



## Legislation Text

---

**File #:** 21-049, **Version:** 1

---

Staff Report for a City of San Leandro City Council Resolution to Award a \$1,874,058 Construction Contract to Westland Contractors, Inc. for the Sanitary Sewer Point Repairs 2021 Project, Project No. 2021.0120; to Authorize the City Manager to Negotiate and Approve Individual Change Orders Up to 5% (or \$93,703) of the Original Contract Amount; to Authorize the City Manager to Negotiate and Approve Change Orders up to a Cumulative Value not to Exceed 35% (or \$655,920) of the Original Contract Amount; and to appropriate \$1,500,000 from the WPCP Enterprise Fund

### SUMMARY AND RECOMMENDATIONS

This contract provides for the repair or replacement of sanitary sewer pipeline facilities throughout the City and appropriates \$1,500,000 from the Water Pollution Control Plant (WPCP) Enterprise Fund for the work.

Staff recommends the following actions:

- Award a construction contract to Westland Contractors, Inc. in the amount of \$1,874,058;
- Authorize the City Manager to negotiate and approve individual change orders up to 5% (or \$93,703) of the original contract amount;
- Authorize the City Manager to negotiate and approve change orders up to a cumulative value of 35% (or \$655,920) of the original contract amount; and
- Appropriate \$1,500,000 from the WPCP Enterprise Fund.

### BACKGROUND

City staff routinely inspects the condition of the sanitary sewer main lines and manholes in the City's service district. The sanitary sewer point repair project is based upon the inspections that have identified locations of defects or deteriorated facilities to the point that repairs are needed or may be needed in the near future. Locations that require a significant amount of repetitive maintenance by Public Works, if within the proximity of a repair project, are also included in the scope of work. In addition, staff incorporates improvements recommended in the 2015 Sanitary Sewer Capacity Study and Master Plan when those locations are at a close proximity to an identified point repair.

This project will repair and replace defective sewer main lines, construct new pipeline to divert flow to increase capacity, rehabilitate, upgrade and reconstruct deteriorated manholes, and replace undersized access structures with full sized standard manholes. These improvements, when completed, will increase the system's reliability, reduce the frequency of required maintenance, improve the efficiency of maintenance operations, and reduce the risk of sewage overflows. Existing improvements disturbed by the construction will be restored at the end of the Project.

## **Analysis**

Bids were opened on January 28, 2021. Seven bids were received ranging between \$1,874,058 and \$4,047,266. The pre-bid engineer's estimate for construction was \$2,326,592. Staff recommends award to the lowest responsive bidder, Westland Contractors, Inc. Staff verified the contractor has a valid Contractor's State License Board license and is registered with the California Department of Industrial Relations.

One local business, Con-Quest Contractors, Inc., submitted a bid; however, they were not the lowest bidder even with the local business preference bid applied to their bid. Also, bidder Kerex Engineering, Inc., met the 25% Local Business Participation Goal by subcontracting with and purchasing from San Leandro businesses for 25% of the contract value; however, they were not the lowest bidder. The lowest bidder provided documentation that demonstrated completion of the required good faith efforts to meet the local business participation goals.

This project is subject to the provisions of the Community Workforce Agreement (CWA). At the mandatory pre-bid meetings, staff advised all potential bidders of the CWA. The low bidder signed the required CWA agreement.

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, especially given the nature of this type of underground work, and plan details may need to be adjusted or clarified. In addition, given the favorable pricing staff would like the flexibility to add to the project scope should conditions warrant. In order to minimize delays 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 authorization to negotiate and approve change orders up to 5% (\$93,703) of the original contract amount and cumulative change orders up to 35% (\$655,920) of the original contract amount. This will help to ensure efficient completion of the project on budget and on schedule.

## **Current Agency Policies**

- Maintain and enhance San Leandro'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.

## **Environmental Review**

This project is categorically exempt from the California Environmental Quality Act (CEQA) per Section 15301 Class 1(b) of the CEQA guidelines. The Notice of Exemption was filed with the Alameda County Recorder on February 7, 2020.

## **Summary of Public Outreach Efforts**

The Notice to Bidders was published in the Daily Review, the South County Post, Visión Hispana and Sing Tao. Staff also notified twenty-three builders' exchanges and construction data firms as well as a list of contractors that asked to be notified of bidding opportunities via email. The project is described on the Engineering and Transportation Department website.

Two mandatory pre-bid meetings were held on December 22, 2020 and January 6, 2021. The intent of these meetings was to inform bidders of the project details, including the City's Local Inclusion Ordinance and the CWA.

Prior to construction, staff will notify the residents in the immediate proximity of the work areas. The contractor will also provide notification in the form of door hangers immediately before the work starts.

### **Fiscal Impacts**

The total project cost is estimated as follows:

Design and Bid:	\$125,000
Construction Contract:	\$1,874,058
Construction Contingency:	\$655,920
<u>Construction Management and Inspection:</u>	<u>\$175,000</u>
Project Total	\$2,829,978

### **Budget Authority**

The work will be funded by the following appropriations:

<u>Account No.</u>	<u>Source</u>	<u>Fiscal Yr.</u>	<u>Amount</u>
593-52-270	WPCP Enterprise Fund	FY2018-2019	\$500,000
593-52-277	WPCP Enterprise Fund	FY2019-2020	\$500,000
593-52-280	WPCP Enterprise Fund	FY2020-2021	\$500,000
Total currently appropriated:			\$1,500,000

<u>Appropriation requested by this action to account 539-52-277</u>	<u>\$1,500,000</u>
<b>Total Proposed Project Funding</b>	<b>\$3,000,000</b>

### **ATTACHMENT**

- Bid Summary - Sanitary Sewer Point Repairs 2021

**PREPARED BY:** John O'Driscoll, Associate Engineer, Engineering and Transportation Department