

<h1 style="margin: 0;">REPORT</h1> <p style="text-align: center; margin: 0;"><b>To the Honorable Mayor and City Council From the City Manager</b></p>
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June 13, 2005

**Subject**

Award of Contract – 2004-2005 Watermain Replacement Project

**Recommendation**

Award the Contract for the 2004-2005 Watermain Replacement Project to the lowest responsible bidder, Shaw Pipeline, Inc. of San Francisco, California, for their low bid of \$973,394.00.

**Background**

Every year the City undertakes a watermain replacement program funded by the Capital Improvement Program Water Fund. This program is designed for systematically replacing water distribution system main lines, which have a history of service disruptions due to age, excessive maintenance requirements, insufficient fire protection, and/or capacity limitations. A priority list is reviewed and updated annually by the Community Development Services Department - Engineering & Construction and Public Works Services, to determine the priority areas to be included in the program each year. This year's program includes the replacement of nearly one and a half (1.3) miles of watermain at various locations (see attachment for project map of the construction area).

The three (3) bids received at the bid opening on June 1, 2005, are summarized below:

No.	Bidder	Bid Amount
1.	Shaw Pipeline, Inc. – San Francisco, CA	\$973,394.00
2.	West Valley Construction – Redwood City, CA	\$1,271,350.00
3.	Pacific Underground Construction – San Francisco, CA	\$1,307,000.00

The bid of \$973,394.00 is 9% higher than the Engineer's Estimate of \$890,000 for the cost of construction. The higher bid can be attributed to the abundance of construction projects in the area, and at this period of time. Based on the bids received, staff believes that the bid is reasonable and responsive, and recommends awarding the contract to Shaw Pipeline, Inc. of San Francisco.

Shaw Pipeline, Inc. successfully completed similar projects in the past, and is a qualified contractor.

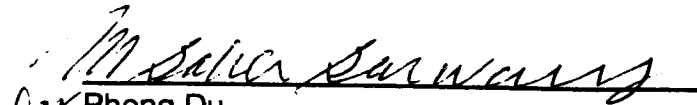
A complete copy of the agreement is available for review in the City Clerk's Office.

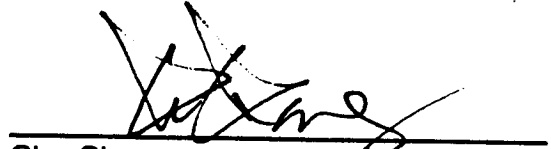
**Alternative**

Do not award the contract for the 2004-2005 Watermain Replacement Project, which would be contrary to prior Council action.


**Fiscal Impacts**

Funds in the amount of \$1,000,000.00 have been appropriated in the FY 2004-2005 Capital Improvements Program Budget, Watermain Improvement Fund.

