



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Carl W. Mosher

SUBJECT: TAFFY DRIVE
MAIN REPLACEMENT

DATE: 7-27-05

Approved

Date

8/4/05

COUNCIL DISTRICT: 8

RECOMMENDATION

Report on bids and award of contract for the Taffy Drive Main Replacement to the low bidder, San Jose Water Company, in the amount of \$196,341.74 and approval of a contingency in the amount of \$20,000.

BACKGROUND

This project will construct a water transmission main on Taffy Drive and Taffy Court between South White Road and Peppermint Drive to improve system reliability. San Jose Municipal Water System staff prepared the plans, specifications and contract documents to solicit competitive bids.

The original project scope included replacement and relocation of an 8" diameter water main on Taffy Drive. During the design phase of the project, the scope was expanded by 25% to include the replacement and relocation of a 6" diameter water main on the adjacent Taffy Court. Staff determined that adding the pipeline on Taffy Court to the Taffy Drive project, which would further enhance the reliability of the system, could be accomplished with increased cost effectiveness and with less disruption to the neighborhood by inclusion in the existing project. The combined project will construct approximately 1,590 feet of water main affecting 42 residential services. The contractor is required to maintain property and pedestrian access at all times.

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ANALYSIS

Bids for the project were opened on July 7, 2005 with the following results:

<u>Contractor</u>	<u>City</u>	<u>Bid Amount</u>	<u>Variance Over/(Under) Amount</u>	<u>Percent</u>
Pavex Construction	San Jose, CA	\$362,700	\$18,700	5%
Engineer's Estimate		\$344,000		
West Valley Construction	San Jose, CA	\$322,942	(\$21,058)	(6%)
Preston Pipelines, Inc.	Milpitas, CA	\$310,079	(\$33,921)	(10%)
Lewis & Tibbitts, Inc	Fremont, CA	\$306,180	(\$37,820)	(11%)
San Jose Water Company	San Jose, CA	\$196,341.74	(\$147,658.26)	(43%)

The low bid submitted by San Jose Water Company is 43% below the engineer's estimate. The bids were evaluated and found to be in order. Staff recommends that San Jose Water Company's failure to state its bid unit prices in words as well as numbers be waived as a minor irregularity. San Jose Water Company's failure to provide the word equivalents for the numeric bid unit prices did not give it a competitive advantage. The numeric unit prices in San Jose Water Company's bid add up to the total price, as stated both numerically and in words. Accordingly, staff recommends awarding the contract to San Jose Water Company based on the low bid submitted by this contractor. A contingency in the amount of \$20,000 is requested for any unforeseen conditions that may arise during construction.

OUTCOME

The award of the Taffy Drive Main Replacement project and approval of contingency funding will enable the construction of this project, which will improve system reliability and provide a reliable source of water to the existing customers

PUBLIC OUTREACH

This project was advertised in June 2005 in the San Jose Mercury News, San Jose Post Record, and the Public Works Bid Hotline.

COORDINATION

This project has been coordinated with the Offices of Risk Management, Equality Assurance, Planning Department, City Attorney's Office and the City Manager's Budget Office.

COST IMPLICATION

1. AMOUNT OF RECOMMENDATION:	\$ 196,341.74
2. COST OF PROJECT:	
Project Delivery	\$ 53,000.00
Construction	\$ 196,341.74
Contingency	<u>\$ 20,000.00</u>
TOTAL PROJECT COST	\$ 269,341.74
Prior Year Expenditures	\$ 32,000.00
REMAINING PROJECT COSTS	\$ 237,341.74

3. SOURCE OF FUNDING: 500 - Water Utility Capital Fund

FISCAL IMPACT: The estimated completion date of this project is December 15, 2005. There are no cost implications to the General Fund as a result of this action. This recommendation meets the general principles of the Mayor's FY 2005-06 Budget Strategy of protecting vital City services.

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BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. For Contract	2005-2006 Proposed Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$237,341.74			
Current Funding Available						
500	4954	Taffy Drive Main Replacement	\$250,000	196,341.74	V-248	MBA #60 6/21/05*
Total Current Funding Available			\$250,000			

* The 2005-2006 Adopted Capital Budget for this project includes a \$230,000 rebudget that was approved by City Council on June 21, 2005.

CEQA

Exempt, PP04-254



CARL W. MOSHER

Director, Environmental Services Department