



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

SUBJECT: SEE BELOW

DATE: 06-18-04

Approved

Date

Council Districts: 3 & 4

**SUBJECT: FOURTH STREET/ZANKER ROAD SANITARY SEWER
REHABILITATION PROJECT**

REASON FOR SUPPLEMENTAL MEMO

To provide additional information to Council after bids were opened.

RECOMMENDATION

Report on bids and award of contract for the Fourth Street/Zanker Road Sanitary Sewer Rehabilitation Project to the low bidder, McGuire and Hester, in the amount of \$239,370, and approval of a contingency in the amount of \$24,000.

CEQA: Exempt, File No. PP04-02-030.

BACKGROUND

The Fourth Street/Zanker Road Sanitary Sewer Rehabilitation project will rehabilitate an existing 54-inch reinforced concrete pipe (RCP) that crosses under Highway 101 at Fourth Street and Zanker Road as shown on the attached map. The project was developed in response to a videotape inspection that indicated moderate to severe corrosion of the reinforced concrete sewer. In order to maintain the structural integrity of the sewer, the project will rehabilitate approximately 410 feet of the sewer with a slipliner system from an access pit located in the unimproved median island on Zanker Road.

The City has obtained the required Caltrans encroachment permit for this project.

Construction is scheduled to begin in September 2004 with completion in February 2005.

ANALYSIS

Bids were opened on June 10, 2004 with the following results:

<u>Contractor</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Trinet Construction Inc. (San Francisco, CA)	\$307,760	\$63,315	26
D'Arcy & Hardy Construction, Inc. (San Francisco, CA)	257,025	12,580	5
Engineer's Estimate	244,445	---	---
McGuire and Hester (Oakland, CA)	239,370	(5,075)	(2)

The low bid submitted by McGuire and Hester is 2 percent below the Engineer's Estimate and is considered a reasonable price to perform the work.

Council Policy provides for a contingency of 10 percent on public works projects involving underground utilities. The standard contingency is appropriate for this project.

PUBLIC OUTREACH

To solicit contractors, this project was listed on the City's Internet Bid Line 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 builder's exchanges.

COORDINATION

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

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$239,370

2. COST OF PROJECT:

Project Delivery	\$ 92,000
Construction	239,370
Contingency	<u>24,000</u>
Total	\$355,370

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

HONORABLE MAYOR AND CITY COUNCIL

06-18-04

Subject: Fourth Street/Zanker Road Sanitary Sewer Rehabilitation

Page 3

4. **FISCAL IMPACT:** This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. 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	2003-2004 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
545	4271	Miscellaneous Rehabilitation Projects	131725	\$6,846,000	\$239,370	Page 148	(10/14/03 Ord. No. 26997)

CEQA

Exempt, File No. PP04-02-030.

KATY ALLEN
Director, Public Works Department

RC:MAO:nm:jv
6_29_04#4s.doc
Attachment