



COUNCIL AGENDA: 06-21-05

ITEM: 7.1

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

**SUBJECT: EAST SAN JOSE SANITARY
SEWER REHABILITATION
PHASE III PROJECT**

DATE: 05-31-05

Approved

Date 6/6/05

Council District: 5

SNI: Gateway East

RECOMMENDATION

Report on bids and award of contract for the East San José Sanitary Sewer Rehabilitation Phase III Project to the sole bidder, D'Arcy & Harty Construction, in the amount of \$1,082,125, and approval of contingency in the amount of \$110,000.

CEQA: Exempt, PP05-039.

BACKGROUND

The East San José Phase III Project is located in residential neighborhoods bounded by US Highway 101, McKee Road, East San Antonio Avenue and Lower Silver Creek (map attached). The previous Phase I and Phase II projects rehabilitated sewers in neighborhoods west of Highway 101. The Phase III project was developed in response to the Gateway East SNI Area Neighborhood Improvement Plan, which identified improvement of the sanitary system as a top priority. The Phase III project is intended to compliment the Gateway East SNI Area CDBG/SJRA funded Sanitary Lateral Improvement Project (Gateway East), which was awarded on April 12, 2005. The Gateway East project focuses on rehabilitating the sanitary sewer laterals and installing cleanouts on each lateral. Upon completion of the lateral rehabilitations, the East San José Phase III project will replace and/or rehabilitate the sanitary sewer mains and manholes.

Construction is scheduled to begin in August with completion in October.

ANALYSIS

Bids were opened May 12, 2005 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
D'Arcy & Harty Construction (San Francisco)	\$1,082,125	\$280,125	35
Engineer's Estimate	802,000	---	---

The sole bid submitted by D'Arcy & Harty Construction is 35 percent above the Engineer's Estimate. The low number of bidders can be attributed to the large volume of underground construction currently underway or bidding in the area. The higher-than-estimated bid can be attributed to the specification for high-density polyethylene (HDPE) pipe. Due to the shallow depth of this sewer system, a stronger class of pipe was specified. Due to the limited use of this type of pipe on City projects, there is minimal historical bid data for this product. For these reasons, we do not feel that rebidding this project would produce a significantly lower bid.

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

OUTCOME

This project in conjunction with the CDBG/SJRA funded project mentioned above, provides a sewer condition and capacity assessment, and repairs and rehabilitates deficient portions of the local sanitary sewer collection system. Residents should experience a decrease in sewer back-ups.

PUBLIC OUTREACH

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, staff attended SNI Neighborhood Action Committee meetings with area residents and coordinated both the CDBG/SJRA lateral project and this project with the community.

COORDINATION

This project and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, Transportation, Finance, the San José Redevelopment Agency, the City Attorney's Office, the City Manager's Budget Office and the Office of Council District 5.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$1,082,125

2. COST OF PROJECT:

Project Delivery	\$ 292,100*
Construction	1,082,125
Contingency	<u>110,000</u>
TOTAL PROJECT COSTS	\$1,484,225
Prior Year Expenditures	128,880
REMAINING PROJECT COSTS	\$1,355,345

* Project delivery includes \$ 186,000 for Design Services and \$106,100 for Construction Management and Inspection Services.

3. SOURCE OF FUNDING: 450 – Services for Redevelopment Capital Projects Fund
545 – Sewer Service and Use Charge Capital Improvement 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. The rehabilitation of this area's sewer collection system should decrease the frequency of sewer blockages and maintenance costs for the Department of Transportation.

HONORABLE MAYOR AND CITY COUNCIL

05-31-05

Subject: East San José Sanitary Sewer Rehabilitation Phase III Project

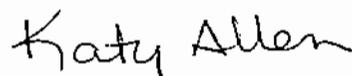
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BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. For Contract	2004-2005 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$1,355,345			
Current Funding Available						
450	6407	Gateway East Sanitary Sewer Improvements	\$350,000	\$105,000		12/14/04, Ord. No. 27313
545	6265	East San Jose	\$1,166,000	\$977,125	Capital V-174	10/12/04, Ord. No. 27267
Total Current Funding Available			\$1,516,000	\$1,082,125		

