DATE: May 22, 2012

AGENDA ITEM # 7

AGENDA REPORT

TO: City Council

FROM: Aida Fairman, Associate Civil Engineer

SUBJECT: Sewer Main Repair and Replacement

RECOMMENDATION:

A. Appropriate an additional $88,405 from the Sewer Enterprise Fund to the South Sewer Main Replacement – Phase II, Project 11-14
B. Appropriate an additional $104,703 from the Sewer Enterprise Fund to Fallen Leaf Sewer Main, Project 11-15
C. Appropriate an additional $152,586 from the Sewer Enterprise Fund to Annual Sewer Main Repair FY2010-2011, Project 11-04
D. Award the Base Bid and Add Alternate Nos. 1 and 2 for the South Sewer Main Replacement – Phase II, Project 11-14; Fallen Leaf Sewer Main, Project 11-15; and Annual Sewer Main Repair FY2010-2011, Project 11-04 to Pacific Underground Construction, Inc. for $1,738,736 and authorize the City Manager to execute a contract on behalf of the City

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SUMMARY:

Estimated Fiscal Impact:

Amount: $2,306,194

Budgeted: Yes; $1,960,500. Additional appropriation of $345,694 from the Sewer Fund is requested

Public Hearing Notice: Not applicable

Previous Council Consideration: January 25, 2011

CEQA Status: Categorical Exemption

Attachments: None

BACKGROUND

The City of Los Altos Sewer Master Plan recommends several capital improvement projects to be implemented over the next few years. The following three projects were approved during FY2010-2011 as part of the Capital Improvement Program (CIP): the South Sewer Main Replacement – Phase II, Project 11-14 ($1,172,500); the Fallen Leaf Sewer Main, Project 11-15 ($430,000); and the Annual Sewer Main Repair FY2010-2011, Project 11-04 ($358,000). On January 25, 2011, Council authorized the City Manager to execute an agreement with Harris & Associates for design and construction support services. The design for the three projects was completed under one construction contract.

DISCUSSION

Bids were received from seven qualified bidders on April 25, 2012 as summarized below:

Projects / Bidders	South Sewer Main Replacement – Phase II, Project 11-14	Fallen Leaf Sewer Main, Project 11-15	Annual Sewer Main Repair FY2010-2011, Project 11-04	**TOTAL BID**
Pacific Underground Construction, Inc.	$971,975	$388,270	$378,491	**$1,738,736**
KJ Woods Construction	$1,120,430	$497,030	$201,340	**$1,818,800**
Ranger Pipelines, Inc.	$1,115,348	$488,702	$234,147	**$1,838,197**
Valentine Corp	$1,064,355	$568,120	$252,110	**$1,884,585**
Pacific Trenchless	$1,190,487	$611,727	$225,467	**$2,027,681**
Re-Pipe California, Inc.	$1,167,500	$657,758	$207,680	**$2,032,938**
Mountain Cascade	$1,098,568	$671,860	$413,816	**$2,184,244**
Engineer's Estimate	$1,211,470	$550,495	$216,580	**$1,978,545**

It is recommended that a contract for the three projects be awarded to Pacific Underground Construction, Inc., located in San Jose, California. Pacific Underground Construction, Inc. has been in business for over 30 years. They have recently completed similar projects for various agencies including the City of Santa Cruz and Stanford University. The firm's Contractor's license is in good standing with the State of California Contractor Licensing Board and there is one recorded safety violation in the Federal Government's Occupational Safety and Health Administration (OSHA) database that closed in December 2011.

The add alternates are recommended for award as the work needs to be done to avoid pipe size changes in the sewer main where pipe bursting is being performed. The work will need to be done in the future if it is not accomplished now, but at additional cost for mobilization.

FISCAL IMPACT

The recommendation to award the Base Bid and Add Alternates No. 1 and 2 to complete the work identified in the 2005 Sewer Master Plan requires increasing the budget for each project as summarized below:

	South Sewer Main Replacement – Phase II, Project 11-14	Fallen Leaf Sewer Main, Project 11-15	Annual Sewer Main Repair FY2010-2011, Project 11-04	**Total Proposed Budget for Projects 11-14, 11-15 & 11-04**
	Proposed Budget	**Proposed Budget**	**Proposed Budget**	**Total Proposed Budget**
Adopted Project Budget	**$1,172,500**	**$430,000**	**$358,000**	**$1,960,500**
(Base Bid)	$640,590	$203,790	$378,491	$1,222,871
(Add Alternates)	$331,385	$184,480	N/A	$515,865
Contract award amount	$971,975	$388,270	$378,491	$1,738,736
Design	$70,930	$55,433	$37,095	$163,458
Inspection and testing services	$20,000	$10,000	$16,000	$46,000
Printing/Environmental Doc/Misc	$3,000	$3,000	$3,000	$9,000
Construction contingency (20%)	$195,000	$78,000	$76,000	$349,000
Proposed Budget	**$1,260,905**	**$534,703**	**$510,586**	**$2,306,194**
Project budget shortfall	**$88,405**	**$104,703**	**$152,586**	**$345,694**

The appropriation for the Annual Sewer Main Repair, Project 11-04, is necessary in order to award this project. The appropriations for Projects 11-14 and 11-15 are necessary to award the Add Alternates No. 1 and No. 2 in addition to the base bid. The recommended award of Add Alternates in addition to the base bid is made to ensure full compliance with the 2005 Sewer Master Plan.

The Sewer Fund has sufficient capacity available to fund these improvements.

PUBLIC CONTACT

Posting of the meeting agenda serves as notice to the general public.

ALTERNATIVES

Award the base bid only and defer the Add Alternate items