



COUNCIL AGENDA: 04/07/20
FILE: 20-393
ITEM: 2.18

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

**SUBJECT: 9384 – SANITARY SEWER
CONDITION ASSESSMENT
FY 2019-2020 PACKAGE III**

DATE: March 16, 2020

Approved

Date

3/27/20

COUNCIL DISTRICTS: 2, 6, 7, 9 & 10

RECOMMENDATION

Report on bids and award of contract for the 9384 - Sanitary Sewer Condition Assessment FY 2019-2020 Package III project to the low bidder, Nor-Cal Pipelines Services, in the amount of \$1,196,966 and approval of a contingency in the amount of \$119,697.

OUTCOME

Award of the construction contract to Nor-Cal Pipelines Services will enable the 9384 - Sanitary Sewer Condition Assessment FY 2019-2020 Package III project to proceed. Approval of a ten percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the project.

BACKGROUND

This project was developed under the City of San Jose's Sanitary Sewer Condition Assessment Program. The scope of the project includes cleaning and video inspecting approximately 675,278 linear feet (128 miles) of 6-inch through 10-inch sanitary sewer pipelines. Defects found will be observed and coded in accordance with the National Association of Sewer Service Companies (NASSCO) Pipeline Assessment and Certification Program (PACP) standards. This data will then be incorporated into the City's InfoMaster database to be used for asset management and project scoping purposes.

The project location includes multiple areas within Council Districts 2, 6, 7, 9 & 10 (see attached map). The project is scheduled to begin in June 2020 with substantial completion by February 2021.

ANALYSIS

Bids for this project were opened on February 27, 2020 with the following results:

<u>Contractor</u>	<u>City</u>	<u>Bid Amount</u>	<u>Variance Over/(Under)</u>	
			<u>Amount</u>	<u>Percent</u>
Engineer's Estimate	--	\$1,685,728	--	--
Nor-Cal Pipeline Services	Yuba City, CA	\$1,196,965	(\$488,763)	(29.0%)
Coastline Water Resources, Inc.	Sacramento, CA	\$1,317,100	(\$368,628)	(21.9%)
Pipe and Plant Solutions, Inc.	Oakland, CA	\$1,353,828	(\$331,900)	(19.7%)
National Plant Services Inc.	Long Beach, CA	\$1,401,659	(\$284,069)	(16.8%)
Aims Companies	San Leandro, CA	\$1,759,377	\$73,649	4.4%

There was a total of five bids submitted that varied from twenty-nine percent under to four percent over the Engineer's Estimate. The low bid submitted by Nor-Cal Pipeline Services, is twenty-nine percent below the Engineer's Estimate. The favorable bid prices may be attributed to more competition in the industry during this time of year for this project. Nor-Cal Pipeline Services had successfully completed projects with the City in the past. Staff considers the low bid submitted for this project to be acceptable for the work involved and recommends award of contract to Nor-Cal Pipeline Services.

Council Policy provides for a standard contingency of ten percent on public works projects involving utilities, storm drains or sanitary sewers. The standard contingency is appropriate for this project.

Project Labor Agreement Applicability

A project labor agreement (PLA) is not applicable to this project as the engineer's estimate is under three million dollars.

Local and Small Business Outreach

None of the bidding contractors met the requirements for local and small business. Historically, this has been the case for these types of projects. In order to facilitate local and small business participation, the work item for locating and raising buried manholes is separated as its own line item therefore, making it simpler for smaller subcontractors to be able to bid on parts of this project.

CONCLUSION

In summary, this memorandum reported bids for project 9384 - Sanitary Sewer Condition Assessment FY 2019-2020 Package III and is recommending the award of contract to the low bidder Nor-Cal Pipeline Services in the amount of \$1,196,966 and approval of the contingency in the amount of \$119,697. Construction is scheduled to begin in June 2020 with substantial completion by February 2021.

EVALUATION AND FOLLOW-UP

This project is currently within budget and on schedule with expected substantial completion by February 2021. No additional follow up action with the City Council is expected at this time.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

To solicit contractors, this project was listed on Biddingo (<http://www.biddingo.com/>) and advertised in the San José Post Record. Bid packages for all Department of Public Works construction projects were provided to various contractor organizations and builders' exchanges.

This memorandum will be posted on the City's website for the April 7, 2020, City Council agenda.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

This project is consistent with the City Council approved Budget Economic Recovery section in that it will spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Project Delivery	\$646,885
Construction	\$1,196,965
Contingency	<u>\$119,697</u>
TOTAL PROJECT COSTS	\$1,963,547
Total Available Funding	\$9,589,000

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

	TOTAL
Traffic Control	\$6,050
Locating Buried Manholes	\$72,600
Cleaning and Inspection of Pipelines	<u>\$1,118,315</u>
TOTAL AGREEMENT/CONTRACT AMOUNT	\$1,196,965

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

4. FISCAL IMPACT: The proposed operating and maintenance costs of this project have been reviewed and it has been determined that the project will have no significant operating impacts.

BUDGET REFERENCE

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

Fund #	Appn #	Appn Name	Current Total Appn	Amt for Contract	2019-2020 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
545	6521	Infrastructure Sanitary Sewer Condition Assessment	\$2,889,000	\$600,000	V-61	10/22/2019 Ord. No. 30325
545	7356	Condition Assessment Sewer Repairs	\$6,700,000	\$596,965	V-53	10/22/2019 Ord. No. 30325

CEQA

Except, File No. PP17-029, CEQA Guidelines Section 15301, Existing Facilities

/s/
MATT CANO
Director of Public Works

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

Attachment: Location Map

9384 - SS Condition Assessment FY 2019-2020

Package III CCTV Overview (Location Map)

