

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Katy Allen

**SUBJECT:** UNION/ALMADEN/OAK  
SANITARY SEWER  
REHABILITATION

**DATE:** 12-15-08

Approved

Date 12/19/08

**COUNCIL DISTRICT:** 3  
**SNI:** Washington

## **RECOMMENDATION**

Report on bids and award of contract for the Union/Almaden/Oak Sanitary Sewer Rehabilitation project to the low bidder, Ranger Pipelines, Inc., for the base bid in the amount of \$1,910,677, and approval of a contingency in the amount of \$191,068.

## **OUTCOME**

Approval of this construction contract will allow the Union/Almaden/Oak Sanitary Sewer Rehabilitation project to be constructed. Approval of a ten percent contingency will provide funding for any unanticipated work necessary for the proper construction of the project.

## **BACKGROUND**

This project was developed in response to sewer back-up complaints reported to the Department of Transportation on Union, W. Virginia, Sutter, Oak, Willow, Locust, and 2<sup>nd</sup> Streets in San José (map attached).

Remote video-inspection of the sewers revealed moderate to severe deterioration of sewer mains and manholes. The existing sewer mains run at very flat slopes and are connected to sewer siphons. The existing sewer siphons must be maintained by City staff on a regular basis to prevent sewer back-ups. This project redesigns sewer flows to allow for the abandonment of all existing sewer siphons thereby improving the sewer system performance.

Construction is scheduled to begin in February 2009, with completion in October 2009. In addition to the base bid scope of work, there is one Add Alternate bid item which will not be awarded:

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<u>Add Alternate Description</u>	<u>Engineers Estimate</u>
1. Standard Sanitary Sewer Cleanout	\$207,000

**ANALYSIS**

Bids were opened on October 30, 2008, with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
JMB Construction, Inc. (South San Francisco)	\$2,849,658	\$203,982	8
K.J. Woods Construction, Inc. (San Francisco)	2,646,400	724	.03
<b>Engineer's Estimate</b>	<b>2,645,676</b>	-	-
Stoloski & Gonzalez, Inc. (Half Moon Bay)	2,337,653	(308,024)	(12)
Sanco Pipelines, Inc. (Campbell)	2,270,957	(374,720)	(14)
Pacific Underground Construction, Inc. (San José)	2,080,723	(564,953)	(21)
Mountain Cascade, Inc. (Livermore)	2,065,942	(579,734)	(22)
J&M, Inc. (Livermore)	2,006,028	(639,648)	(24)
Precision Engineering, Inc. (San Francisco)	1,983,993	(661,683)	(25)
California Trenchless, Inc. (Hayward)	1,966,495	(679,181)	(26)
Ranger Pipelines, Inc. (San Francisco)	1,910,677	(734,999)	(28)

The low bid submitted by Ranger Pipelines, Inc., in the amount of \$1,910,677, is 28 percent below the Engineer's Estimate. Volatile conditions in the economy that continue to influence the construction market, such as the cost of construction materials and fuel are resulting in estimating uncertainty. Additionally, Ranger Pipelines, Inc. has recently completed a City project with a similar scope of work. As a result, the bid amounts for the reconstruction of sewer mains are lower than the Engineer's Estimate. Staff considers the low bid submitted for this project to be competitive and legitimate for the work to be performed and recommends award of contract to Ranger Pipelines, Inc.

Council Policy provides for a standard contingency of ten percent on Public Works projects involving the construction of infrastructure. Staff considers the standard contingency appropriate for this project.

### **EVALUATION AND FOLLOW-UP**

This project is currently within budget but off schedule due to changes in the scope of work during design. We are currently in the process of requesting a schedule reset. Once this is reviewed and approved, staff is confident that this project will be delivered on time based on the revised schedule.

### **POLICY ALTERNATIVES**

Not applicable.

