



AGENDA ITEM NO. 1 D
 COUNCIL MEETING 5/5/2011

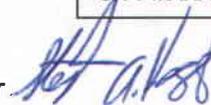
APPROVED BY


 DEPARTMENT DIRECTOR

CITY MANAGER

May 5, 2011

FROM: PATRICK N. WIEMILLER, Director
 Department of Public Utilities

BY: STEPHEN A. HOGG, Assistant Director 
 Department of Public Utilities – Wastewater Management Division

SUBJECT: ADOPT A FINDING OF CLASS 1 AND 2 CATEGORICAL EXEMPTIONS, PURSUANT TO SECTION 15301 (B) (EXISTING FACILITIES) AND 15302 (C) (REPLACEMENT OR RECONSTRUCTION) OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT GUIDELINES FOR THE N. MILLBROOK, E. ASHLAN, E. OLIVE, S. MAPLE, AND E. BUTLER SEWER REHABILITATION PROJECT. AWARD A \$2,155,460 CONTRACT TO SAK CONSTRUCTION, LP OF O'FALLON, MISSOURI, FOR THE REHABILITATION THEREOF (BID FILE NO. 3079) (COUNCIL DISTRICTS 4 AND 7)

RECOMMENDATIONS

Staff recommends the City Council:

1. Adopt a finding of Class 1 and 2 Categorical Exemptions, pursuant to Section 15301(b) (existing facilities) and 15302(c) (replacement or reconstruction) of the California Environmental Quality Act (CEQA) guidelines for the sewer rehabilitation of various sewer pipe located at N. Millbrook, E. Ashlan, E. Olive, S. Maple, and E. Butler Avenues.
2. Award a contract in the amount of \$2,155,460 to SAK Construction, LP of O'Fallon, MO for sewer rehabilitation of various sewer pipes located at N. Millbrook, E. Ashlan, E. Olive, S. Maple, and E. Butler Avenues.

EXECUTIVE SUMMARY

The Department of Public Utilities (DPU) Wastewater Management Division is seeking to award a Sewer Rehabilitation construction contract for five different Cast in Place Pipe (CIPP) segments; the first is Millbrook from Santa Ana to Ashlan and continuing east on Ashlan to Cedar Avenue with 4,027 feet, the second is Olive Avenue between Chestnut and Garden Avenues with 668 feet, the third is on Olive Avenue between Fine and Helm Avenues with 1,250 feet, the fourth is Butler Avenue between Chestnut and Willow Avenues with 2,609 feet and last is Maple Avenue between Woodward and Butler Avenues with 1,649 feet. The rehabilitation is proposed to be accomplished by installing a CIPP liner where capacity and structural deficiencies were identified. Staff recommends that the City Council adopt a finding of Class 1 and 2 Categorical Exemptions; pursuant to Section 15301(b) and 15302(c) of the CEQA guidelines and award a contract in the amount of \$2,155,460 to SAK Construction of O'Fallon, Missouri, as the lowest responsive and responsible bidder.

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Sewer Rehabilitation in N. Millbrook, E. Ashlan, E. Olive, S. Maple, and E. Butler Avenues

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BACKGROUND

In 2009 the City Council adopted the Sewer System Management Plan (SSMP) prepared by DPU, as required by the statewide General Wastewater Discharge Requirements for Sanitary sewer collection systems. This plan calls for the need to perform evaluations, check design criteria, analyze capacity enhancement measures and create schedules for improvements. The SSMP utilizes the 2006 Wastewater Collection System Master Plan to determine inadequate areas within the sewer collection system. One of the tasks identified in the master plan was to perform a Closed Circuit Television (CCTV) inspection of midsized sewer pipes in the City. As a direct result of this evaluation five stretches of sewer pipe were identified as deficient and in need of repair. First is Millbrook from Santa Ana to Ashlan Avenues and continuing east on Ashlan to Cedar Avenue with 4,027 feet, the second is Olive Ave between Chestnut and Garden Avenues with 668 feet, the third is Olive Avenue between Fine and Helm Avenues with 1,250 feet, the fourth is Butler Avenue between Chestnut and Willow Avenues with 2,609 feet and last is Maple Avenue between Woodward and Butler Avenues with 1,649 feet. These reaches are in poor condition; the condition is a result of hydrogen sulfide corrosion. The DPU recommends constructing a CIPP corrosion resistant liner in the existing concrete pipes as the most cost-effective solution. The CIPP liner will repair the structural integrity and prevent further corrosion caused by hydrogen sulfide. The installation of a CIPP liner will restore the flow capacity and reliability of the collection system.