CEQA

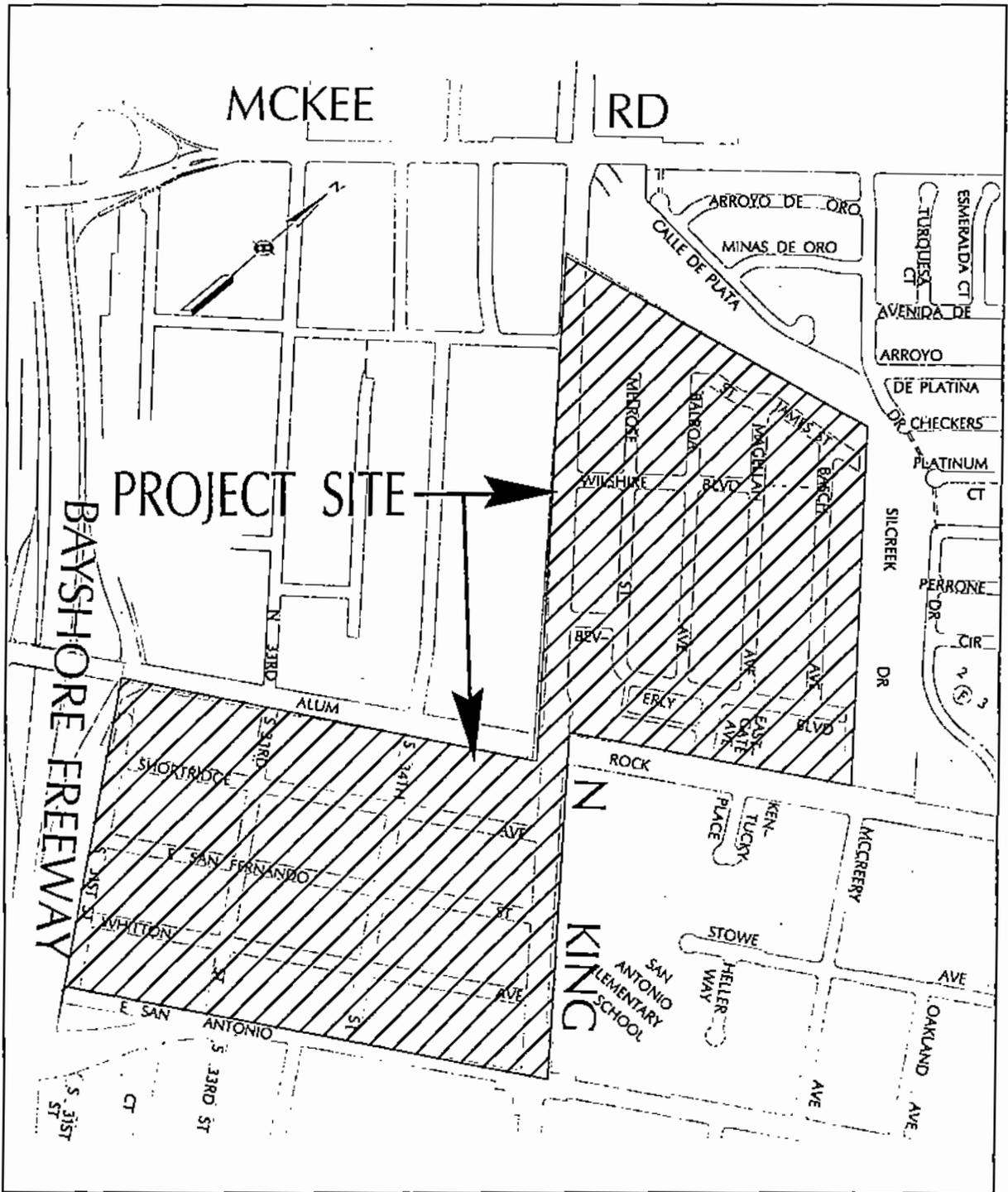
Exempt, PP05-039.



KATY ALLEN
Director, Public Works Department

MO:AK:ca:jv
(ak051705CM East San Jose SS Rehab Phase III Project doc/Sani)
Attachment

EAST SAN JOSE SANITARY SEWER REHABILITATION PHASE III



LOCATION MAP
N.T.S.