



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Loesch

**SUBJECT:** SEE BELOW

**DATE:** May 28, 2024

Approved

Date

6/6/24

**COUNCIL DISTRICT: 9**

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE 8152 – BLOSSOM HILL ROAD AND LEIGH AVENUE SANITARY SEWER IMPROVEMENT PROJECT**

## **RECOMMENDATION**

- (a) Report on bids and award of contract for the 8152 – Blossom Hill Road and Leigh Avenue Sanitary Sewer Improvement Project to the low bidder, K.J. Woods Construction, Inc., in the amount of \$4,228,000; and
- (b) Approve a 10% contingency in the amount of \$422,800.

## **SUMMARY AND OUTCOME**

Award of this construction contract will enable construction of sewer improvements that will ensure adequate sewer capacity to the sewer system between Copeland Lane and Leigh Avenue, and along Leigh Avenue, between Blossom Hill Road and Little Branham Lane (**Attachment A** – Location Map 8152 - Blossom Hill Road and Leigh Avenue Sanitary Sewer Improvement.)

Approval of a 10% contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the 8152 – Blossom Hill Road and Leigh Avenue Sanitary Sewer Improvement Project (Project.)

## **BACKGROUND**

Several sewer segments included in the scope of the Project are considered joint-use sanitary sewer lines shared with the West Valley Sanitation District, therefore, this Project is subject to the terms, provisions, and conditions of the cost-sharing agreement between the City of San José and the West Valley Sanitation District.

The Project was developed through the Department of Public Works Sanitary Sewer Master Planning Group's Sanitary Sewer Phase II and Phase I Update Study. The Project is referenced as the Julian-Sunol 4 and is needed to address existing and future sewer capacity needs for the area.

The Project will install approximately 1,900 linear feet of new 10-inch diameter vitrified clay pipe sanitary sewer along Blossom Hill Road and Leigh Avenue and upsize approximately 4,400 linear feet of eight-inch diameter vitrified clay pipe to 12-inch diameter vitrified clay pipe sanitary sewer along Leigh Avenue that will provide additional capacity to the sewer system. Additionally, 19 manholes will be constructed, and approximately 98 laterals will be cleaned, inspected, and reconnected.

### **ANALYSIS**

Bids were opened on May 23, 2024 with the following results.

<b><u>Contractor</u></b>	<b><u>Bid Amount</u></b>	<b><u>Variance Amount</u></b>	<b><u>Over/(Under) Percent</u></b>
<b>Engineer's Estimate</b>	<b>\$3,619,650</b>	--	--
K.J. Woods Construction, Inc. (South San Francisco)	\$4,228,000	\$608,350	17
Cratus, Inc. (San Francisco)	\$4,479,270	\$859,620	24
Koios Engineering, Inc. (San Francisco)	\$4,526,755	\$907,105	25
DPI, Inc. (Livermore)	\$4,581,377	\$961,727	27
Ranger Pipelines, Inc. (San Francisco)	\$4,995,770	\$1,376,120	38
Pacific Underground Construction, Inc. (San José)	\$5,417,800	\$1,798,150	50
Devaney Engineering, Inc. (San Francisco)	\$5,499,375	\$1,879,725	52

The low bid submitted by K.J. Woods Construction, Inc. is 17% above the Engineer's Estimate. Potential reasons for the higher bid include the higher unit costs for pipe installation and trench shoring. Staff will continue to monitor conditions influencing construction costs and will consider these uncertainties on future projects. Staff considers the low bid to be competitive and acceptable for the work involved and recommends award of contract to K.J. Woods Construction, Inc.

HONORABLE MAYOR AND CITY COUNCIL

May 28, 2024

**Subject: Report on Bids and Award of Contract for the 8152 – Blossom Hill Road and Leigh Avenue Sanitary Sewer Improvement Project**

Page 3

K.J. Woods Construction, Inc. has successfully completed multiple sanitary and storm sewer projects for the City of San José, including 6723 – Williams Rd – Moorpark Ave Sanitary Sewer Improvement accepted in February 2018 and 7198 – Cast Iron Replacement – West accepted in December 2015.

### *Contingency*

San José Municipal Code Section 27.04.050 provides for a standard contingency of 10% on all public works contracts except those involving the renovation of a building or buildings. The standard 10% contingency is appropriate for this Project.

### *Wage Theft Prevention Policy Check*

The Office of Equality Assurance reviewed bidders for compliance with the City's Wage Theft Prevention Policy on May 23, 2024 and again on May 24, 2024. No wage theft issues were identified.

### *Project Labor Agreement Applicability*

The City's Project Labor Agreement is applicable to this Project because the Engineer's Estimate is over \$1.22 million.