### **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 impact 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 item meets Criteria 1: Requires Council action on the use of public funds equal to \$1 million or greater. To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San Jose Post Record*. Bid packages for this project were provided to various contractor organizations and builder's exchanges. This memorandum will be posted on the City's website for the January 27, 2009, Council agenda

Prior to construction, staff will contact the Washington Area Community Coalition Strong Neighborhood Initiative group and present project-related information during the Neighborhood Action Committee meeting. Additionally, residents, businesses, libraries and schools within the project area will be notified by distribution of neighborhood flyers prior to construction.

**COORDINATION**

This project has been coordinated with the Departments of Transportation, Planning, Building, and Code Enforcement, Finance, the City Attorney's Office and the City Manager's Budget Office.

**FISCAL/POLICY ALIGNMENT**

This project is consistent with the Council-approved Budget Strategy to continue with capital investments that spur construction spending in our local economy. This project will also significantly reduce operating and maintenance costs for this project area.

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$1,910,677

Project Delivery	\$ 674,890*
Construction (See Attached Schedule of Quantities)	1,910,677
Contingency	<u>191,068</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 2,776,635</b>
Prior Year Expenditures	166,199
<b>REMAINING PROJECT COSTS</b>	<b>\$ 2,610,436</b>

\* A total of \$166,199 was expended through 2007-2008 for Project Delivery costs.

2. COST ELEMENTS OF CONSTRUCTION CONTRACT  
(See Attached Schedule of Quantities)

3. SOURCE OF FUNDING: 545- Sewer Service and Use Charge Capital Improvement Fund

4. OPERATING COST: The operating and maintenance costs associated with this project are minimal in comparison with the costs of the existing system. They will have no significant impact on the General Fund operating budget.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2008-2009 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord.No.)
<b>Remaining Project Costs</b>				<b>\$2,610,436</b>			
<b>Current Funding Available</b>							
545	5970	Union/Almaden Oak Sanitary Sewer Rehabilitation	148445	\$1,429,000	\$1,000,000	V-75	10/21/08, Ord. No. 28422
545	4271	Miscellaneous Rehabilitation Projects	153925	\$2,654,000	\$910,677	V-71	10/21/08, Ord. No. 28422
<b>Total Current Funding Available</b>				<b>\$4,083,000</b>	<b>\$1,910,677</b>		

**CEQA**

CEQA: Exempt, PP08-068, dated April 29, 2008.

