



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Katy Allen

**SUBJECT:** SEE BELOW

**DATE:** 06-17-04

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Approved

Date

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Council District: 4

**SUBJECT: 60-INCH BRICK INTERCEPTOR REPLACEMENT PHASE IB PROJECT**

**REASON FOR REPLACEMENT**

To rectify a clerical error in the original report.

**RECOMMENDATION**

- a. Adoption of a resolution approving the Construction Impact Mitigation Plan (CIMP) for the 60-inch Brick Interceptor Replacement Phase IB Project.
- b. Report on bids and award of contract for the 60-inch Brick Interceptor Replacement Phase IB Project to the low bidder, Ranger Pipelines, Inc., in the amount of \$16,573,661, and approval of contingency in the amount of \$2,400,000.

CEQA: Mitigated Negative Declaration, PP 03-12-374.

**BACKGROUND**

The City's sanitary sewer interceptor system receives flow from the City of San José, West Valley Sanitation District, the City of Santa Clara and the County Sanitation District 2-3. The interceptor system extends from the Water Pollution Control Plant south along Zanker Road to Highway 101. South of Highway 101, the system is constructed along Fourth, Fifth and Seventh Streets, extending to downtown San José.

In 1986, the City completed a master plan and design study of the City's major interceptor system. The study provided recommendations to rehabilitate and replace the three existing major interceptors in various phases and to construct a new Fourth Major Interceptor in multiple phases in order to accommodate additional flows for the ultimate build out of the urban service area.

In May 2002, Council approved an agreement with Brown and Caldwell, an engineering design consultant, for the design and construction monitoring of the 60-Inch Brick Interceptor Replacement Phase IB Project (Phase IB). Phase IB is the final project identified for the northern reaches of the interceptor system. It consists of the replacement and re-alignment of approximately 8,000 lineal feet of 60-inch brick sewer with a new 84-inch Reinforced Concrete Pipe (RCP) interceptor along Zanker Road from the Water Pollution Control Plant to Junction Structure A, just south of Tasman Drive (see attached map). The new pipe alignment crosses under State Highway 237, San Francisco Power and Utilities Commission (Hetch-Hetchy) waterlines and Santa Clara Valley Transportation Authority's (VTA) facilities. All encroachment permits have been secured for this project and all requirements associated with the permits have been incorporated in the project specifications.

The project also requires temporary and permanent construction easements from VTA in the vicinity of Zanker Road and Route 237. Council approved the land acquisition from VTA on March 16, 2004.

Upon completion of Phase IB, the City's Fourth Major Interceptor program will be fully implemented for Phases I through V. Phase VI and VII, located south of Highway 101, are programmed for completion within the next ten years.

Recently adopted Council policies for projects greater than \$10 million have been incorporated into this project:

1) Construction Impact Mitigation Plan (CIMP)

The intent of the CIMP is to clearly identify the potential impacts of the project on surrounding neighborhoods and businesses and to describe, require and implement mitigation measures and strategies to successfully complete the project. A copy of the CIMP will be on file and available for review in the City Clerk's Office by June 18, 2004.

2) Prequalification of Contractors

Staff conducted a prequalification process for general contractors in February 2004. A total of 12 contractors participated in the process and all 12 firms were deemed prequalified for bidding purposes. Prequalification criteria included experience, safety experience and bonding capacity.

3) Partnering

Council policy also requires formal partnering between the City and the contractor for projects exceeding \$10 million. Project staff has received partnering training and the project special provisions have included requirements for formal partnering.

Construction is scheduled to begin October 2004 with completion in October 2006.

## **ANALYSIS**

### **(a) Construction Impact Mitigation Plan**

The CIMP for the Phase IB project is a document that will guide the project team in addressing construction impacts to the adjacent community as they arise. Specific construction impacts discussed in the CIMP are also detailed in the project plans and specifications to mitigate construction issues including impacts to vehicular, pedestrian and bicycle traffic, parking, business access, air quality, noise and other environmental issues.