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within Class 1 and 2 Categorical Exemptions set forth in California Environmental Quality Act (CEQA) Guidelines, section 15301(b) (Existing Facilities) and 15302(c) (Replacement or Reconstruction) due to the nature of this contract involving repair and rehabilitation of existing public sewer utilities, in this case by constructing a CIPP corrosion resistant liner within the existing concrete pipe, which will involve negligible or no expansion of capacity or use. Furthermore, none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.

Plans and specifications were prepared for this project. A Notice Inviting Bids was published on February 14, 2011, posted on the City's Website, and faxed to ten building exchanges. The specifications were distributed to 16 prospective bidders. Six sealed bid proposals were received and publicly opened on March 24, 2011. The bid proposal prices ranged from \$2,155,460 to \$2,784,176.

SAK Construction was the lowest responsive bidder with a submitted bid of \$2,155,460. Staff determination was posted on the City Website on Friday March 31, 2011. Staff recommends that the City Council award a contract in the amount of \$2,155,460 to SAK Construction as the lowest responsive and responsible bidder. Their bid price is 48% below the original Engineer's Estimate of \$4,160,000. The engineers estimate is 48% high in part because \$4,160,000 was the pre-schematic design estimate and was used as the construction allocation. Design changes helped lower the final engineers estimate to \$2,905,000. The second and major contributor to the extremely favorable bid prices is the construction economy. There are relatively few contractors in the United States capable of performing CIPP projects and none within the Central Valley. These projects have become very competitive and thus end up yielding low project prices.

The Council may award a contract in the amount of \$2,155,460 to SAK Construction, and the project will be completed within 64 working days from the date of the Notice to Proceed. This project was budgeted in FY2011 at \$4,160,000.

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Sewer Rehabilitation in N. Millbrook, E. Ashlan, E. Olive, S. Maple, and E. Butler Avenues

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The Council may reject all bids. If all bids are rejected, the project will be rebid resulting in a delay of approximately 85 days. As the end of the fiscal year approaches, a delay in award will result in the project being awarded sometime after July 1, 2011, or next fiscal year.

FISCAL IMPACT

This project is identified in the five year capital improvement plan and included in the adopted five year rate model. Funds in the amount of \$4,160,000 for the project were budgeted in the 2011 Sewer Enterprise Fund No. 40501. The fiscal impact of this contract would be \$2,228,460.

Attachments

- Bid Evaluation
- Fiscal Impact Statement
- Site Location Maps (2)

FISCAL IMPACT STATEMENT

N. MILLBROOK, E. ASHLAN, E. OLIVE, S. MAPLE, AND E. BUTLER SEWER REHABILITATION PROJECT

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$2,155,460.00</u>	_____
Indirect Cost	<u>\$ 73,000.00*</u>	_____
TOTAL COST	<u>\$2,228,460.00</u>	_____
Additional Revenue or Savings Generated	<u>\$ 0.00</u>	_____
Net City Cost	<u>\$2,228,460.00</u>	_____
Amount Budgeted (If none budgeted, identify source)*	<u>\$4,160,000.00</u>	_____
*Indirect Cost		
Inspection	<u>\$ 40,000.00</u>	
Administration	<u>\$ 15,000.00</u>	
Contract Compliance	<u>\$ 8,000.00</u>	
Other	<u>\$ 10,000.00</u>	

