classifying the pump station as a Class I, Division 2 facility under the National Electric Code (NEC). The NEC defines a Class I, Division 2 facility as involving an environment where there is a potential for hazardous materials, such as volatile flammable liquids or gases, inside commercial tanks or containers to rupture, spill and flow into storm pump stations. Classifying

the pump station as a Class I, Division 2 facility would require protecting the electrical system from potential explosive situations resulting from volatile gases entering through the storm drain system. Such work is not currently included in the project.

Public Works staff has conferred with Departments of Transportation (DOT) and Fire as to whether the pump station should be classified as a Class I, Division 2 facility. DOT maintenance personnel have witnessed spills of flammable liquids entering existing pump stations. Moreover, City staff cannot identify and control all unforeseeable circumstances relating to the types of flow entering pump stations. Furthermore, in relation to the overall size of the project, the additional work necessary to meet the definition of a Class I, Division 2 facility is relatively small. Accordingly, DOT, Fire and the Electrical Section staff recommend that this station be classified as a Class I, Division 2 facility.

To comply with the NEC definition of a Class I, Division 2 facility, explosion-proof fittings must be installed in the entire electrical system. These fittings will eliminate the potential for an explosion of combustible gases, ensuring the safety of City personnel and providing uninterrupted operation of the pump station.

The contractor submitted a final cost proposal in the amount of \$175,209.75. Staff reviewed the cost and considered the amount reasonable for this type of work. In addition, we anticipate no delay in the beneficial use of this project as a result of this change order. The cost of this change order is also well within the adopted contingency 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 Mercury News* and the *San José Record*. Bid packages for all Public Works construction projects are provided to various contractor organizations and builder's exchanges.

COORDINATION

This project and memorandum have been coordinated with the San José Redevelopment Agency, City Attorney's Office, Departments of Finance, Planning, Building and Code Enforcement, Transportation, Fire and Environmental Services and the City Manager's Budget Office.

This project has also been coordinated with the U.S. Fish and Wildlife Service, the City of Santa Clara, the Santa Clara Valley Transportation Authority, the U.S. Army Corps of Engineers and the Santa Clara Valley Water District.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$175,209.75

2. COST OF PROJECT:

Project Development	\$400,000.00
Construction	20,646,296.00
Engineering and Construction Management	2,695,000.00
Consultant	2,020,000.00
Previous Contract Change Orders	238,018.84
Contract Change Order No.10	175,209.75
Contingency Balance	1,319,771.41
Total:	\$27,494,296.00

3. SOURCE OF FUNDING: 450 – Services for Redevelopment Capital Projects 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 – 04 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
450	4119	North San José Rincon Storm System Improvements - Phase II	105633	\$2,705,825	\$175,210	Page 175	2/17/04 , Ord. No. 27074

CEQA

Resolution No. 60197, PP00-10-149.

KATY ALLEN
Director of Public Works