### *Local and Small Business Analysis*

The recommended contractor is not a local or a small business enterprise. No local business enterprises were listed as subcontractors.

## **EVALUATION AND FOLLOW-UP**

No additional follow up action with the City Council is expected at this time.

## **COST SUMMARY/IMPLICATIONS**

The source of funding for the Project is through the 545 Sewer Service & Use Charge Capital Improvement Fund and 540 Sanitary Sewer Connection Fee Fund. West Valley Sanitation District will share the cost of the Project and reimburse the City of San José 49% of the total Project costs. This Project will have no net operating and maintenance costs.

May 28, 2024

**Subject: Report on Bids and Award of Contract for the 8152 – Blossom Hill Road and Leigh Avenue Sanitary Sewer Improvement Project**

Page 4

**1. TOTAL COST OF PROJECT:**

Project Delivery*	\$1,248,937
Construction (See Cost Breakdown Below)	4,228,000
Contingency	422,800
<b>TOTAL PROJECT COSTS</b>	<b>\$5,899,737</b>
Prior Years' Expenditures	452,737
<b>REMAINING PROJECT COSTS</b>	<b>\$5,447,000</b>

\* Project delivery includes \$472,737 for design services and \$776,200 for construction management, inspection services, survey, materials lab services, utilities, and project closeout costs.

**2. COST ELEMENTS OF CONTRACT**

Mobilization	\$150,000
Traffic Control	98,000
Diversion and/or Bypass Pumping	23,415
New Pipe Installation	3,153,260
New Manholes	256,000
Other Construction Costs	547,325
<b>TOTAL CONSTRUCTION CONTRACT</b>	<b>\$4,228,000</b>

**BUDGET REFERENCE**

The table below identifies the fund and appropriations to fund the contract recommended as part of this memorandum and remaining Project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. For Contract	2024-2025 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
545	420W	Blossom Hill Road and Leigh Avenue Sanitary Sewer Improvement	\$4,787,000**	\$4,028,000	141	NA
540	420W	Blossom Hill Road and Leigh Avenue Sanitary Sewer Improvement	\$200,000	\$200,000	141	NA

\* The 2024-2025 Proposed Capital Budget is scheduled for adoption on June 18, 2024, by the City Council.

\*\* This amount assumes City Council approval to increase this project by \$812,000 in the Manager's Budget Addendum #29 Recommended Amendments to the 2024-2025 Proposed Capital and Operating Budgets. A total of \$4,787,000 is allocated in the Sewer Service and Use Charge Capital Improvement Fund and \$200,000 in the Sanitary Sewer Connection Fee Fund in 2024-2025. An additional \$460,000 is allocated in the Sewer Service and Use Charge Capital Improvement Fund in 2025-2026.

HONORABLE MAYOR AND CITY COUNCIL

May 28, 2024

**Subject: Report on Bids and Award of Contract for the 8152 – Blossom Hill Road and Leigh Avenue Sanitary Sewer Improvement Project**

Page 5

## **COORDINATION**

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

## **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the June 18, 2024 City Council meeting.

## **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

## **CEQA**

Exempt, File No. ER24-073, Determination of Consistency to the Final Program Environmental Impact Report (EIR) for the Envision San José 2040 General Plan (Resolution No. 76041) and the Supplemental EIR to Envision San José General Plan EIR, Resolution No. 77617, and Addendum thereto (**Attachment B** – Determination of Consistency, ER24-073).

## **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

MATT LOESCH  
Director of Public Works

For questions, please contact Mathew Nguyen, Public Works Deputy Director, at Mathew.Nguyen@sanjoseca.gov or (408) 535-8300.