EVALUATION OF BID PROPOSALS

FOR: SEWER REHABILITATION IN N. MILLBROOK, E. ASHLAN, E. OLIVE, S. MAPLE AND
E. BUTLER AVENUES

Bid File No.3079
Bid Opening:3/24/11

BIDDERS		TOTAL NET BID AMOUNT
1. SAK Construction of CA, LP 864 Hoff Road O'Fallon, MO. 63366	SCHEDULE A	\$996,871.00
	SCHEDULE B	\$431,937.00
	SCHEDULE C	\$726,652.00
	TOTAL NET FOR ALL SCHEDULES (A, B AND C)	\$2,155,460.00
2. RePipe – California, Inc. 5525 E. Gibraltar St. Ontario, CA. 91764	SCHEDULE A	\$1,245,539.00
	SCHEDULE B	\$401,861.00
	SCHEDULE C	\$781,231.00
	TOTAL NET FOR ALL SCHEDULES (A, B AND C)	\$2,428,631.00
3. Spiniello Companies 354 Eisenhower Parkway Livingston, NJ 07039	SCHEDULE A	\$1,207,530.00
	SCHEDULE B	\$507,511.00
	SCHEDULE C	\$880,534.00
	TOTAL NET FOR ALL SCHEDULES (A, B AND C)	\$2,595,575.00
4. Michels Corporation dba Michels pipeline Construction 1715 16 th St SE Salem, OR. 97302	SCHEDULE A	\$1,179,995.00
	SCHEDULE B	\$542,458.00
	SCHEDULE C	\$987,785.00
	TOTAL NET FOR ALL SCHEDULES (A, B AND C)	\$2,710,238.00
5. Southwest Pipeline and Trenchless Corp 539 W. 140 th St. Gardena, CA 90248	SCHEDULE A	\$1,238,572.00
	SCHEDULE B	\$543,675.00
	SCHEDULE C	\$943,870.00
	TOTAL NET FOR ALL SCHEDULES (A, B AND C)	\$2,726,117.00
6. Insituform Technologies, Inc. 17988 Edison Ave. Chesterfield, MO. 63005	SCHEDULE A	\$1,349,912.50
	SCHEDULE B	\$455,730.00
	SCHEDULE C	\$978,533.50
	TOTAL NET FOR ALL SCHEDULES (A, B AND C)	\$2,784,176.00

* Note: Local preference will not apply, all apparent three low bidders not local.

Each bidder has agreed to allow the City sixty-four (64) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, April 20, 2011 5:00 P.M.

The Engineer's Estimate for this expenditure is \$ 4,160,000.00. The contract price is 48% below the Engineer's Estimate. If the overage is greater than 10% or only one bid was received, give explanation:

EVALUATION OF BID PROPOSALS

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FOR: SEWER REHABILITATION IN N. MILLBROOK, E. ASHLAN, E. OLIVE, S. MAPLE AND
E. BUTLER AVENUES

Bid File No.3079
Bid Opening:3/24/11

BACKGROUND OF PROJECT:

In 2009 the City Council adopted the Sewer System Management Plan (SSMP) prepared by the Department of Public Utilities (DPU), as required by the statewide General Wastewater Discharge Requirements for Sanitary Sewer Collection Systems. This plan requires evaluations and creates schedules for improvements. This evaluation identified the sections of pipe at the Garden Recreation Area, Willow/ Helm Intersection, Brawley/ Butler Intersection, Chestnut/ Willow Intersection, and 5.4 miles of pipe along Ashlan Ave as being in poor condition; the condition is a result of hydrogen sulfide corrosion. An inspection of the junction structure via CCTV showed 12-27 inch cementitious lines. The DPU recommends constructing a corrosion resistant liner in the existing concrete structure as the most cost-effective solution to the remaining portions of diversion structure in need of repair. The corrosion resistant liner will repair the structural integrity and prevent further deterioration caused by hydrogen sulfide corrosion.

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ 2,155,460.00
to SAK Construction of CA, LP
as the lowest responsive and responsible bidder.

Remarks:

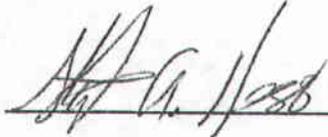
Reject all bids. Reason:

EVALUATION OF BID PROPOSALS

FOR: SEWER REHABILITATION IN N. MILLBROOK, E. ASHLAN, E. OLIVE, S. MAPLE AND
E. BUTLER AVENUES

Bid File No.3079
Bid Opening:3/24/11

Department Head Approval



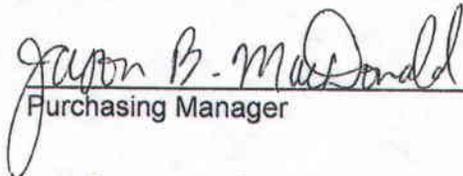
Title Assistant Director of Public Utilities

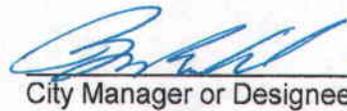
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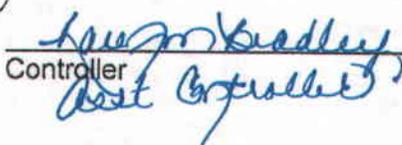
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|---|--|
| <input type="checkbox"/> Approve Dept. Recommendation | <input type="checkbox"/> Approve Finance/Purchasing Recommendation |
| <input type="checkbox"/> Disapprove | <input type="checkbox"/> Disapprove |
| <input type="checkbox"/> See Attachment | |

