



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes

SUBJECT: SEE BELOW

DATE: March 5, 2012

Approved

Date

3/13/12

COUNCIL DISTRICT: 9

SUBJECT: MYRTLE AVENUE SANITARY SEWER IMPROVEMENTS

RECOMMENDATION

Report on bids and award of contract for the Myrtle Avenue Sanitary Sewer Improvements Project to the low bidder, Mountain Cascade, Inc., in the amount of \$1,109,135, and approval of a contingency in the amount of \$110,000.

OUTCOME

Approval of the construction contract to Mountain Cascade, Inc. will enable the Myrtle Avenue Sanitary Sewer Improvements Project to proceed on schedule with the replacement of the existing sanitary sewer.

Approval of a ten percent contingency will provide funding for any unanticipated work or unforeseen conditions during the construction of this project.

BACKGROUND

The Myrtle Avenue Sanitary Sewer Improvement is located along Myrtle Avenue from Cherry Avenue to Jarvis Avenue and Jarvis Avenue from Myrtle Avenue and Jacob Avenue (see attached map).

This project was developed to provide the necessary capacity in the sewer system identified by the Sanitary Sewer Master Plan Capacity Assessment Phase II Study. The study is based on Envision 2040 General Plan and identified this sewer main for up-sizing primarily to address the

existing capacity needs of the drainage shed, with a small increment attributable to future growth upstream of this location.

The recommended improvement for the existing 10-inch sanitary sewer main is to upsize the sewer to 18-inches. Approximately 3,310 linear feet of sewer main will be upsized by open-cut excavation construction.

Construction is scheduled to begin in June 2012 with substantial completion in August 2012.

ANALYSIS

Bids for this project were opened on February 9, 2012, with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Stoloski & Gonzalez, Inc. (Half Moon Bay)	\$1,410,000.00	\$40,000.00	3
Shaw Pipeline, Inc. (San Francisco)	1,375,320.00	5,320.00	0.4
Preston Pipelines (Milpitas)	1,374,271.00	4,271.00	0.3
Engineer's Estimate	1,370,000.00	---	---
Pacific Underground Construction, Inc. (San José)	1,327,985.00	(42,015.00)	(3)
J&M, Inc. (Livermore)	1,281,655.00	(88,345.00)	(6)
Darcy & Harty Construction, Inc. (San Francisco)	1,213,340.00	(156,660.00)	(11)
Granite Construction (Santa Clara)	1,193,087.00	(176,913.00)	(13)
Monterey Peninsula Engineering, Inc. (Monterey)	1,175,670.00	(194,330.00)	(14)
Ranger Pipelines, Inc. (San Francisco)	1,169,640.00	(200,360.00)	(15)
Mountain Cascade, Inc. (Livermore)	1,109,135.00	(260,865.00)	(19)

A discrepancy was found with the proposal submitted by Stoloski & Gonzalez, Inc. for the item, "Temporary Trench Pavement (Revocable)." Per Section 2-1.05 of the City's Standard

Specifications, the extended corrected price shall prevail and the sum of the extended prices of all items shall prevail. This correction increased Stoloski & Gonzalez, Inc.'s total bid amount by \$80. The total corrected bid amount is reflected in the table above.

Submitted bids varied from three percent over to 19 percent under the Engineer's Estimate. The low bid submitted by Mountain Cascade, Inc. is 19 percent below the Engineer's Estimate. The low bid may be attributed to the current competitive nature within the open excavation construction industry. This competitive bidding environment is demonstrated by the high number of bids submitted (ten total qualified bids). Staff considers the low bid submitted for this project acceptable for the work involved in the project and recommends award of contract to Mountain Cascade, Inc.

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 currently within budget and expected to be completed by August 2012. No additional follow up action with the Council is expected at this time.

POLICY ALTERNATIVES

Since the low bid is within 19 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 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 Bidsync and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builders' exchanges. This memorandum will be posted on the City's website for the March 27, 2012 Council agenda.

COORDINATION

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

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 IMPLICATIONS/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: **\$1,109,135**

Project Delivery	\$271,400*
Construction	1,109,135
Contingency	110,915
TOTAL PROJECT COSTS	\$1,491,450
Prior Year Expenditures	\$71,493
REMAINING PROJECT COSTS	\$1,419,957

* Project delivery includes \$84,700 for Design Services, \$61,000 for Construction Management, and \$125,700 for Inspection Services.

