



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Katy Allen

**SUBJECT: DOWNER-CANOAS  
INTERCEPTOR REHABILITATION**

**DATE:** 05-24-10

Approved

Date

6/1/10

**COUNCIL DISTRICTS:** 6 & 10

## RECOMMENDATION

Report on bids and award of contract for the Downer-Canoas Interceptor Rehabilitation project to the low bidder, Pipenology Inc., in the amount of \$3,182,432, and approval of a contingency in the amount of \$318,000.

## OUTCOME

Approval of this construction contract will allow the Downer-Canoas Interceptor 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

The Downer-Canoas sanitary sewer system collects sewer flows generated in residential and mixed-use neighborhoods of South San José and directs them north in an interceptor sewer that parallels Canoas Creek, east of Route 87 and south of Communication Hill. The City also operates a chemical injection station linked to the interceptor to decrease odors and corrosion in the system. An anticipated by-product of the chemical dosing program is a precipitate that tends to settle to the bottom of the interceptor during low flow conditions. The precipitate resembles dark, coarse sand.

In the spring of 2007, a condition assessment survey combined with temporary flow monitors identified potential capacity constraints along the southern portion of the sewer due to an accumulation of grit, debris and precipitate. City staff initiated a sewer cleaning project to restore the capacity of the sewer without taking the line out of service. Using sonar technology and specialized cleaning equipment, the accumulated sediment was removed from an 8,000 foot section of the sewer.

Following the cleaning project, additional video and sonar inspections further downstream identified ground water infiltration, pipe corrosion and an accumulation of grit and debris (map attached). In order to restore the design capacity of the sewer system, the Downer-Canoas Interceptor Rehabilitation Project was developed. The project will clean and rehabilitate approximately 8,700 linear feet of 42-inch and 48-inch diameter reinforced concrete pipe. The project will utilize a trenchless rehabilitation method to minimize the impacts associated with traditional open excavation construction. The project will also rehabilitate 25 manholes to prevent ground water infiltration.

Construction is scheduled to begin in July 2010, with completion in March 2011.

### ANALYSIS

Bids were opened on May 4, 2010, with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Michels Corporation dba Michels Pipeline Construction (Salem, OR)	\$4,218,498	\$748,498	22
Andes Construction, Inc. (Oakland, CA)	3,697,550	227,550	7
Insituform Technologies, Inc. (Chesterfield, MO)	3,641,936	171,936	5
<b>Engineer's Estimate</b>	<b>3,470,000</b>	--	--
Spiniello Companies (Pomona, CA)	3,369,080	(100,920)	(3)
Pipenology, Inc. (Rocklin, CA)	3,182,432	(287,568)	(8)

The low bid submitted by Pipenology Inc., in the amount of \$3,182,432, is eight percent below the Engineer's Estimate. The difference in bids can be attributed to the highly competitive bidding environment. Staff considers the low bid submitted for this project to be competitive and reasonable for the work to be performed and recommends award of contract to Pipenology Inc.

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

**EVALUATION AND FOLLOW-UP**

This project is currently within budget and on schedule. No additional follow-up with the Council is expected at this time.

**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 and 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.

Informational construction signs will be posted along the project limits. In addition, residents and businesses will be notified a minimum of two times. The first written notice will be within seven calendar days prior to any construction operation and the second written notice will be 48 hours prior to construction.

**COORDINATION**

This project has been coordinated with the Departments of Transportation, Finance, Planning, Building and Code Enforcement, the City Manager's Budget Office, Caltrans, the County of Santa Clara and the Santa Clara Valley Water District.

**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 reduce operating and maintenance costs for this trunk sewer.

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Project Delivery	\$1,190,000*
Construction	3,182,432
Contingency	<u>318,240</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$4,690,672</b>

Prior Year Expenditures	483,444
<b>REMAINING PROJECT COSTS</b>	<b>\$4,207,228</b>

\* Project Delivery Includes \$535,570 for design services and \$654,430 for Construction Management and Inspection Services.

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>\$4,207,228</b>			
<b>Current Funding Available</b>							
545	6444	Inflow and Infiltration Reduction	144755	\$5,000,000	\$3,182,432	V-67	N/A
<b>Total Current Funding Available</b>				<b>\$5,000,000</b>	<b>\$3,182,432</b>		

HONORABLE MAYOR AND CITY COUNCIL

05-24-10

**Subject: Downer-Canoas Interceptor Rehabilitation**

Page 5

**CEQA**

CEQA: Exempt, PP09-052, dated March 13, 2009.

