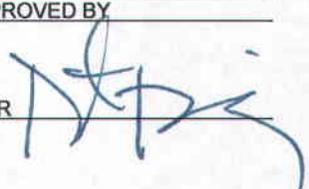


June 3, 2010

AGENDA ITEM NO.	1 K
COUNCIL MEETING	6/3/2010
APPROVED BY	
	
DEPARTMENT DIRECTOR	
CITY MANAGER	

FROM: RENE A. RAMIREZ, 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 REHABILITATION OF SEWER UTILITIES UNDER CHERRY AVENUE. AWARD A \$392,935 CONTRACT TO PIPENOLOGY, INC., OF ROCKLIN, CALIFORNIA, FOR THE REHABILITATION THEREOF (BID FILE NO. 2981) (FRESNO COUNTY, NEAR COUNCIL DISTRICTS NO. 3)

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 guidelines for rehabilitation of sewer utilities at South Cherry Avenue.
2. Award a contract in the amount of \$392,935 to PIPEnology, Inc., of Rocklin, California, for Sewer Rehabilitation in South Cherry Avenue as the lowest responsive and responsible bidder.

EXECUTIVE SUMMARY

The Department of Public Utilities Wastewater Management Division is seeking to award a Sewer Rehabilitation construction contract for 1,337 lineal feet of pipe in Cherry Avenue by installing a new Cast in Place Pipe (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 \$392,935 to PIPEnology, Inc., of Rocklin, California, as the lowest responsive and responsible bidder.

BACKGROUND

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 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 (Master Plan) to determine inadequate areas within the sewer collection system. This Master Plan identified South Cherry Avenue 36-inch sewer from East Jensen Avenue to East Grove Avenue as being in poor condition. The condition is a result of hydrogen sulfide corrosion. DPU recommends constructing a CIPP corrosion resistant liner in the existing concrete pipe 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 also 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 the 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 the project. A Notice Inviting Bids was published on March 26, 2010, posted on the City's website and faxed to five building exchanges. The specifications were distributed to 11 prospective bidders. Three sealed bid proposals were received and publicly opened on April 29, 2010. Bid proposal prices ranged from \$392,935 to \$460,065.20.

PIPEnergy, Inc. was the lowest responsive bidder with their bid of \$392,935. Staff determination was posted on the City Website on May 19, 2010. Staff recommends that the City Council award a contract in the amount of \$392,935 to PIPEnergy, Inc. as the lowest responsive and responsible bidder. Their bid price is 24% below the construction allocation of \$515,000. The Engineer's Estimate was \$506,000.

The Council may award a contract in the amount of \$392,935 to PIPEnergy, Inc., and the project will be completed within 40 working days from the date of the Notice to Proceed.

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, 2010, or next fiscal year.

FISCAL IMPACT

The funds for this project are available in the 2008 Sewer Enterprise bond fund No. 40525.

FISCAL IMPACT STATEMENT

PROGRAM:

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$392,935.00</u>	_____
Indirect Cost	<u>\$16,000.00</u>	_____
TOTAL COST	<u>\$408,935.00</u>	_____
Additional Revenue or Savings Generated	<u>\$0</u>	_____
Net City Cost	<u>\$408,935.00</u>	_____
Amount Budgeted (If none budgeted, identify source)	<u>\$522,000.00</u>	_____
Inspection	<u>\$10,000.00</u>	
Administration	<u>\$2,000.00</u>	
Contract Compliance	<u>\$2,000.00</u>	
Other	<u>\$2,000.00</u>	

The funds for this project are available in the 2008 Sewer Enterprise bond fund No. 40525.

EVALUATION OF BID PROPOSALS

FOR: SEWER REHABILITATION IN S CHERRY AVENUE

Bid File No.2981
Bid Opening: 4/29/10

BIDDER'S	TOTAL NET BID AMOUNT
1. Pipenology Inc. 4253 Nuluth Ave Rocklin, CA 95765	\$392,935.00
2. Insituform Technologies, Inc. 17988 Edison Ave Chesterfield, MO 63005	\$394,430.00
3. Spiniello Companies 1441 E Ninth St Pomona, CA 91766	\$460,065.20

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, May 26, 2010, 5:00 P.M.

The Engineer's Estimate for this expenditure is \$506,000.00. The contract price is 22% below the Engineer's Estimate. If the overage is greater than 10% or only one bid was received, give explanation:

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 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. This master plan identified South Cherry Avenue 36-inch sewer from East Grove Avenue to East Jensen Avenue as being in poor condition; the condition is a result of hydrogen sulfide corrosion. DPU recommends constructing a CIPP corrosion resistant liner in the existing concrete pipe 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.

Plans and specifications were prepared for the project. A Notice Inviting Bids was published on March 26, 2010, posted on the City's website and faxed to five building exchanges. The specifications were distributed to 11 prospective bidders. Three sealed bid proposals were received and publicly opened on April 29, 2010. Bid proposal prices ranged from \$392,935.00 to \$460,065.20.

PIPEnology, Inc. was the lowest responsive bidder and submitted a bid of \$392,935.00. Staff recommends that the City Council award a contract in the amount of \$392,935.00 to PIPEnology, Inc. as the lowest responsive and responsible bidder. Their bid price is 24% below the construction allocation.

