



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** David Sykes

**SUBJECT:** 6875-EL DORADO AND GOLD  
STREET STORM SEWER  
IMPROVEMENT (RE-BID)

**DATE:** May 14, 2012

Approved

Date

5/21/12

**COUNCIL DISTRICT: 4**

## RECOMMENDATION

Report on bids and award of contract for the 6875-El Dorado and Gold Street Storm Sewer Improvement (Re-bid) Project to the low bidder, Mountain Cascade, Inc., in the amount of \$1,249,250, and approval of a contingency in the amount of \$125,000.

## OUTCOME

Approval of the construction contract to Mountain Cascade, Inc. will enable the El Dorado and Gold Street Storm Sewer Improvement (Re-bid) Project to proceed on schedule with the construction of the new storm and sanitary sewer improvements in the Alviso area.

Approval of a ten percent contingency will provide funding for any unanticipated work that is necessary for the proper completion of the project.

## BACKGROUND

The Alviso Master Plan, developed by the Department of Planning, Building and Code Enforcement with local community input, was adopted by Council in December 1998. The Master Plan recommends an action plan to improve streets in Alviso that do not have the full improvements of curbs, gutters, sidewalks, lighting, drainage and street trees. The majority of the land in Alviso is largely developed; therefore, there is less opportunity for these improvements to be constructed as a condition of approval for new land development.

El Dorado, Gold, Moffat and Elizabeth Streets are identified in the Master Plan as streets which require improvements to meet the City roadway standards.

May 14, 2012

**Subject: 6875-El Dorado and Gold Street Storm Sewer Improvement (Re-bid)**

Page 2

The El Dorado and Gold Street Storm Sewer Improvement is located in Alviso along segments of Gold Street, Elizabeth Street, El Dorado Street and Moffat Street (see attached map).

This project was developed to adequately accommodate the volume of local storm water runoff. This will be accomplished by installing new storm pipelines which increase the capacity of the storm drain system. The new system will improve drainage, minimize the negative affects associated with standing water on the street, and improve accessibility for residents of Alviso. The project will also extend the existing sanitary sewer line in Gold Street to the Gold Street Storm Pump Station. This will provide an accessible discharge point adjacent to the pump station in the event that storm waters need to be diverted to the sanitary sewer system due to poor water quality.

The recommended improvement will include the installation of approximately 1,725 linear feet of storm drain pipe and 243 feet of sanitary sewer pipe. The project will also install manholes, inlets, sidewalk, curb & gutter, and wheelchair ramps.

This project was originally bid on December 8, 2011. All bids were rejected due to the low bidder submitting an invalid Bidder's Bond and therefore, were deemed non-responsive. The remaining bids received exceeded the funds budgeted at the time for the project so the remaining bids were rejected and the project was rebid.

Construction for this project is scheduled to begin in August with completion in October 2012.

### ANALYSIS

Bids for this project were opened on March 29, 2012, with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
American Asphalt Repair and Resurfacing Co, Inc.	\$1,429,604.00	\$521,379.00	57
Wattis Construction Co., Inc. (San José)	1,321,334.00	413,109.00	45
Pacific Underground Construction, Inc. (San José)	1,305,824.00	397,599.00	44
Mountain Cascade, Inc. (Livermore)	1,249,250.00	341,025.00	38
<b>Engineer's Estimate</b>	\$908,225.00	---	---

May 14, 2012

Subject: 6875-El Dorado and Gold Street Storm Sewer Improvement (Re-bid)

Page 3

The lowest bid submitted by Mountain Cascade, Inc., is 38 percent over the Engineer's Estimate. The submitted bids for items related to underground work including pipe installation, trench sheeting & shoring and dewatering were higher than the engineer's estimate. This may be attributed to the anticipated wet soil conditions associated with underground work in the Alviso Area. Staff considers the lowest bid submitted for this project acceptable for the work involved in the project and recommends award of the 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**

No subsequent Council action on this issue is necessary. Staff will monitor the impact of this action and communicate any issues to Council through a staff report.

### **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 June 5, 2012 Council agenda.

**COORDINATION**

This project and memorandum have been coordinated with the Departments of Planning, Building, and Code Enforcement, Transportation, Finance, City Attorney's Office 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: **\$1,249,250**

Project Delivery	\$568,408*
Construction	1,249,250
Contingency	125,000

**TOTAL PROJECT COSTS** **\$1,942,658**

Prior Year Expenditures **\$277,890**

**REMAINING PROJECT COSTS** **\$1,664,768**

\* Project delivery includes \$391,274 for Design Services, \$74,268 for Construction Management and \$102,866 for Inspection Services.

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

3. SOURCE OF FUNDING: 469 – Storm Sewer Capital 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.

May 14, 2012

Subject: 6875-El Dorado and Gold Street Storm Sewer Improvement (Re-bid)

Page 5

**BUDGET REFERENCE**

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2011-2012 Adopted Budget (Page)	Last Budget Action (Date, Ord.No.)
<b>Remaining Project Costs</b>					<b>\$1,249,250</b>		

<b>Current Funding Available</b>							
469	7232	El Dorado Street Storm Drainage Improvements	163865	\$467,000	\$200,000	V-123	10/18/2011 28979
469	7234	Gold Street Storm Drainage Improvements	163885	\$378,000	\$350,000	V-125	10/18/2011 28979
545	7252	<u>Gold Street Sanitary Sewer Extension</u>	166565	\$150,000	\$132,000	V-48	10/18/2011 28979
469	7351	<u>Alviso Storm Network Infiltration Control</u>	170895	\$1,200,000	\$567,250	V-121	6/21/2011 28928
<b>Total Current Funding Available</b>				<b>2,195,000</b>	<b>\$1,249,250</b>		

**CEQA**

Exempt, PP11-036, dated May 17, 2011.

/s/

DAVID SYKES  
Director of Public Works

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

Attachment

# LOCATION MAP

N.T.S.

