

2.15 Report on Bids and Award of Contract for the 8515 - Sanitary Sewer Repairs 2016-17 Package VI Project.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Barry Ng

SUBJECT: 8515 – SANITARY SEWER REPAIRS
2016-17 PACKAGE VI

DATE: May 15, 2017

Approved

D. D. SyL

Date

5/24/17

COUNCIL DISTRICT: 6, 9, 10

RECOMMENDATION

Report on bids and award of contract for the 8515 – Sanitary Sewer Repairs 2016-17 Package VI project to the low bidder, Southwest Pipeline & Trenchless Corp., in the amount of \$1,076,264, and approve a contingency in the amount of \$107,626.

OUTCOME

Award of the construction contract to Southwest Pipeline & Trenchless Corp. will enable the 8515 – Sanitary Sewer Repairs 2016-17 Package VI 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

The Department of Public Works has developed a Sanitary Sewer Repair Program to address sanitary sewer mains that are within 200 feet of a creek and have structural defects. A list of sanitary segments was identified and previous projects have been implemented in the past to address portions of the list. The 8515 - Sanitary Sewer Repairs 2016-17 Package VI project will repair and/or rehabilitate the remaining 11,168 linear feet of sanitary sewer segments from this list. The pipe segments are made of Vitrified Clay and range in size from 6-inch to 21-inch in diameter. Structural defects in these pipes will be addressed by performing localized repairs on the pipe and/or inserting a liner inside the pipe to seal the cracks and rehabilitate the pipe.

Council Districts/Streets affected by the project include the following (See attached Council District Location Map):

- Council District 6 – Avis Drive, Carolyn Avenue, Delbert Way, Fruitdale Avenue, Glen Eyrie Avenue, Ramona Court, Creek Drive, Ardis Drive, Malone Road, Ironwood Drive, Nightingale Drive, Rinconada Drive

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- Council District 9 – Hallbrook Drive, Hastings Avenue, Chynoweth Avenue
- Council District 10 – Park Manor Drive, Cranbrook Court, Mojave Drive, Leyland Park Drive, Almaden Road, Trinidad Drive, Wooded Lake Drive, Hillcrest Drive, Hampton Drive, Elwood Road, Echo Loop, Echo Valley Drive, Camden Avenue, Queenswood Way, Huntswood Court, Pricewood Court, Shelby Creek Lane, Calcaterra Drive

Construction is scheduled to begin in August 2017 with substantial completion January 2018.

ANALYSIS

Bids for this project were opened on April 27, 2017 with the following results:

| <u>Contractor</u> | <u>Bid Amount</u> | <u>Variance Amount</u> | <u>Over/(Under) Percent</u> |
|---|-------------------|------------------------|-----------------------------|
| Engineer's Estimate | \$937,936 | -- | -- |
| Southwest Pipeline & Trenchless Corp. (Torrance, CA) | \$1,076,264 | \$138,328 | 15% |
| Cratus Inc. (San Francisco, CA) | \$1,196,545 | \$258,609 | 28% |
| Michels Corporation dba Michels Pipeline Construction (Salem, OR) | \$1,399,952 | \$462,016 | 49% |

There were a total of three bids submitted which varied from 15 percent to 49 percent over the Engineer's Estimate. The low bid submitted by Southwest Pipeline & Trenchless Corp. was 15 percent over the Engineer's Estimate. The higher bids may be attributed to the busy construction environment in the area, an increase in the cost of the lining material, and the inclusion of various larger sizes of sewer mains in this project which makes the diversion effort become more uncertain.

Southwest Pipeline & Trenchless Corp. has worked on City projects as both a prime contractor and subcontractor. Staff considers the low bid acceptable for the work involved in the project and recommends award of contract to Southwest Pipeline & Trenchless Corp.

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.

EVALUATION AND FOLLOW-UP

This project is currently within budget and on schedule with expected completion by January 2018. No additional follow up action with the City Council is expected at this time.

