



**Subject: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE 6646-STREET TREATMENT AT SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT, FISCAL YEAR 2010-2011**

**Council Agenda: 06-19-12  
Item: 2.19**

**City Council Action Request**

<b>Department:</b> Environmental Services	<b>CEQA:</b> Exempt, PP12-004	<b>Coordination:</b> Office of Risk Mngt., DPW, CMO Budget, CAO, and TPAC	<b>CMO Approval:</b>  6/1/12
			<b>Dept. Approval:</b> /s/ Kerrie Romanow

**RECOMMENDED ACTION:**

- 1) Award the construction contract for the Street Treatment Project at the San Jose/Santa Clara Water Pollution Control Plant to the low bidder, Wattis Construction, Inc., in the amount of \$108,100.
- 2) Approve a 10% contingency in the amount of \$10,800.

**BASIS FOR RECOMMENDATION:**

This project will improve the drainage and repair aging roadways on two streets located within the Water Pollution Control Plant (WPCP), 5th Street and Center Street. The streets at the WPCP are nearing the end of their service life. Many streets have sections of pavement failure, unraveling, potholing, damaged curb and gutter, and areas of poor drainage. This project will replace existing curb and gutter, sidewalk, driveways, and asphalt concrete street pavement on 5th Street from Center Street to C Street, and will construct approximately 350 feet of concrete valley gutter adjacent to an existing building located along Center Street.

The project was advertised for bid and a total of six bids were received and opened on March 22, 2012. The low bid submitted by Wattis Construction, Inc. is 42 percent below the Engineer's Estimate of \$186,000. The bid is considered to be low for the work involved in the project. The low bid can be attributed to the current competitive bidding environment for roadway construction in this area. Council Policy provides for a standard contingency of 10 percent on roadway pavement projects. The standard contingency is appropriate for this project.

**COST AND FUNDING SOURCE:**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$108,000
2. COST OF PROJECT:	
Project Delivery	\$172,000
Construction	\$108,000
Contingency	\$ 10,800
<b>TOTAL PROJECT COSTS</b>	<b>\$290,800</b>
2011-2012 Expenditures To Date	\$ 50,159
Prior Year Expenditures	\$ 82,215
<b>REMAINING PROJECT COSTS</b>	<b>\$158,426</b>

*NOTE: Total project delivery cost is high due to inclusion of program level pavement restoration planning for the entire WPCP site with the project delivery cost. In addition, as a result of significant staff attrition, the project scope had to be reduced to match staffing and focus on the most critical areas. The reduction in scope combined with a competitive bidding climate have contributed to a low construction cost and a relatively high delivery cost. With the completion of the program level planning, future street treatment project delivery costs are anticipated to drop.*

3. SOURCE OF FUNDING: 512 – San Jose/Santa Clara Treatment Plant Capital Fund. Treatment Plant Street Resurfacing Appropriation (\$500,000 Modified 2011-2012 Budget. Ord. No. 29036, 2/14/2012).
4. FISCAL IMPACT: Existing funds are available for this project. No additional appropriation is required.

**FOR QUESTIONS CONTACT:** For questions please contact Jon Newby, Deputy Director, Environmental Services Department at (408)635-2000.