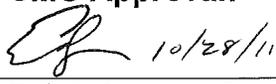




Subject: **REPORT ON BIDS AND AWARD OF CONTRACT FOR THE 5914 – NORTECH PARKWAY EAST LOOP WATER MAIN EXTENSION PROJECT**

**Council Agenda: 11-15-11**  
Item: 2.11

**City Council Action Request**

<b>Departments:</b> Environmental Services	<b>CEQA:</b> Exempt, PP10-178	<b>Coordination:</b> Risk Management, Equality Assurance, City Manager's Budget Office, City Attorney's Office, and Planning	<b>CMO Approval:</b>  10/28/11
			<b>Dept. Approval:</b> Kerrie Romanow /s/

**RECOMMENDED ACTION:**

- 1) Award the construction contract for the Nortech Parkway East Loop Main Extension Project to the low bidder, Ranger Pipelines, Inc., in the amount of \$304,200; and
- 2) Approve a contingency in the amount of \$45,630.

**BASIS FOR RECOMMENDATION:**

The Nortech East Loop Main Extension project includes a looped system that will increase service reliability and improve water quality. This project will provide an additional connection between the main water source south of Highway 237 and a storage facility and fire/emergency pump station located north of Highway 237. Currently, there are only two existing connections under Highway 237 and the current piping configuration near the storage facility has resulted in hydraulic restrictions. Due to a long stretch of large water main between the storage facility and the areas of higher water usage (including the current Highway 237 crossings), it is difficult to ensure that stored water is fully used and fresh water is placed in the water tank.

This connection will ensure that during an emergency, existing residences and businesses in the Alviso service area will continue to have water, and that residences and businesses south of Highway 237 will benefit from water storage capacity and fire protection. Also, this project will increase water circulation in the storage facility, reduce water age, and prevent adverse impacts to water quality. The scope of work for this project includes installation of 12" DIP potable water main from Nortech Parkway to Baytech Drive and Jack and Bore under Highway 237 to Holger Way.

Bids were opened October 6, 2011, with a total of eight bidders submitting proposals. Ranger Pipelines, Incorporated from San Francisco, CA, submitted the low bid in the amount of \$304,200 which is 24% below the Engineer's Estimate (\$400,000). The three lowest bidders were within 15% of each other indicating a highly competitive bidding. Staff reviewed the low bid submitted by Ranger Pipelines, Inc. and found the proposal to be acceptable for this project.

A 15% contingency is expected to provide enough funding to cover for any unanticipated tasks necessary for proper completion of this work. Construction is scheduled to begin in January 2012 with substantial completion in November 2012.

**COST AND FUNDING SOURCE:**

1.	AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$304,200
2.	COST OF PROJECT:	
	Construction	\$304,200
	Project Delivery	100,170
	Contingency	45,630
	<b>TOTAL PROJECT COSTS</b>	<b>\$450,000</b>
3.	SOURCE OF FUNDING:	
	500 – Water Utility Capital Fund	(\$300,000 budgeted for 2011-2012)
	502 – Major Facilities Fund	(\$374,000 budgeted for 2011-2012)

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

**FOR QUESTIONS CONTACT: Mansour Nasser, Deputy Director, Environmental Services at (408) 277-4218.**