



Legislation Details (With Text)

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**Title:** Staff Report for a Resolution to Award a Construction Contract to Westland Contractors, Inc. for \$1,160,686 for the Sanitary Sewer Line Replacement/Repair 2017 Project, Project No. 2015.0120; Authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount; and Authorization for the City Manager to Negotiate and Approve Cumulative Change Orders up to 25% of the Original Contract Amount, and City Council Approval of Appropriation of \$140,000 from Measure B Fund Balance

**Sponsors:** Keith Cooke

**Indexes:**

**Code sections:**

**Attachments:** 1. Bid Summary

Date	Ver.	Action By	Action	Result
10/16/2017	1	City Council	Received and Filed	Pass

Staff Report for a Resolution to Award a Construction Contract to Westland Contractors, Inc. for \$1,160,686 for the Sanitary Sewer Line Replacement/Repair 2017 Project, Project No. 2015.0120; Authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount; and Authorization for the City Manager to Negotiate and Approve Cumulative Change Orders up to 25% of the Original Contract Amount, and City Council Approval of Appropriation of \$140,000 from Measure B Fund Balance

**SUMMARY AND RECOMMENDATIONS**

This contract provides for the repair or replacement of sanitary sewer and storm facilities throughout the City.

Staff recommends the following actions:

- Award of a construction contract to Westland Contractors, Inc., in the amount of \$1,160,686;
- Authorize individual change orders up to \$58,034, or up to 5% of the original contract amount;
- Authorize the City Manager to negotiate and approve change orders up to a cumulative value not to exceed \$290,171, or 25% of the original contract amount; and
- Appropriate \$140,000 in Measure B funding to cover the cost of storm drain improvements.

**BACKGROUND**

City staff routinely inspects the condition of sewer main lines and manholes. Based on those inspections, locations that have deteriorated to the point where repairs are needed, or may be

needed in the near future, or those locations that require a significant amount of maintenance by Public Works are included in the scope of work for the subject project.

This project will replace defective sewer main lines, reconstruct deteriorated manholes and/or manhole channels, replace deteriorated manhole frames and covers, reroute sewer main lines to improve flow velocity, as well as miscellaneous work items as identified on the project plans. These improvements will increase system reliability, reduce the frequency of required maintenance, reduce the risk of sewage overflows and improve system access to increase efficiency of maintenance operations. Existing improvements disturbed by construction will be restored at the end of this project.

Composite non-metallic manhole frames and covers will be utilized at several locations where sewer gases have corroded the existing metal frames and covers. Composite manhole frames and covers are lighter than metal covers and are easier for maintenance staff to handle. Information from other agencies who have used similar frames and covers indicate that they are unattractive to metal thieves and are corrosion resistant. In addition, the composite covers will have locks operable only with special tools to deter unauthorized access.

There is storm drain work included in the project at the intersection of Bancroft Ave. and Dutton Ave., which will tie in the southwest corner of the intersection to the main that runs along Bancroft Ave. This work will replace a collapsed arch culvert at that location that no longer functions as originally designed to remove water from the travel way. This work cannot be funded from the Water Pollution Control Plant (WPCP) enterprise accounts established for this project, so a Measure B Local Streets and Roads appropriation is requested for the work as part of this action.

## **Analysis**

Six companies attended the mandatory pre-bid meeting on August 30, 2017 and from those, three bids were received. Staff contacted the three attendees that did not bid, and asked why they chose not to bid. Two companies replied to the inquiry and stated that San Leandro's bid process and paperwork was more effort than they were willing to expend. Bids received ranged between \$1,160,686 and \$1,638,000. Westland Contractors, Inc. submitted the lowest bid of \$1,160,686. The pre-bid engineer's estimate for construction is \$907,128. Westland Contractors, Inc. was determined to be the lowest responsive bidder.

None of the bidders have an office in San Leandro that would qualify them as a local business per the Local Inclusion Policy Ordinance. Also, none of the bidders met the 25% Local Business Participation Goal by subcontracting with San Leandro businesses for 25% of the contract value. The lowest bidder had no local subcontractors. The lowest bidder provided documentation that demonstrated completion of the required good faith efforts to meet the local business participation goal.

This project is subject to the provisions of the Community Workforce Agreement (CWA). Staff advised each bidder of the CWA in writing and verbally at the mandatory pre-bid meetings. Staff gave each contractor contact information for the Bay Area Business Roundtable, an organization hired by the City to provide free guidance in achieving compliance with the CWA. The low bidder signed the Community Workforce Agreement commitment form.

As is standard in the construction industry, staff balanced site investigation costs with the risk of

finding unforeseen conditions during construction as well as the design costs with the level of detail on the plans. As a result, unforeseen conditions may be encountered during construction and plan details may need to be adjusted or clarified. In order to minimize delay to the project and ensure that the scope of work is adjusted as needed to provide the highest quality project for the City, staff requests that the City Council authorize the City Manager, or his designee, to negotiate and approve individual change orders up to \$58,034.00 (5% of the original contract amount) and change orders up to a cumulative value not to exceed \$290,171 (25% of the original contract amount).

### **Current Agency Policies**

Maintain and enhance the City's infrastructure

### **Applicable General Plan Policies**

*Policy CSF 6.4: Wastewater Collection and Treatment.* Maintain efficient, environmentally sound, and cost-effective wastewater collection and treatment services in San Leandro.

*Policy CSF 6.8: Maintenance.* Ensure that sufficient funding is provided for the ongoing maintenance of City-owned facilities, including streets, street lights, traffic signals, landscaping, street trees, storm drains, public buildings and other infrastructure.

### **Environmental Review**

This project is categorically exempt per California Environmental Quality Act (CEQA) Section 15301 (C) of the CEQA guidelines. The Notice of Exemption was filed with the Alameda County Recorder's Office on July 29, 2016.

### **Summary of Public Outreach Efforts**

This project was advertised in the East Bay Express on August 4, 2017 as well as in three other newspapers whose circulation reflects the diversity of San Leandro. Staff also notified contractors interested in working with the City via email, and sent plans to plan rooms.

Prior to construction, staff will notify residents and businesses whose property will be directly impacted. Staff obtained rights of entry and easements for work on private property.

### **Fiscal Impacts**

The total project cost is estimated at \$1,529,891 as follows:

Design and Bid:	\$75,000
Construction Contract	\$1,160,686
Construction Management & Inspection:	\$58,034
<u>Construction Contingency:</u>	<u>\$290,171</u>
Total:	\$1,583,891

### **Budget Authority**

The project is funded as follows:

<u>Account No.</u>	<u>Source</u>	<u>Fiscal Yr.</u>	<u>Amount</u>
593-52-257	WPCP Enterprise Fund	FY14-15	\$475,000
593-52-260	WPCP Enterprise Fund	FY15-16	\$500,000
593-52-262	WPCP Enterprise Fund	FY16-17	\$500,000
Total Project Appropriation:			\$1,475,000

Staff requests appropriation of additional funding by this action as follows:

- \$140,000 from the Measure B local streets and roads fund balance

**ATTACHMENT**

- Bid Summary

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