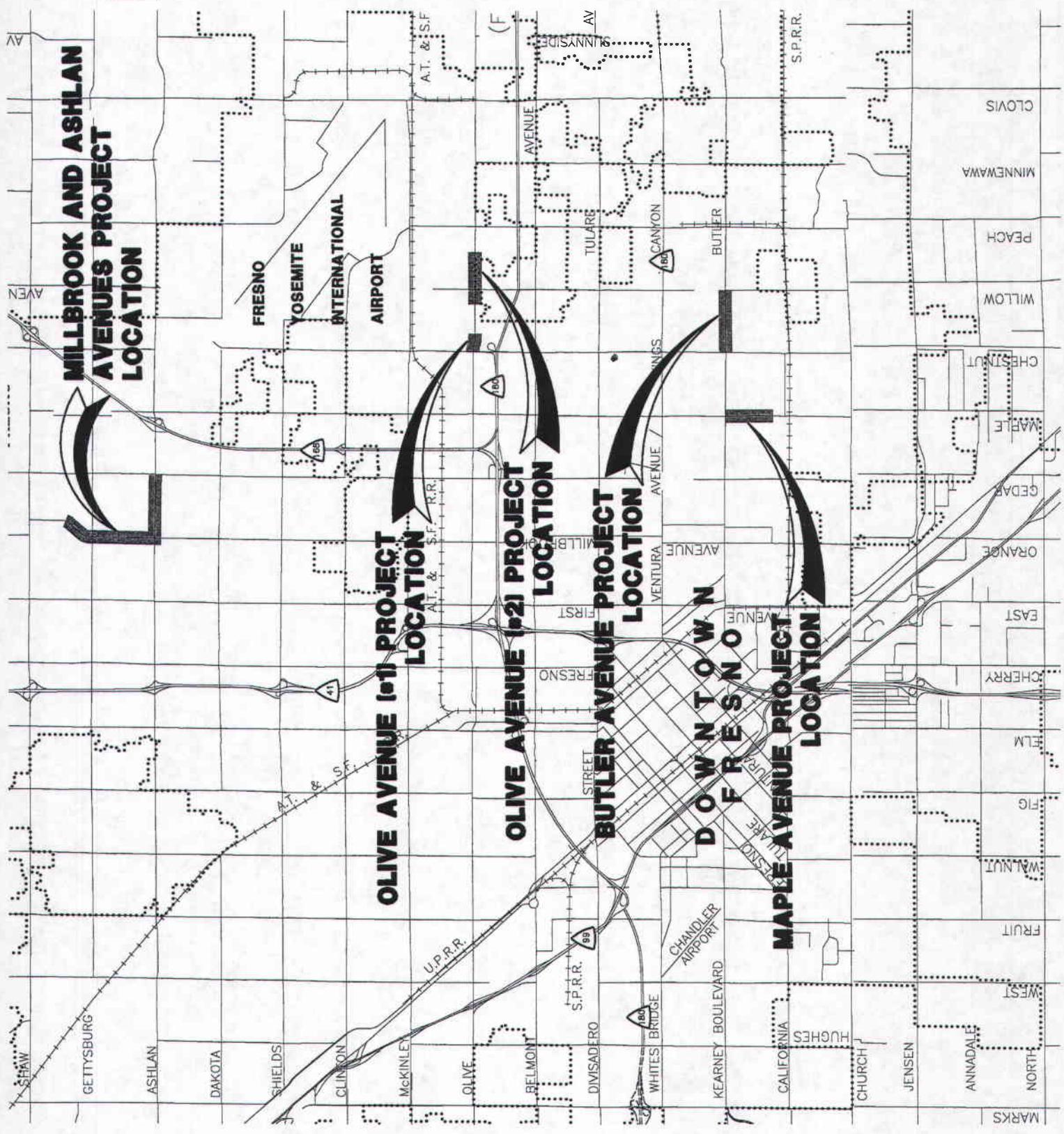
FINANCE DEPARTMENT

CITY MANAGER


Purchasing Manager 3/31/11
Date


City Manager or Designee 3/21/11
Date


Controller 3/31/2011
Date



MILLBROOK AND ASHLAN AVENUES PROJECT LOCATION

OLIVE AVENUE (#1) PROJECT LOCATION

OLIVE AVENUE (#2) PROJECT LOCATION

BUTLER AVENUE PROJECT LOCATION

MAPLE AVENUE PROJECT LOCATION

DOWNTOWN FRESNO