PUBLIC OUTREACH

To solicit contractors, this project was listed on Bid Sync 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 June 6, 2017 Council agenda.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

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 SUMMARY/IMPLICATIONS

| | | |
|----|---|---------------------|
| 1. | AMOUNT OF RECOMMENDATION/COST OF PROJECT: | \$ 1,567,190 |
| | Project Delivery | \$383,300 * |
| | Construction | \$1,076,264 |
| | Contingency | \$107,626 |
| | Total Project Costs | <u>\$1,567,190</u> |
| | Cost to Date Expenditures | \$39,360 |
| | REMAINING PROJECT COSTS | \$1,527,830 |

* Project delivery includes \$53,520 for Design Services and \$329,780 for Inspection, Survey and Materials Lab Services, Construction Management, and project closeout costs.

2. COST ELEMENTS OF CONTRACT:

| | |
|--|--------------------|
| Mobilization, Permits, and Traffic Control | \$99,900 |
| Pipeline Removal and Installation | \$925,564 |
| Manhole Construction/Rehabilitation | \$50,800 |
| TOTAL AGREEMENT/CONTRACT AMOUNT | \$1,076,264 |

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

4. OPERATING COSTS: 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 Sewer Service and Use Charge Fund or General Fund operating budgets.

BUDGET REFERENCE

The table below identifies the funds and appropriations proposed 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 | RC # | Total Appn. | Amt. for Contract | 2016-2017 Adopted Capital Budget (Page) | Last Budget Action (Date, Ord.No.) |
|--|---------|--|--------|---------------------|--------------------|---|------------------------------------|
| Remaining Project Costs | | | | \$1,527,830 | | | |
| Current Funding Available | | | | | | | |
| 545 | 4272 | Immediate Replacement and Diversion Projects | 188855 | \$6,700,000 | \$876,264 | V-70 | 10/18/2016, Ord. No. 29803 |
| 545 | 7356 | Condition Assessment Sanitary Sewer Repairs | TBD | \$6,900,000 | \$200,000 | V-75 | 10/18/2016, Ord. No. 29803 |
| Total Current Funding Available | | | | \$13,600,000 | \$1,076,264 | | |

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CEQA

Exempt, File No. PP17-029, CEQA Guidelines Section 15301, Existing Facilities and 15302, Replacement or Reconstruction.

/s/

BARRY NG

Director of Public Works

For questions please contact Michael O'Connell, Public Works Deputy Director, at 535-8300.