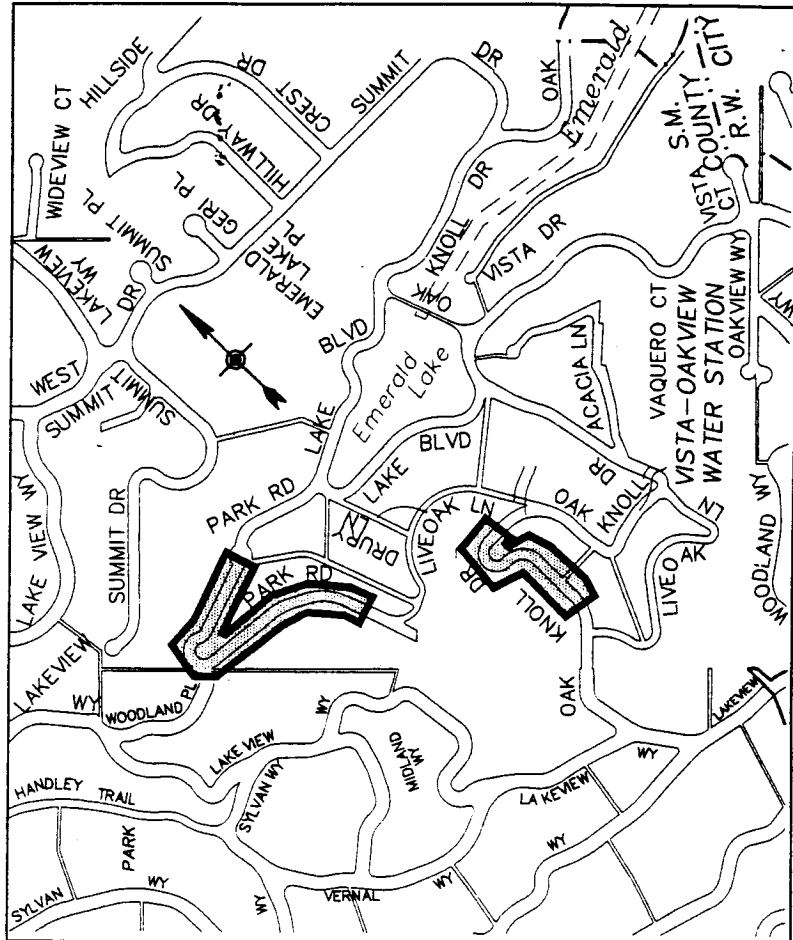
  
for Phong Du  
Senior Civil Engineer

  
Chu Chang  
Manager, Engineering & Construction

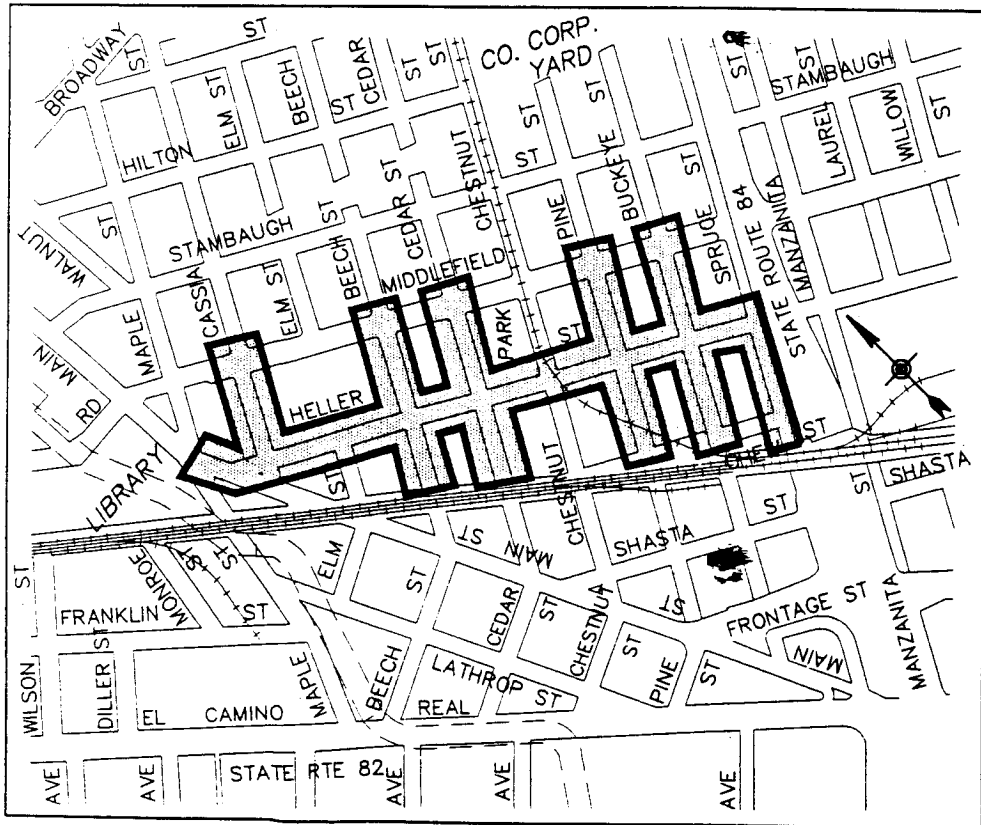
  
Joel Patterson  
Community Development Services Director

  
Ed Everett  
City Manager

MSS:ss  
s/Library/Reports/Phong/Award 2004-2005 WM Replacement



AREA 2



AREA 1

# PROJECT LOCATION MAP

NOT TO SCALE