COUNCIL AGENDA: 08-19-08
ITEM: 2.5

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 07-28-08

Approved Deanna Santana Date 7/29/08

COUNCIL DISTRICT: City-Wide

SUBJECT: SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT, EAST PRIMARY INFLUENT CHANNEL REPAIR PROJECT, CONTINGENCY INCREASE AND CONTRACT SCHEDULE EXTENSION

RECOMMENDATION

Approval of a contingency budget increase and contract extension for the project entitled, "San Jose/Santa Clara Water Pollution Control Plant, FY 2007/2008 Capital Improvement Program, East Primary Influent Channel Repair Project," by $70,000 and contract schedule extension from June 18, 2008 to October 16, 2008, with Anderson Pacific Engineering Construction, Inc.

OUTCOME

The approval of this contingency increase and contract schedule extension will ensure sufficient funding and time to complete the repair of the corroded and structurally weakened upper sections of the concrete influent channel walls. This additional work, identified during construction, is required to prevent further deterioration of the channel and provide a secure and safe working environment for Plant's operations and maintenance staff.

BACKGROUND

On October 16, 2007, Council awarded the East Primary Influent Channel Repair Project to Anderson Pacific Engineering Construction, Inc. The channel consists of large concrete structures which serve as the conduit to deliver sewage to the primary tanks during the initial phases of the treatment process. The original lump sum contract cost of $699,000 and approved a contingency in the amount of $70,000.

The original contract cost was 12.6% less than the engineer's estimate, and construction started in December 2007. To date, the project has achieved substantial completion, as described in the original project specifications, which includes the demolition of a heavily corroded influent-channel-concrete slab to alleviate further corrosion; and the construction of new pavement within the area to allow for heavy equipment access.

ANALYSIS

During the initial construction phase, as the concrete slab was removed, the corroded sections became easily accessible for inspection and the significant extent of the corrosion was clearly visible. Staff conducted a follow up inspection to fully assess the extent of the corrosion damage to the channel walls by applying high-pressure washing to the surface areas. This technique revealed that the upper 24-inch section of the walls were much more corroded than previously thought based upon the initial inspection during the design phase; and the need to restore the integrity of the concrete surfaces required immediate attention.

Any repair of the channel walls requires flow diversion from the channel which can only be accomplished during the low-flow periods of the dry season. As a result of this constraint, staff is of the opinion that this repair should be completed this summer utilizing the current contractor. This would prevent further deterioration of the concrete and possibly the avoidance of a much more expensive rehabilitation project at a later date.

As originally appropriated, the project had a contingency of $70,000, representing 10% of the total construction costs. To date, approximately $32,000 of total contingency money has been spent on various change orders related to the relocation of unknown utilities and expanding the paving and curb sections for improved heavy equipment access. The proposed additional work related to the repair of the vertical concrete surfaces is estimated to cost $96,000. The work will include removal of deteriorated concrete and concrete surface preparation by high-pressure water blasting, surface preparation of the exposed reinforcement bar by sand blasting, repair of concrete wall surfaces with mortar, and final application of protective epoxy coating system. Staff therefore requests an additional contingency allocation of $70,000 from currently appropriated funds.

This critical concrete repair work, in addition to the original project, requires flow diversion and partial shutdown of the primary treatment tanks. Besides the time constraints for the repair work, the allowable shutdown periods also limit the contractor's ability to work continuously and hence a longer time period is needed for contract extension.

EVALUATION AND FOLLOW-UP

The original project was awarded by Council on October 16, 2007, with a project completion date of June 18, 2008. With this amendment, the new project completion date will be in October 2008. No additional follow up actions with the Council are expected at this time.

POLICY ALTERNATIVES

Alternative: Request for bids to implement the change order work and issue a separate change contract for the additional work.
Pro: Possible lower bid from an alternate construction company.
Cons: Continued degradation of the concrete as a new contract is pursued and executed, while the dry weather window of opportunity is lost. Possible higher cost bids.
Reason for not recommending: Poses a safety hazard to staff and vehicles using the adjacent area as an access, as concrete continues to degrade due to corrosion. Seeking a new contractor could result in delay of the needed repair work.

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)**

The criteria listed above do not apply to this action. This memo will be posted on the City's website for the August 19, 2008 Council Agenda.

COORDINATION

This amendment and memorandum have been coordinated with the City Manager's Budget Office, and the City Attorney's Office. This item is scheduled to be heard at the August 14, 2008 Treatment Plant Advisory Committee meeting.

FISCAL/POLICY ALIGNMENT

This Council item is consistent with Council approved budget strategy to focus on rehabilitating aging infrastructure. This project is also consistent with the budget strategy principle of focusing on protecting our vital core services.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: $70,000

2. COST OF PROJECT:

Design	$165,000
Construction	699,000
Original Contingency	70,000
Proposed Contingency Increase	70,000
TOTAL PROJECT COST	**$1,004,000**
Prior Year Expenditures	($934,000)
REMAINING PROJECT COSTS	**$70,000**

3. SOURCE OF FUNDING: 512- San Jose/Santa Clara Treatment Plant Capital Fund

4. FISCAL IMPACT: Existing funds are available for this project. No additional appropriation action is required.

BUDGET REFERENCE

The table below identifies the funds and appropriations proposed to fund the contract recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contingency Increase	2008-2009 *Proposed CIP Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				**70,000**			
Current Funding Available							
512	5690	Plant Infrastructure Improvements	042853	$10,830,000	$70,000	V-134	6-24-2008
Total Current Funding Available				**$10,830,000**			
Total Funding for Remaining Project Costs				**$10,830,000**			

*The 2008-2009 Adopted Capital Budget was approved on June 24, 2008.

CEQA

CEQA: Exempt, PP07-141.

JOHN STUFFLEBEAN
Director, Environmental Services Department

For questions please contact Bhavani Yerrapotu, Division Manager, Technical Services, Environmental Services, at (408) 945-5321.