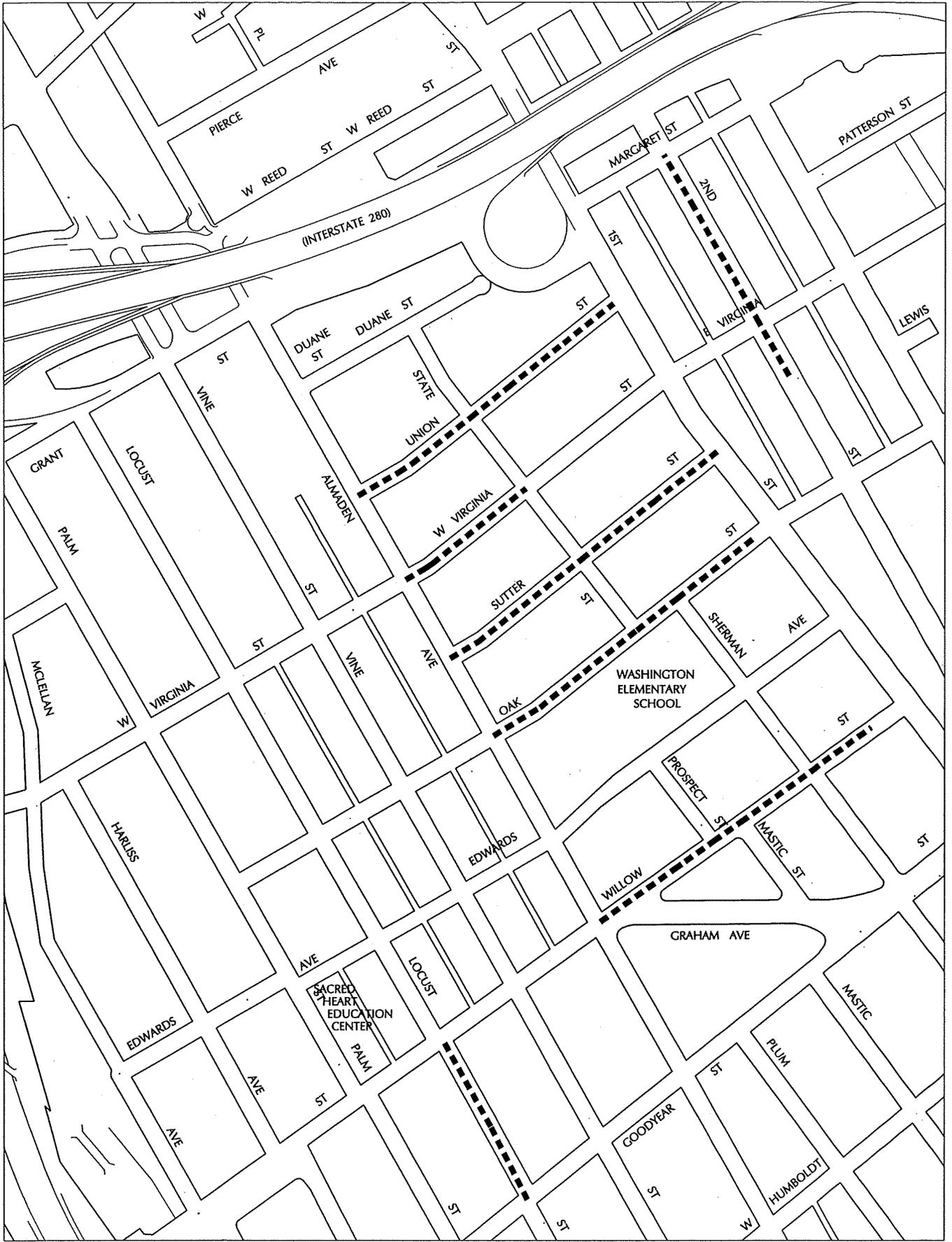
Planning has issued a statement of exemption for this project.



KATY ALLEN

Director, Public Works Department

For questions please contact TIMM BORDEN, DEPUTY DIRECTOR, at 408-535-8300.



LOCATION MAP  
N.T.S.

**Schedule of Quantities**  
for  
**Union/Almaden/Oak Sanitary Sewer Rehabilitation**

Item	Spec. Section	Description	Unit	Quantity	Unit Price	Extension
1a	5-2	Street Clean-Up (\$400 Min. per day) (Revocable)	DAY	90	\$ 400.00	\$ 36,000.00
1b	5-2	Street Clean-Up (Additional unit price above min. price listed in Item No. 1a) (Revocable)	DAY	90	\$ 1.00	\$ 90.00
2	7-6	Archaeological Report (Revocable)	LS	1	\$ 100.00	\$ 100.00
3	7-6	Archaeological Services (Revocable)	DAY	10	\$ 200.00	\$ 2,000.00
4	7-6	Allowance for Relocation of Remains	LS	1	\$ 20,000.00	\$ 20,000.00
5	7-6.3	Archaeological Delays (Revocable)	DAY	15	\$ 100.00	\$ 1,500.00
6	11-1	Mobilization	LS	1	\$ 80,000.00	\$ 80,000.00
7	12-1	Traffic Control	LS	1	\$ 20,000.00	\$ 20,000.00
8a	12-2	Police Officer (\$46.00 minimum per hour per officer) (Revocable)	HR	240	\$ 46.00	\$ 11,040.00
8b	12-2	Police Officer (Additional unit price above minimum price listed in Item No. 8a) (Revocable)	HR	240	\$ 1.00	\$ 240.00
9	15-1	Pothole Existing Utilities (Revocable)	EA	15	\$ 250.00	\$ 3,750.00
10	15-3	Utility Conflict Work (Revocable)	FORCE ACCOUNT	1	\$ 20,000.00	\$ 20,000.00
11	17-1	Non-Potable Water Supply (Revocable)	LS	1	\$ 200.00	\$ 200.00
12	81-2	Install Survey Monument	EA	13	\$ 500.00	\$ 6,500.00
13	1301-5	Geotextile	LF	5,865	\$ 1.00	\$ 5,865.00
14	1301-6	Bedding Stabilization Material (Revocable)	TON	86	\$ 15.00	\$ 1,290.00
15	1302-3	6-inch Dia. Extra Strength VCP Pipe	LF	2,939	\$ 173.00	\$ 508,447.00
16	1302-3	8-inch Dia. Extra Strength VCP Pipe	LF	2,040	\$ 185.00	\$ 377,400.00
17	1302-3	10-inch Dia. Extra Strength VCP Pipe	LF	886	\$ 194.00	\$ 171,884.00
18	1302-4	Point Repair- 6-inch VCP (Revocable)	LF	30	\$ 70.00	\$ 2,100.00
19	1302-4	Point Repair- 8-inch VCP (Revocable)	LF	30	\$ 75.00	\$ 2,250.00
20	1302-4	Point Repair- 10-inch VCP (Revocable)	LF	30	\$ 80.00	\$ 2,400.00