2. COST ELEMENTS OF CONSTRUCTION CONTRACT: Lump sum contract.

3. SOURCE OF FUNDING: 540 - Sewer Service 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

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2011-2012 Adopted Budget (Page)	Last Budget Action (Date, Ord.No.)
Remaining Project Costs				\$1,419,957			
Current Funding Available							
540	7244	Myrtle Avenue Sanitary Sewer Improvements	164485	\$1,712,000	\$140,000	Capital V-72	06/21/11, Ord. No. 28928
545	4272	Miscellaneous Projects	164485	\$2,730,000	\$969,135	Capital V-80	06/21/11, Ord. No. 28928
Total Current Funding Available				\$4,442,000	\$1,109,135		

CEQA

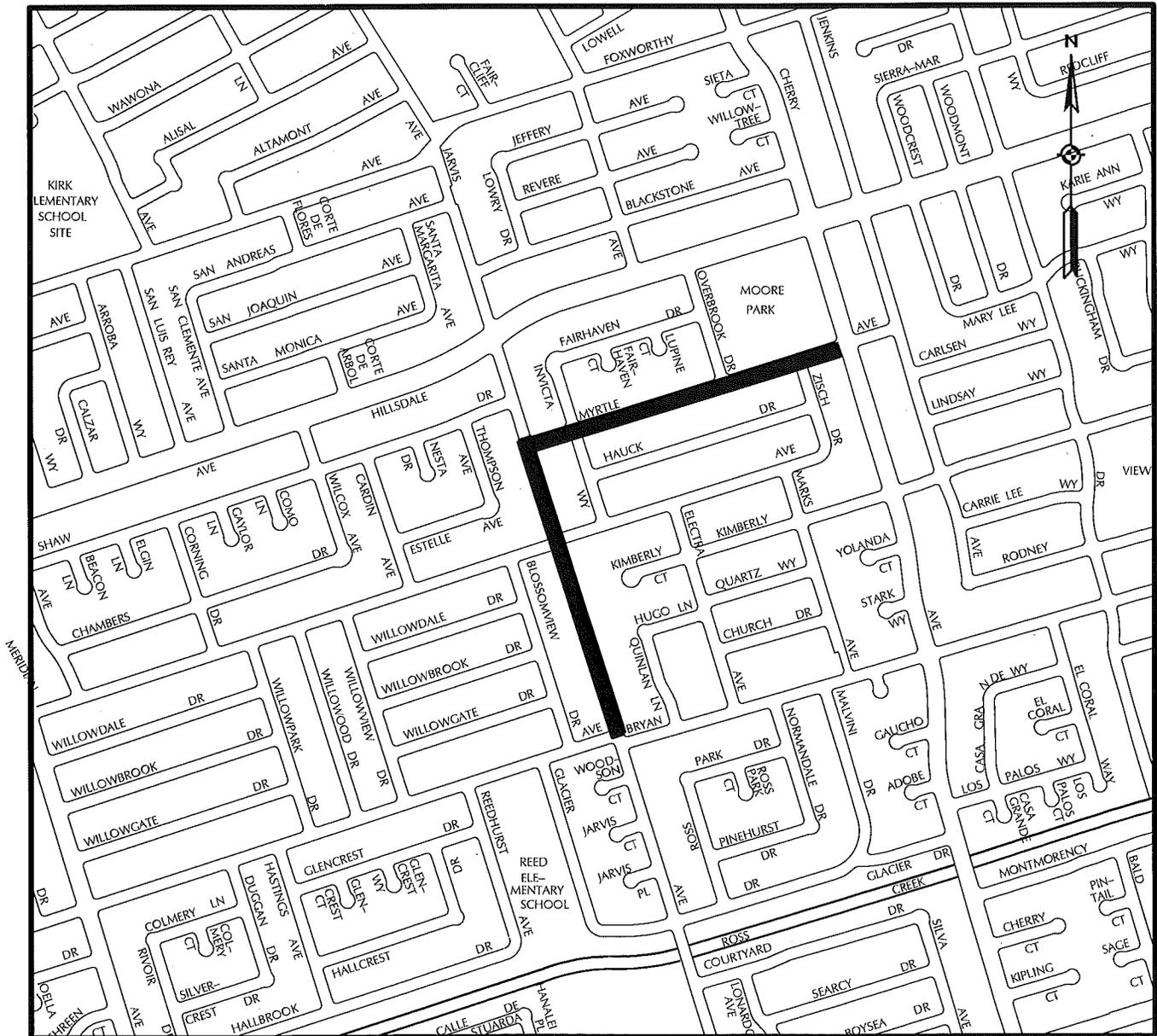
CEQA: Exempt, PP11-088 dated October 12, 2011.

/s/
 DAVID SYKES
 Director of Public Works

For questions please contact Michael O'Connell, Deputy Director, at 535-8300.

Attachment
 Location Map
 Project ID # 6423

MYRTLE AVENUE SANITARY SEWER IMPROVEMENT



LOCATION MAP
N.T.S.