

REPORT**To the Honorable Mayor and City Council
From the City Manager**

June 23, 2008

SUBJECT

Award of Contract – 2007-2008 Sewer Main Replacement Project

RECOMMENDATION

Approve, by motion, the Contract Documents and award the contract for the 2007-2008 Sewer Main Replacement Project to the lowest responsible bidder, Sanco Pipelines, Inc. of Campbell for their low bid of \$765,746.32 and authorize the City Manager to increase the contract amount, if necessary, up to 10% of the amount awarded.

BACKGROUND

The City systematically replaces sections of aging sewer infrastructure to ensure the continued reliability of the system. Every year, Engineering & Construction and Public Works Services staff identify pipelines that have required excessive maintenance or have experienced repeated service disruptions and target those pipelines for repair/replacement.

Recently, the City has become more proactive in assessing the condition of the system by employing closed circuit television inspection services (CCTV). This technology helps to identify pipe defects such as cracks, offset joints, and root intrusion that can be remediated before a service failure. As well, these kinds of repairs ensure a fully functioning system as defects in the sewer collection system allow ground water to infiltrate the pipelines thereby reducing their capacity to collect sewerage during wet weather conditions. With CCTV, the condition of an entire sewer basin can be inspected and assessed prior to the start of the annual replacement program to more thoroughly identify sections in need of repair/replacement.

The 2007-2008 Sewer Main Replacement Project includes rehabilitation of pipe segments in the sewer basin bordered by Edgewood Road, Whipple Avenue, Alameda de las Pulgas, and El Camino Real. This project will rehabilitate approximately 3,646 linear feet of sewer main and replace approximately 1,597 linear feet of 6-inch and 8-inch pipeline. Both cured-in-place-pipe ("CIPP") trenchless technology and traditional excavation methods will be used. Some pipe defects, particularly those resulting in pronounced misalignment, cannot be mitigated with trenchless technology.

Six (6) bids were received at the bid opening on May 21, 2008 and are summarized below.

Bidder	Bid Amount
Sanco Pipelines, Inc.	\$765,746.32
Shaw Pipeline, Inc.	\$785,339.50
K.J. Woods Construction, Inc.	\$818,000.00
J. Howard Engineering, Inc.	\$934,923.00
Pacific Underground Construction, Inc.	\$956,375.00
Fermin Sierra Construction, Inc.	\$973,790.00
Engineer's Estimate	\$981,350.00

Recommended Bidder: Sanco Pipelines, Inc.

Substantiation: Sanco Pipelines, Inc. is the lowest responsive and responsible bidder.

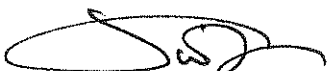
The low bid of \$765,746.32 submitted by Sanco Pipelines is 28% lower than the engineer's estimate of \$981,350.00. Based on the bids received, staff believes the low bid of \$765,746.32 is reasonable and responsive, and recommends awarding the contract to Sanco Pipelines, Inc.

ALTERNATIVES

Council may choose not to award the contract and direct staff to reject the bids, redesign the project and rebid, and/or defer award of the project to the next fiscal year.

FISCAL IMPACT

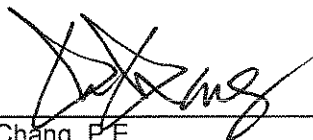
Funding for this project has been approved and appropriated in the budget for Fiscal Year 2007/2008, Sewer Fund Capital Projects, Collection System Replacement Program which has an available balance of \$888,013.00.



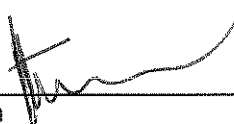
Jimmy Tan, P.E.
Associate Engineer



Peter Vorametsanti, P.E.
Supervising Civil Engineer



Chu Chang, P.E.
Acting Community Development Director



Peter Ingram
City Manager

ATTACHMENTS

None

RELATED DOCUMENTS IN CITY CLERK'S OFFICE

1. Contract Documents
2. Bid Documents