



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Stufflebean

**SUBJECT:** SEE BELOW

**DATE:** 09-24-07

Approved

*Ray Wines*

Date

*9/20/07*

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT, FY 2007/2008 CIP, EAST PRIMARY INFLUENT CHANNEL REPAIR PROJECT**

## RECOMMENDATION

Report on bids and award of construction contract for the project entitled, "San José/Santa Clara Water Pollution Control Plant, FY 2007/2008 Capital Improvement Program, East Primary Influent Channel Repair Project," to the low bidder, Anderson Pacific Engineering Construction, Inc. in the amount of \$699,000, and approval of a contingency in the amount of \$70,000.

## OUTCOME

Award of this construction contract will allow removal of the structurally weakened, corroded concrete slab over the East Primary Influent Channel and provide a safe new access to the 16 East Primary Settling Tanks for everyday operations and maintenance.

## BACKGROUND

The East Primary Settling Unit constructed in the early 1960's, consists of 16 concrete settling tanks and influent channels. The influent channels are covered concrete structures that convey raw wastewater to the settling tanks for primary treatment. The concrete roof slabs of these channels also provide access for Plant personnel, vehicles and machinery for daily operation and maintenance of the settling tanks. Inspection of the channels revealed that the gases in the raw wastewater have heavily corroded the undersides of the roof slabs and the upper sections of the interior channel walls. The corrosion in the main influent channel has progressed to such an extent that it poses as a safety hazard for Plant staff and is in need of immediate attention.

Staff and the City's consultant recommend demolishing the roof slab in the main channel to alleviate corrosion and constructing a new access to the settling tanks by filling-in two adjacent non-functioning pre-aeration tanks. The project will include constructing 20 buttress concrete columns to adequately strengthen the exterior concrete walls of the main influent channel and demolishing 2,000 square feet of 8-inch thick concrete roof slab. Concrete columns will also be constructed to strengthen the 16-foot deep pre-aeration tank walls to withstand the loads from 8,200 cubic yard of fill material. The filled-up tanks and the surrounding landscape will be paved with asphalt. Stainless steel gratings and bridges with higher loading capacity will be constructed at other influent channels to facilitate access by personnel and service vehicles to the settling tanks.

### ANALYSIS

The project was advertised for bid and a total of four bids were received and opened on August 16, 2007. The results of the bids are as follows:

<u>Contractor</u>	<u>City</u>	<u>Bid Amount</u>	<u>Variance Over (Under)</u> <u>City's internal estimate</u>	
			<u>Amount</u>	<u>Percent</u>
John Clay Engineering Contractor, Inc.	Hayward	\$897,899	\$97,899	12.2%
Bugler Construction, Inc.	Fremont	\$893,500	\$93,500	11.7%
Proven Management, Inc.	San Francisco	\$887,457	\$87,457	10.9%
<b>Engineer's Estimate</b>		<b>\$800,000</b>		
Anderson Pacific Engineering Construction, Inc.	Santa Clara	\$699,000	(\$101,000)	(12.6%)

Of the four bids received, Anderson Pacific Engineering Construction, Inc, with a responsive bid of \$699,000 is the low bidder and is 12.6% less than the engineer's estimate.

Staff has made reference checks on Anderson Pacific Engineering Construction, Inc., and has received favorable comments on the performance of past contracts at the Plant and other City facilities. Some of the past projects completed by this contractor satisfactorily at the Plant are: Toxic Gas Ordinance Project, West Primary Channel Rehabilitation Project, East Primary Influent Flow meter Replacement and Headworks Redundancy Project.

## EVALUATION AND FOLLOW-UP

The project is currently within budget with a projected completion of March 2008. No additional follow up actions with the Council are expected at this time.

## POLICY ALTERNATIVES

**Alternative:** *Reject bid and drop project.*

**Pro:** Cost saving, as the project is not implemented.

**Cons:** Possibility of structural failure that will pose a safety hazard to the Plant personnel using it as an access to the settling tanks for daily operation and maintenance.

**Reason for not recommending:** Poses a safety hazard to staff and vehicles using it as an access, as concrete continues to degrade due to corrosion.

## PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This action does meet any of the criterion above, however, as a common practice, a Notice-to Contractors inviting qualified firm to submit bids was published by the City Clerk Office in the *San José Post Record*, and by the City's Project Manager on Environmental Services Department website and Public Works Department Bid Hotline. This memo has been posted on the City's website for the October 16, 2007 Council Agenda.

## COORDINATION

This project and memorandum have been coordinated with the Office of Risk Management, Equality Assurance, City Manager's Budget Office, and the City Attorney's Office. As part of the "contracting-in" evaluation, this project was approved for outsourcing by the City's Contracting-In Committee due to the lack of technical skills required to implement this project.

within the City. This item is scheduled to be heard at the October 11, 2007 Treatment Plant Advisory Committee (TPAC) meeting.

**FISCAL/POLICY ALIGNMENT**

This Council item is consistent with Council approved budget strategy principle of focusing on protecting our vital core City services. This project is also consistent with the Council approved Budget Strategy, Economic Recovery section, in that it will help to stimulate construction spending in our local economy.

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$769,000
  
2. COST OF AGREEMENT:
 

Construction	\$699,000
Contingency	<u>\$ 70,000</u>
 Total Project Cost	 \$769,000
  
3. SOURCE OF FUNDING: 512- San José/Santa Clara Treatment Plant Capital Fund
  
4. FISCAL IMPACT: Existing fund are available for this project. No additional appropriation action is required.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	Proposed CIP Budget Page	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>				<b>769,000</b>			
<b>Current Funding Available</b>							
512	5690	Plant Infrastructure Improvements	042853	\$14,552,000	\$769,000	V-148	6-19-2007
<b>Total Current Funding Available</b>				<b>\$14,552,000</b>			
<b>Total Funding for Remaining Project Costs</b>				<b>\$14,552,000</b>			

HONORABLE MAYOR AND CITY COUNCIL

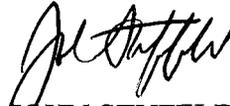
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**CEQA**

CEQA: Exempt, PP07-141



**JOHN STUFFLEBEAN**

Director, Environmental Services Department

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