**Attachment A** – Location Map 8152 - Blossom Hill Road and Leigh Avenue Sanitary Sewer Improvement

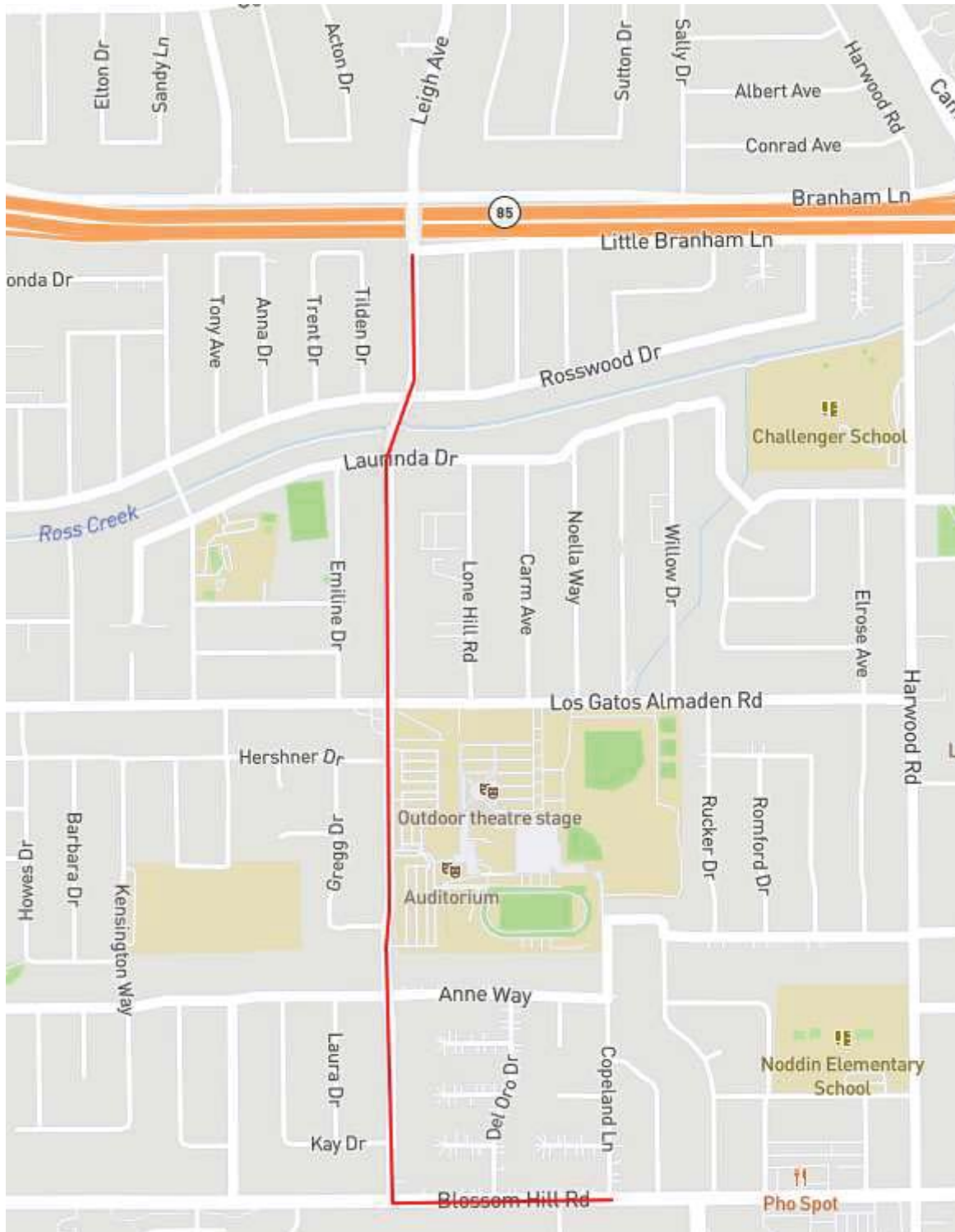
**Attachment B** – Determination of Consistency, ER24-073

## Department of Public Works

### 8152 - Blossom Hill Road and Leigh Avenue Sanitary Sewer Improvement

#### Location

Blossom Hill Rd between Copeland Ln and Leigh Ave, Leigh Ave between Blossom Hill Rd and Highway 85.



**DETERMINATION OF CONSISTENCY WITH THE  
ENVISION SAN JOSÉ 2040 GENERAL PLAN  
FINAL PROGRAM ENVIRONMENTAL IMPACT REPORT, SUPPLEMENTAL  
ENVIRONMENTAL IMPACT REPORT, AND SUBSEQUENT ADDENDUM FOR THE  
SANITARY SEWER SYSTEM MASTER PLAN UPDATE**

Pursuant to Section 15168(c)(2) of the CEQA Guidelines, the City of San José has determined that the project described below is pursuant to or in furtherance of the Final Program Environmental Impact Report (Final Program EIR) and Supplemental Program Environmental Impact Report (Supplemental Program EIR) for the Envision San José 2040 General Plan, and subsequent Addendum and does not involve new significant effects beyond those analyzed in the EIRs and subsequent Addendum. Therefore, the City of San José may take action on the project as being within the scope of both the Final Program EIR, Supplemental Program EIR, and subsequent Addendum.

**ER24-073 – Blossom Hill Road and Leigh Avenue Sanitary Sewer Improvement.** Capacity upgrades to approximately 6,200 linear feet of existing sanitary sewer mains. The purpose of this project is to improve the sanitary sewer system by installing approximately 1,900 linear feet of new 10-inch diameter sanitary sewer along Blossom Hill Road and Leigh Avenue and upsize approximately 4,300 linear feet of 8-inch diameter sanitary sewer to 12-inch and 15-inch diameter along Leigh Avenue to reroute sewage flow to another system. The project will occur within Council District 9, along Blossom Hill Rd (between Copeland Ln and Leigh Ave) and Leigh Ave (between Blossom Hill Rd and Highway 85). The project is part of the Master Plan Phase II Study (and Phase I Upgrade) (PP12-076).

