



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** David Sykes

**SUBJECT: SANITARY SEWER  
CONDITION ASSESSMENT  
FALL 2011 PROJECT**

**DATE:** 02-06-12

Approved

Date

2/10/12

## RECOMMENDATION

Report on bids and award of contract for the Sanitary Sewer Condition Assessment Fall 2011 project to the low bidder, Coastline Water Resources, Inc., in the amount of \$1,449,000 and approval of a contingency in the amount of \$145,000.

## OUTCOME

Approval of this construction contract will enable the City to assess the condition of the City's sanitary sewer system near rivers and creeks.

Approval of a ten percent contingency will provide funding to pay for any unanticipated tasks that are necessary for the proper completion of the project.

## BACKGROUND

The City's sanitary sewer collection system consists of approximately 2,250 miles of sewers. Approximately ten percent of these sewers cross or are in close proximity to rivers and creeks. The Public Works Pilot Condition Assessment Program, completed in June 2011, recommended that all sewer lines within 200 feet of a channel or creek be inspected in order to determine if there are deficiencies within the system that could potentially result in negative impacts to nearby riparian habitat.

The Sanitary Sewer Condition Assessment Fall 2011 project (SSCA Fall 2011) consists of cleaning and inspecting approximately 1 million feet of sewers located within 200 feet of rivers and creeks. The inspection will be performed by a closed-circuit television (CCTV) camera system in accordance with the National Association of Sewer Service Companies (NASSCO) guidelines and standards. NASSCO has promulgated industry standards which govern the inspection and evaluation of underground pipelines including sanitary sewer systems. Inspection data will be reviewed and analyzed by City staff to determine whether repairs or rehabilitation are necessary for those portions of the system that were inspected as part of the

project. The contractor will also be required to perform construction and construction related work as necessary to obtain the CCTV data which includes, but may not be limited to, sewer flow diversion, grit removal and disposal, and traffic control.

In addition to the SSCA Fall 2011 project, the City has allocated \$10.9 million for CCTV of the sanitary sewer system in the next four years as identified in the Adopted 2012-2016 Capital Improvement Program. This program is on pace to CCTV the entire sanitary sewer system in 10 years.

### ANALYSIS

Bids were opened on December 8, 2011, with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
National Plant Services, Inc. (Long Beach, CA)	\$2,675,500	\$919,500	52
<b>Engineer's Estimate</b>	<b>1,756,000</b>	---	---
Veolia Water (Pleasant Hill, CA)	1,725,000	(31,000)	(2)
Coastline Water Resources, Inc. (Sacramento, CA)	1,449,000	(307,000)	(17)

Submitted bids varied from 17% under to 52% over the Engineer's Estimate. The low bid was submitted by Coastline Water Resources, Inc. who completed a similar but smaller project for the City late last year. Staff considers this bid 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 nine months. No additional follow-up actions are expected at this time.

### POLICY ALTERNATIVES

Since the low bid is 17 percent below the Engineer's Estimate and is deemed reasonable so 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 project has been listed on BidSync and has been advertised in the *San José Post Record*. Contractor organizations and builders' exchanges have access to bid packages through BidSync. This memo will be posted on the City's website for the February 28, 2012, Council agenda.

**COORDINATION**

This project has been coordinated with the Departments of Planning, Building and Code Enforcement, Transportation, City Manager's Budget Office, Finance 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: \$1,449,000

Project Delivery	\$250,000
Construction	1,449,000
Contingency	<u>145,000</u>

**TOTAL PROJECT COSTS** **\$1,844,000**

Prior Year Expenditures 0  
**REMAINING PROJECT COSTS** **\$1,844,000**

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2. COST ELEMENTS OF CONTRACT:

Traffic Control	\$ 29,000
Video Inspection	620,000
Cleaning	600,000
Removal of Debris	125,000
<u>Diversion</u>	<u>75,000</u>
Total	\$1,449,000

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

4. OPERATING COSTS: 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**

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. For Contract	2011-2012 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>				<b>\$1,844,000</b>			
<b>Current Funding Available</b>							
545	7082	Sanitary Sewer Condition Assessments – Phase II	168665	\$3,959,000	\$1,449,000	Capital V-95	10/18/11, Ord. No. 28979
<b>Total Current Funding Available</b>				<b>\$3,959,000</b>	<b>\$1,449,000</b>		

**CEQA**

Exempt, File No. PP11-084, dated September 7, 2011.

/s/  
DAVID SYKES  
Director of Public Works

For questions please contact Michael O’Connell, Deputy Director, at (408) 535-8300.