MO:MN:jt

Attachments

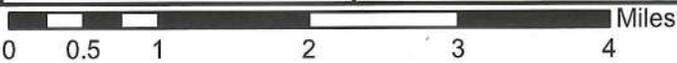
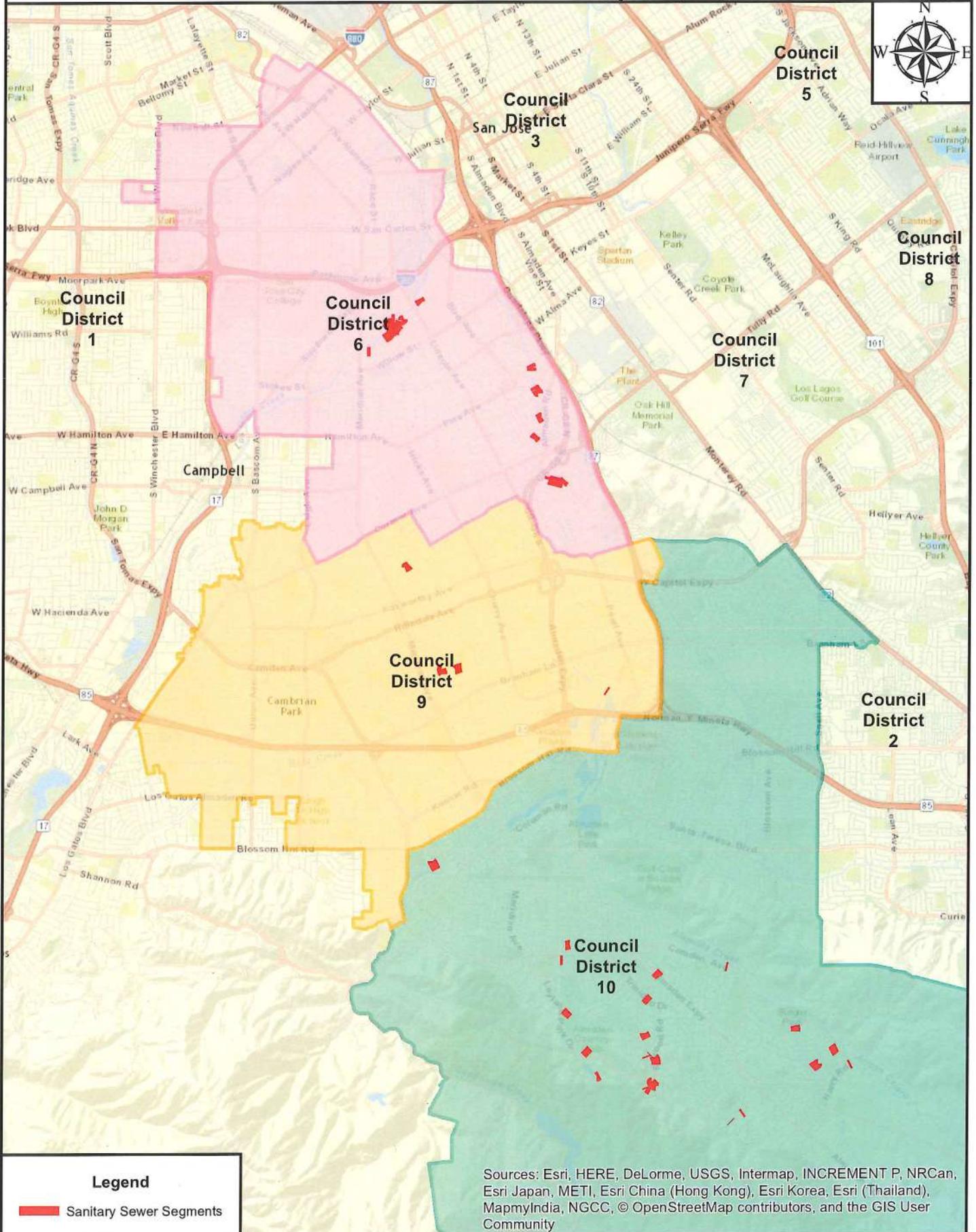
Location Map Council District 6, 9, and 10

MND PP17-029

Project ID #8515

8515 - Sanitary Sewer Repairs 2016-17 Package VI

Council District Location Map: 6, 9, & 10



STATEMENT OF EXEMPTION

| | |
|-----------------------------|--|
| FILE NO. | PP17-029 |
| LOCATION OF PROPERTY | Citywide |
| PROJECT DESCRIPTION | Public Project Exemption for sewer rehabilitation work. These type of projects would include the inspection and rehabilitation of existing sewer mains ranging from approximately 4- to 30-inch in diameter throughout the City of San Jose. This project will evaluate the current condition of each segment of sewer pipeline to determine the appropriate repair method, and deploy pipeline point repairs, Cured-In-Place-Pipe (CIPP) liners, or removal and replacement of entire segments to eliminate exfiltration. This exemption is only valid for projects that are within the scope of work as described below. This exemption will not be valid for segments that have significant impact to scenic highways, historic resources, or located on a site that is included on any list compiled pursuant of Section 65962.5 of the Government Code. |

Expiration date: March 28, 2022

CERTIFICATION

Under the provisions of Sections 15301(b) and 15302(c) of the State Guidelines for Implementation of the California Environmental Quality Act (CEQA) as stated below, this project is found to be exempt from the environmental review requirements of Title 21 of the San José Municipal Code, implementing the California Environmental Quality Act of 1970, as amended.