**Council District: 9**

The environmental impacts of this project were addressed by a "Envision San José 2040 General Plan Final Program Environmental Impact Report," (2040 General Plan FPEIR) with findings that were adopted by City Council Resolution No. 76041 on November 1, 2011, a Supplemental EIR (2040 General Plan SEIR) to the General Plan 2040 adopted by City Council Resolution No. 77617 on December 2015 (SCH #2009072096), and a subsequent Addendum to the Envision San José 2040 General Plan FEIR (Addendum), dated September 2012, for the Sanitary Sewer Master Plan Phase II and Phase I Update (PP12-076). Specifically, the following impacts were reviewed and found to be adequately considered by the FEIR, SEIR, and subsequent Addendum:

<input checked="" type="checkbox"/> Aesthetics	<input checked="" type="checkbox"/> Agriculture/Forestry Resources	<input checked="" type="checkbox"/> Biological Resources
<input checked="" type="checkbox"/> Air Quality	<input checked="" type="checkbox"/> Cultural Resources	<input checked="" type="checkbox"/> Geology and Soils
<input checked="" type="checkbox"/> Greenhouse Gas Emissions	<input checked="" type="checkbox"/> Hazardous Materials/Hazards	<input checked="" type="checkbox"/> Hydrology/Water Quality
<input checked="" type="checkbox"/> Land Use and Planning	<input checked="" type="checkbox"/> Mineral Resources	<input checked="" type="checkbox"/> Noise
<input checked="" type="checkbox"/> Population and Housing	<input checked="" type="checkbox"/> Public Services	<input checked="" type="checkbox"/> Recreation
<input checked="" type="checkbox"/> Transportation/Traffic	<input checked="" type="checkbox"/> Utilities/Service Systems	<input checked="" type="checkbox"/> Energy
<input checked="" type="checkbox"/> Mandatory Findings of Significance		

**ANALYSIS**

The proposed project is to upgrade approximately 6,200 linear feet of existing sanitary sewer main. The currently proposed project is included in the Sanitary Sewer Master Plan Phase II and Phase I Update (SSMP). The SSMP is a plan that addresses sewer capacity improvements necessary to accommodate

planned future growth under the City's Envision 2040 General Plan. An Initial Study prepared for the SSMP did not identify any new environmental impacts beyond those identified in the General Plan FEIR, and therefore an Addendum to the FEIR was prepared.

The proposed project will comply with General Plan policies adopted for the purpose of protecting the environment, including policies regarding biological resources, cultural resources, and noise, as follows:

#### Biological Resources

The proposed project includes capacity upgrades to an existing sewer line on along Blossom Hill Road and Leigh Avenue. Impacts to riparian habitat will be minimized during construction of these crossings, because all work will occur within the public right-of-way and will not take place in any riparian corridors. Therefore, the project will comply with General Plan Policies ER-2.1 through ER-2.5 and the Santa Clara Valley Habitat Plan.

#### Cultural Resources

No impacts are anticipated to cultural resources since the work is proposed within previously disturbed areas within an existing public right-of-way. The proposed project will be required to comply with General Plan policies ER-10.1 through ER-10.3, which require an archeological investigation prior to work in an archaeologically sensitive area and standard procedures if archeological or paleontological resources are inadvertently discovered during construction.

#### Noise

Construction work will be required to comply with General Plan Policies EC-1.7 and EC-2.3, which limit the hours of construction and requires the use of noise and vibration suppression techniques.

#### Conclusion

The proposed project is within the scope of the 2040 General Plan FPEIR, 2040 General Plan SEIR, and subsequent Sanitary Sewer Master Plan Phase II and Phase I Update addendum. The proposed project was analyzed for environmental impacts resulting from upsizing the approximately 8,000 feet of existing sewer pipeline in the City and was found to be adequately analyzed in all resource areas by the 2040 General Plan FPEIR, 2040 General Plan SEIR, and subsequent Sanitary Sewer Master Plan Phase II and Phase I Update addendum.

No new or more significant environmental impacts beyond those identified in the 2040 General Plan FPEIR, 2040 General Plan SEIR, and subsequent Addendum, nor have any new mitigation measures or alternatives which are different from those analyzed in the 2040 General Plan FPEIR, 2040 General Plan SEIR, and subsequent Addendum been identified.

Christopher Burton, Director  
Planning, Building and Code Enforcement

Date 3/28/2024

Tina Garg, Supervising Planner

  
Deputy