Planning has issued a statement of exemption for this project.

/s/

KATY ALLEN

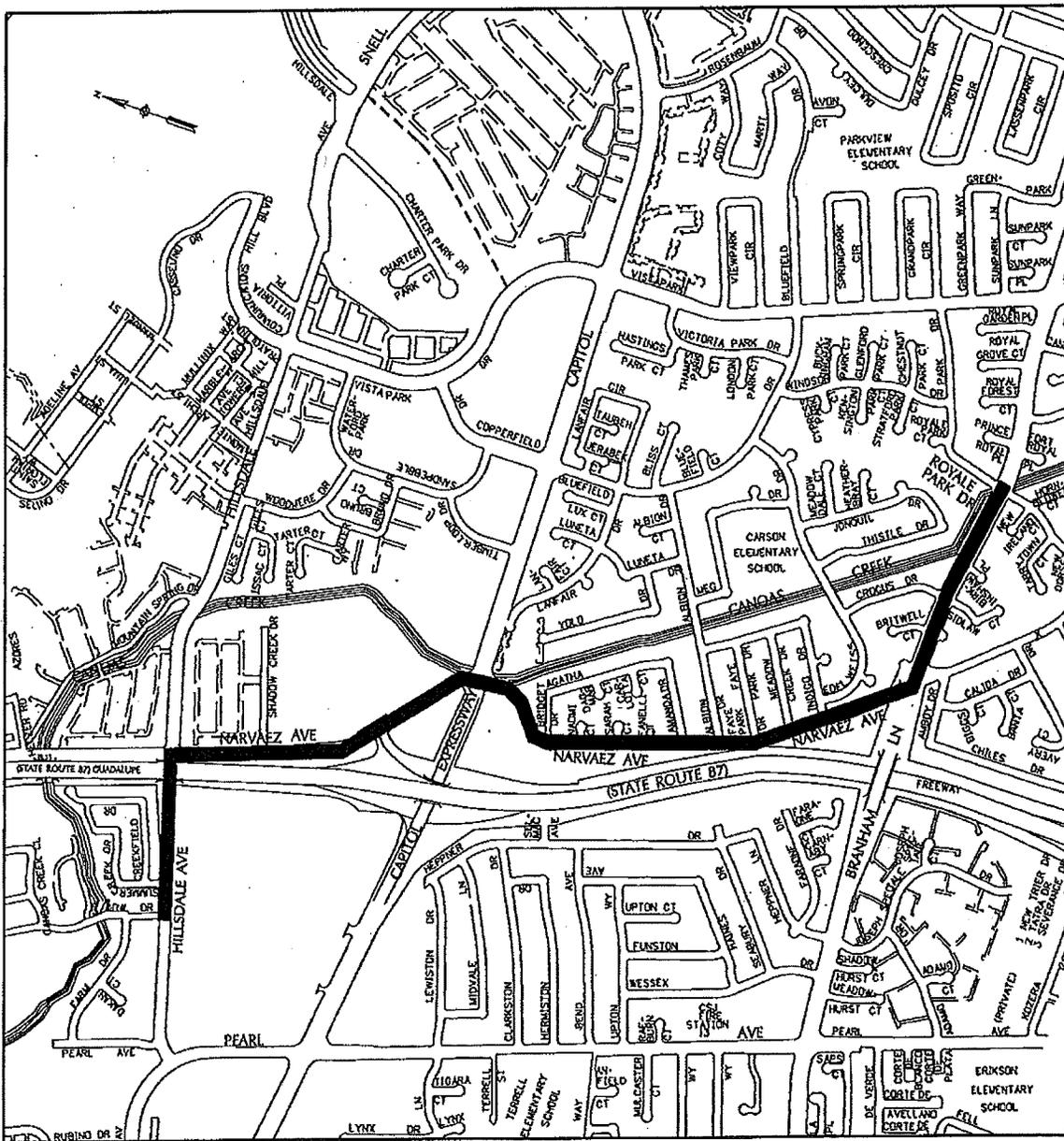
Director, Public Works Department

For questions, please contact TIMM BORDEN, DEPUTY DIRECTOR, PUBLIC WORKS DEPARTMENT, at 408-535-8499.

JA:OG

Attachment

# DOWNER-CANOAS INTERCEPTOR REHABILITATION



LOCATION MAP  
N.T.S.