



Subject: **REPORT ON BIDS AND AWARD OF CONTRACT FOR THE 6925 – NORTECH-ZANKER SERVICE LATERAL PROJECT**

Council Agenda: 5-15-12
Item: 2.10

City Council Action Request

Departments: Environmental Services Public Works	CEQA: Exempt, PP11-054	Coordination: Risk Mgmt, Equality Assurance; CMO; CAO; PBCE; and TPAC	CMO Approval: 
			Dept. Approval: Kerrie Romanow /s/ David Sykes /s/

RECOMMENDED ACTION:

- (a) Award the construction contract for the Nortech – Zanker Service Lateral Project to the lowest bidder, Platinum Pipelines, Inc., in the amount of \$578,960.
- (b) Approve a contingency in the amount of \$115,000.

BASIS FOR RECOMMENDATION:

The Nortech-Zanker Service Lateral Project is the first of two phases to provide improved potable water supply to the Environmental Services Building, Water Pollution Control Plant (WPCP) warehouse, and Transmission Pump Station, with the potential for expansion to the south east portion of the WPCP. The new 12-inch ductile iron pipe service lateral will connect from the existing potable water system in Nortech Parkway; traverse easterly across the plant buffer land; and redirect north at Zanker Road towards the Environmental Services Building on Zanker Road. The entire service lateral project will span approximately 5,200 linear feet. A subsequent contract will be required to make the final connection from the terminus of the pipeline into the WPCP and provide the final connection to the buildings on-site.

Bids were opened on March 29, 2012, and a total of nine bidders submitted proposals. Platinum Pipelines, Inc. from Dublin, CA, submitted the lowest bid in the amount of \$578,960, 42.9% below the engineer's estimate. The three lowest bidders were within 15% of each other indicating a highly competitive bidding environment. Staff reviewed the low bid submitted by Platinum Pipelines, Inc. and found the proposal to be acceptable for this project. There was one bid irregularity - the bid received from Northern Underground Construction, Inc. had a math error which, once corrected, resulted in their bid being seventh-lowest versus eighth-lowest initially. This item is scheduled to be considered at the May 10, 2012 Treatment Plant Advisory Committee Meeting.

A 20% contingency is expected to provide sufficient funding to cover any unanticipated tasks necessary for completion of this work, including, but not limited to, unforeseen underground conditions, inconsistent high ground water level, and additional environmental mitigation. Construction is scheduled to begin in June 2012 with substantial completion in October 2012.

COST AND FUNDING SOURCE:

1.	AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$578,960
2.	COST OF PROJECT:	
	Construction	\$578,960
	Project Delivery	\$87,040
	Contingency	\$115,000
	TOTAL PROJECT COSTS	\$781,000
3.	SOURCE OF FUNDING: 2011-2012 Adopted Water Pollution Control Plant Capital Budget	
	Fund 512 – SJ/SC Treatment Plant Capital Fund	SBWR Backup Water Supply Appropriation, \$3.0 million Modified Budget (Ord. No. 28928, 6/21/2011)
4.	FISCAL IMPACT: Existing funds available for this project; no additional appropriation required.	
FOR QUESTIONS CONTACT: Jeffrey Provenzano, Acting Division Manager, Environmental Services at (408) 277-3288.		