15301. EXISTING FACILITIES

Class 1 consists of operation, repair, maintenance, permitting, leasing, licensing, or minor alternation of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The types of "existing facilities" itemized below are not intended to be all-inclusive of the types of projects which might fall within Class 1. The key consideration is whether the project involves negligible or no expansion of an existing use. Examples include but are not limited to:

- (b) Existing facilities of both investor and publicly owned utilities used to provide electric power, natural gas, sewerage, or other public utility services

15302. REPLACEMENT OR RECONSTRUCTION

Class 2 consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, including but not limited to:

- (c) Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

ANALYSIS

Public Project Exemption for the review and rehabilitation of existing sewer segments ranging from approximately 4- to 30-inch diameter in size. This project will evaluate the current condition of each segment of sewer main to determine the appropriate repair method and deploy appropriate point repairs, Cured-In-Place-Pipe (CIPP) liners, or removal and replacement of entire segments to eliminate exfiltration. The purpose of this work is to upgrade and ensure efficiency and safety of the existing utility service system. If replacements are needed, the replacement will not increase the size of the sewer mains and will not result in expansion of capacity. Associated equipment, such as manholes, may need replacement as well.

All of the sewer main segments are located within the City boundary. Most are located within the right-of-way. There are a few segments of sewer mains that are not within the public-right-of way, within 100 feet of a water way, or within the wildlife survey areas or other fee zones as defined by the Santa Clara Valley Habitat Conservation Plan. Even so, the type of work proposed would qualify for a Habitat Conservation Plan exemption from all conditions as the proposed work is considered as, "Routine infrastructure maintenance by public agencies within the planning limit of urban growth that do not affect stream, riparian, serpentine, ponds, or wetland land cover types" (Habitat Conservation Plan, Chapter 6.2). In addition, the work taking place would be within existing disturbed areas and the project would not expand the capacity or length of the sewer main segments. Therefore, the project will not result in substantial adverse impact to sensitive biological resources and will not adversely affect creeks or riparian corridor areas.

In addition, as mentioned above, any tree that is not a Heritage tree that must be removed as a result of the project shall be removed and replaced in accordance to the Department of Transportation regulations. This exemption is only valid for projects that are within the scope of work described. This exemption will not be valid for any segments that have significant impacts to scenic highways, historical resources, or in areas that are included on any list compiled pursuant of Section 65962.5 of the Government Code.

As the project consists of inspection and replacement of existing utilities facilities or structures, the project, will not involve expansion of the existing use and will only repair existing public infrastructures. Therefore, the project is exempt to CEQA Guideline Section 15301(b) and 15302(c). Projects that are not within the scope of work will require separate environmental review and determination. This exemption is valid until March 28, 2022.

Exceptions:

CEQA Guidelines Section 15300.2 provides exceptions to the use of a Categorical Exemptions where the use of a Categorical Exemption is prohibited under certain circumstances. The City evaluated the propose

project applicability to all of the exceptions under Section 15300.2. An analysis of each of these exceptions in reference to this proposed project is provided below.

- (a) Location. Class 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located. Section 15300.2(a) stated that a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Section 15300.2(a) does not apply to the Class Category 1 and 2 of exemptions as the project will not occur in a sensitive area.
- (b) Cumulative Impact. Based on the above analysis, there is no evidence of a potential significant cumulative impact on the environment from the proposed project. The project proposes review and rehabilitation of existing sewer mains throughout the city. It has been determined that the project will not cumulatively impact traffic, noise, air quality, or water quality.
- (c) Significant Effect. The proposed project site does not have any unusual circumstances that would negatively impact the environment, thus, the project would not result in any significant environmental effects.
- (d) Scenic Highways. It is not anticipated that the specific project sites will results in damage to any scenic resources. If one does, it is subject to 15300.2(d) and may not utilize this categorical exemption.
- (e) Hazardous Waste Sites. It is not anticipated that the specific project sites will be implemented in area that is included on any list compiled pursuant to Section 65962.5 of the Government Code. If one does, it is subject to 15300.2(e) and may not utilize this categorical exemption.
- (f) Historical Resources. It is not anticipated that the specific project sites will results in damage to any historic resources. If one does, it is subject to 15300.2(f) and may not utilize this categorical exemption

HARRY FREITAS, Director
Planning, Building and Code Enforcement



Deputy

Date 3/28/17

Environmental Manager: Thai-Chau Le

Expiration Date: March 28, 2022