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Item	Spec. Section	Description	Unit	Quantity	Unit Price	Extension
21	1302-4	12-inch Dia. RCP, Class IV with Neoprene Rubber Gasket	LF	83	\$ 220.00	\$ 18,260.00
22	1302-4	15-inch Dia. RCP, Class IV with Neoprene Rubber Gasket	LF	279	\$ 235.00	\$ 65,565.00
23	1302-4	24-inch Dia. RCP, Class IV with Neoprene Rubber Gasket	LF	347	\$ 250.00	\$ 86,750.00
24	1302-5	Trench Sheeting, Shoring and Bracing	LS	1	\$ 50,000.00	\$ 50,000.00
25	1302-7	Sanitary Sewer Lateral Verification (Revocable)	EA	28	\$ 50.00	\$ 1,400.00
26	1302-8	Replace 4-inch Dia. Sanitary Sewer Lateral (Revocable)	LF	2,000	\$ 40.00	\$ 80,000.00
27	1305-1	Remove and Replace Standard Sanitary Sewer Manhole (D-11)	EA	30	\$ 7,000.00	\$ 210,000.00
28	1305-1	New Standard Manhole (D-11)	EA	3	\$ 6,000.00	\$ 18,000.00
29	1305-1	New Standard Manhole (D-12)	EA	1	\$ 9,000.00	\$ 9,000.00
30	1305-1	Remove and Replace Regular Hooded Inlet (D-5)	EA	5	\$ 2,500.00	\$ 12,500.00
31	1305-1	Remove Existing Manhole	EA	7	\$ 300.00	\$ 2,100.00
32	1308-1	Cleaning and Inspection of Sanitary Sewer Laterals	EA	171	\$ 35.00	\$ 5,985.00
33	1501-3.2	Trial Diversion (Revocable)	LS	1	\$ 3,000.00	\$ 3,000.00
34	1501-3.2	Diversion and/or Pumping of Sewage Flows	LS	1	\$ 10,000.00	\$ 10,000.00
35	1501-4	Sewer Lateral Reinstatement	EA	28	\$ 100.00	\$ 2,800.00
36	1501-6	Remove Manhole Rungs	EA MANHOLE	4	\$ 50.00	\$ 200.00
37	1501-7	Cleaning and Inspection of Pipelines	LF	747	\$ 3.00	\$ 2,241.00
38	1502-1.8	Installation of CIPP liner in 8-inch diameter VCP Sanitary Sewer	LF	747	\$ 60.00	\$ 44,820.00
39	1503-9	Manhole Rehabilitation	EA	5	\$ 3,000.00	\$ 15,000.00
<b>TOTAL FOR BASE BID</b>						<b>\$ 1,910,677.00</b>