Examples of the construction impacts detailed in the CIMP are listed below:

**Business Access:** The CIMP identifies the sanitary sewer pipe alignment as it pertains to the driveway access points of several businesses that are accessed from Zanker Road near Tasman Drive. The project delivery team will provide advance coordination with each business or stakeholder and will have a specific access plan for every business located along the project's alignment. Driveways will not be blocked or closed without advance notification, alternate access locations and stakeholder support.

**Transportation:** The project has been designed to utilize a microtunneling operation to install the 84-inch diameter pipeline in reaches of the alignment in order to limit the impacts to VTA Light Rail operations and to avoid open-cut installations across signalized intersections. The project design team analyzed traffic patterns and volumes throughout the project limits and both the CIMP and the project plans and specifications require the contractor to provide a minimum of two southbound lanes along Zanker Road during the peak commute hours.

The project includes a temporary detour of bicycle and pedestrian traffic from the bike path along the southbound side of Route 237 adjacent to the VTA Cerone Bus Barn. Bicycle and pedestrian traffic will be directed to utilize the bike path on the northern side of Route 237, a parallel alignment, to access McCarthy Drive.

**Environmental:** The California Environmental Quality Act (CEQA) review process identified areas north of Highway 237 and adjacent to the Zanker Road/Highway 237 interchange as potential habitat for burrowing owls. The project design team included a subconsultant firm that specializes in the review of construction activities on the local flora and fauna. As described in the CIMP, the project plans and special provisions require the contractor to conduct burrowing owl field surveys in advance of each construction phase to identify, avoid, mitigate or relocate any active owl burrows with state-of-the-practice relocation techniques.

**Communication Plan:** The CIMP and the project special provisions identify a communication plan that will establish direct contact between the project team and the various stakeholders, businesses and residents adjacent to the project site. The contractor, in advance of the construction activities, will establish a toll-free, 24-hour phone number in order to immediately address specific questions and concerns from project stakeholders.

**(b) Award of Contract**

Bids were opened on May 20, 2004, with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
<b>Engineer's Estimate</b>	<b>\$20,336,000</b>	----	---
Floyd Johnston Construction Co., Inc. (Clovis)	19,998,589	(337,411)	(2)
Mountain Cascade, Inc. (Livermore)	18,369,000	(1,967,000)	(10)
Stacey and Witbeck, Inc. (Alameda)	17,272,830	(3,063,170)	(15)
Ranger Pipelines, Inc. (San Francisco)	16,573,661	(3,762,339)	(19)

The bid proposals have been reviewed and found to be in order. The variance between the low bid and the Engineer's Estimate can be attributed to the competitive bidding climate at the time of bid opening and the current availability of capacity at various pipe manufacturing plants.

Council Policy provides for a standard contingency of ten percent on public works projects involving utilities. Due to wide variances in soil and groundwater conditions, challenges involving protection of existing utilities and various other complex staging issues associated with this project, a 15 percent contingency is requested.

**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.

Staff met with VTA officials and representatives of the adjacent mobile home community throughout the design process and will continue to coordinate project issues and schedules with all adjacent residences and businesses.

**COORDINATION**

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

**COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: \$16,573,661
  
2. COST OF PROJECT:

Project Delivery*	\$ 3,584,000
Land	114,000
Construction	16,573,661
Contingency	<u>2,400,000</u>
TOTAL	\$22,671,661

\* \$614,487.69 of the Project Delivery Cost was expended prior fiscal years with \$2,079,100 encumbered for professional services
  
3. SOURCE OF FUNDING: 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 project has been reviewed and was determined that it will have no significant adverse impact on the General Fund operating budget.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn	Contract Amount	2003-2004 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
545	4969	60" Brick Interceptor	105883	\$19,593,000	\$16,573,661	Page 138	05/04/04 Ord. No. 27138

**CEQA**

Mitigated Negative Declaration, PP 03-12-374.

KATY ALLEN  
Director, Public Works Department