

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes

**SUBJECT: PADRES DRIVE
SANITARY SEWER
REHABILITATION PROJECT**

DATE: 04-11-11

Approved

Date 4/18/11

COUNCIL DISTRICT: 6

RECOMMENDATION

Report on bids and award of contract for the Padres Drive Sanitary Sewer Rehabilitation project to the low bidder, McGuire and Hester, in the amount of \$1,799,192 and approval of a contingency in the amount of \$180,000.

OUTCOME

Approval of this construction contract will enable the Padres Drive Sanitary Sewer Rehabilitation project to proceed which will improve the sanitary sewer reliability in the area. Approval of a ten percent contingency will provide funding for unforeseen conditions during the construction of the project.

BACKGROUND

The sewer mains on Padres Drive, Hervey Lane and Minnesota Avenue (map attached) have required frequent maintenance in recent years. Three segments along this sewer main are currently on the Department of Transportation's High Priority Cleaning List.

Remote video inspection of these sewers revealed numerous cracks, broken pipes, accumulating debris, and offsets at pipe joints. These defects were partially attributed to the highly expansive clay soil generally found in this area. In addition, pipe lines in this area were built with a flat slope which causes a slow flow and stagnation of sewage in the system.

This project will replace 2,840 feet of clay pipe with high density polyethylene (HDPE) pipe which is more flexible and can accommodate the soil movement in this area. Related work will also include the installation of 17 new manholes and rehabilitation of 2 existing manholes.

In addition, this project will include the construction of a new pump station, electrical and control panels, and a force main and valve system at the intersection of Bird and Minnesota Avenues to address the flat slope conditions.

Construction is scheduled to begin in June 2011. Due to the typical time for the procurement of the pumps and control panels, and time required to coordinate with PG&E and AT&T, the completion date for this project is projected to be in June 2012.

ANALYSIS

Bids were opened on March 10, 2011, with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
J.F. Shea Construction, Inc. (Walnut, CA)	\$3,266,000	\$1,487,536	84%
Sanco Pipelines, Inc. (Campbell, CA)	2,390,708	612,244	34%
Stoloski & Gonzalez, Inc. (Half Moon Bay, CA)	2,370,643	592,179	33%
J & M, Inc. (Livermore, CA)	2,261,225	482,761	27%
Pacific Underground Construction, Inc. (San Jose, CA)	2,097,092	318,628	18%
Ranger Pipelines, Inc. (San Francisco, CA)	2,001,878	223,414	13%
Precision Engineering, Inc. (San Francisco, CA)	1,996,681	218,217	12%
J. W. Ebert Corporation (San Jose, CA)	1,892,202	113,738	6%
McGuire and Hester (Oakland, CA)	1,799,192	20,728	1%
Engineer's Estimate	1,778,464	---	---

Submitted bids varied from 1% to 84% over the Engineer's Estimate. Seven out of eight bids are within a very competitive range of 34% above the Engineer's Estimate and less. The low bid submitted by McGuire and Hester is one percent above the Engineer's Estimate. Staff considers this reasonable for the work involved.

Council Policy provides for a standard contingency of ten percent on public works projects involving utilities. The standard contingency is appropriate for this project.

EVALUATION AND FOLLOW-UP

This project is expected to be completed in June 2012. No additional follow-up actions are expected at this time.

POLICY ALTERNATIVES

Since the low bid is within one percent of the Engineer's Estimate and is deemed reasonable, no alternative is considered at this time.

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 item meets Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater. This project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects are routinely provided to a standard list of various contractor organizations and builders' exchanges. This memorandum will be posted on the City's website for the May 3, 2011 Council agenda.

COORDINATION

This project has been coordinated with Council District 6 and the Departments of Planning, Building and Code Enforcement, Transportation, City Manager's Budget Office, City Attorney's Office and the Office of Risk Management.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$1,799,192

Project Delivery	\$650,000 *
Construction	1,799,192
Contingency	<u>180,000</u>
TOTAL PROJECT COSTS	\$2,629,192

Prior Year Expenditures	180,311
REMAINING PROJECT COSTS	\$2,448,881

- Project delivery includes \$240,000 for Planning and Design Services, \$120,000 for Construction Management, \$230,000 for Inspection Services, and \$60,000 for Project Management and support during bid and close-out phases.

2. COST ELEMENTS OF CONSTRUCTION CONTRACT:

3. SOURCE OF FUNDING: 540 – Sanitary Sewer Connection Fee Fund
545 – Sewer Service and Use Charge Capital Improvement Fund.

4. OPERATING COST: The proposed operating and maintenance costs of this project have been reviewed and it has been determined that the project will have no significant adverse impact on the General Fund operating budget.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract(s) recommended as part of this memo and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. For Contract	2010-2011 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$2,448,881			
Current Funding Available							
545	4271	Miscellaneous Rehabilitation Projects	151145	\$4,985,000	\$1,000,000	Capital V-81	10/19/10, Ord. No. 28829

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540	4272	Miscellaneous Projects	151145	\$1,247,000	\$799,192	Capital V-71	10/19/10, Ord. No. 28829
Total Current Funding Available				\$6,232,000	\$1,799,192		

CEQA

CEQA: Exempt, File No. PP08-259, dated November 14, 2008.

/s/

DAVID SYKES

Acting Director, Public Works Department

For questions please contact MICHAEL O'CONNELL, ACTING DEPUTY DIRECTOR, at (408) 535-8300.

MO:TN:MN:ea

Attachment

Proj.ID:#5504

PADRES SANITARY SEWER REHABILITATION



MAP 99

LOCATION MAP
N.T.S.

STATEMENT OF EXEMPTION

FILE NO. PP08-259

LOCATION OF PROPERTY Padres Drive, between Creek Drive and Hervey Lane;
Hervey Lane, between Padres Drive and Minnesota
Avenue; Minnesota Avenue, between Bird and W. Alma
Avenues

PROJECT DESCRIPTION Padres Drive Sanitary Sewer Rehabilitation Project to
replace approximately 2,900 linear feet of existing 6-inch
vitrified clay sewer pipe with new 6-inch vitrified clay
sewer pipe and to rehabilitate 15 sanitary sewer manholes
within the public right-of-way and along an easement on a
Santa Clara Valley Water District parcel. All construction
work will occur within existing previously disturbed/
trenched areas with no excavation into previously
undisturbed soils. No trees will be removed or disturbed by
this project and all construction activities/vehicles will
avoid riparian areas and the dripline of any existing trees.

ASSESSOR'S PARCEL NUMBER Public Right-of-Way and APN 434-19-038

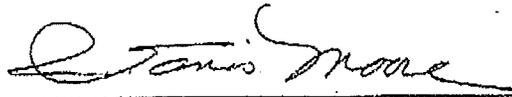
CERTIFICATION

Under the provisions of Section 15302(c) of the State Guidelines for Implementation of the California Environmental Quality Act (CEQA) as stated below, this project is found to be exempt from the environmental review requirements of Title 21 of the San José Municipal Code, implementing the California Environmental Quality Act of 1970, as amended.

15302. Replacement or Reconstruction

Class 2 consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. Examples of this exemption include but are not limited to:
(c) Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

Joseph Horwedel, Director
Planning, Building and Code Enforcement



Deputy

Date: November 14, 2008

Project Manager: Mathew Nguyen, DPW

(Rev. 4/11/07)