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DATE: June 5, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: George Howard, EIT - Assistant Engineer II, Public Works & Utilities (PW&U)  
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SUBJECT: Resolution Rejecting all Bids for the Payran-Madison Water and Sewer Main Replacement Project (C67502225, C66402245)

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### **RECOMMENDATION**

It is recommended that the City Council approve the Resolution rejecting all bids for the Payran-Madison Water and Sewer Main Replacement Project (C67502225, C66402245).

### **BACKGROUND**

To maintain and improve the condition of the City's water and wastewater systems, the City replaces or rehabilitates deteriorating or undersized water and sanitary sewer lines annually. After a thorough review of the City's aging water main and sewer main infrastructure, staff identified critical sections of sewer and water main in need of replacement in two areas. The project area is located on Madison St. between Lakeville St. and Edith St., in the San Carlos Dr. area, along Vallejo St. including Averye Way and Myrtle Ct., and within the Rio Vista Way area. The water main sections primarily consist of aging, cast iron pipes installed in 1946 which are prone to failures. To mitigate future catastrophic failures and lower maintenance costs the project aims to replace these selected sections as well as upgrade existing water services and sewer laterals to assist in eliminating groundwater intrusion and ensure the integrity of the City's distribution system. This project is part of an ongoing program to maintain and repair the City's water main and sewer main infrastructure.

During early investigations, CIP staff identified additional water and sewer main lines that were undersized or needed replacement or repair. Staff also looked at pavement restoration in the area and determined that the existing pavement was in good condition and therefore pavement restoration was not necessary.

In the San Carlos Dr., Vallejo St., and Aveye Way areas of the project, the City owns and maintains sewer mains that are located along the property line of multiple developments located in residential backyards. To minimize impact in the resident's backyards, construction in these areas will not be a typical open trench but will utilize pipe bursting. This type of construction will minimize excavation as the new pipe is "pulled" through the existing pipe from the sewer manhole to the manhole. Operations are called frequently to assist with flushing and cleaning sewer lines in the project area. The pipeline in the area is also an older material, vitrified clay pipe (VCP), that is known to have issues with offset joints and is frequently a source of inflow and infiltration. Reducing water that infiltrates the sewer system from rain events reduces the demand on our Ellis Creek Treatment Facility which ultimately reduces operating costs.

The water main sections identified for repair are primarily 8-inch diameter water main pipelines, and undersized 4-inch cast iron pipelines. The water main rehabilitation will be by open trench typical construction method. Two water line sections will be relocated from behind the sidewalk to the street that is located on Madison St. Water mains are preferred by staff to be in the street and not in a residential easement so we can perform maintenance without disturbing residential properties that may have landscape or structures along the easement. Two additional undersized mains will be relocated and brought up to current City standards in Aveye Way and Myrtle Ct. The water services along Aveye Way and Myrtle Ct. will be replaced up to current City standards to increase the system reliability and reduce leaks.

## **DISCUSSION**

The construction plans and specifications were prepared by engineering staff and a Notice Inviting Bids was advertised on April 7, 2023. On April 27, 2023, two bids were received as follows:

<u>Name of Bidder</u>	<u>Base Bid</u>
W.R. Forde Associates, Inc.	\$4,397,330
Argonaut Constructors	\$4,992,330
<b>Engineers Estimate</b>	<b>\$3,400,000</b>

After staff reviewed W.R. Forde Associates' bid and determined that the bid was complete; however, the bid amount came in at approximately \$1 million over the engineer's estimate. City staff reached out to contractors on the plan holder's list and discovered that there was minimal interest due to the scope of work including both typical open trenching work and non-typical pipe bursting work. Based on this feedback, staff will be putting this project out to bid separately as two projects based on the scope and method of work to both obtain more bidders and an increase in competitive bids.

Therefore, staff recommends that the City Council reject all bids in the public's interest as allowed by Municipal Code Section 4.04.080(D) and Public Contract Code Section 20166. The City Council has the authority under both the Petaluma Municipal Code and California Public Contract Code to reject all bids. Petaluma Municipal Code Section 4.04.080(D) states that "The City Council shall reserve the right to reject any or all bids in whole or in part..." Similarly, California Public Contract Code Section 20166 states, "In its discretion, the legislative body may reject any bids presented and readvertise." As explained, due to the difference between the cost of the two

bids compared to the budgeted amount for the project, staff recommends that City Council reject all bids and for staff to readvertise. Staff is preparing to rebid the project as soon as possible in July to obtain competitive bids that are aligned with the approved project budget.

## **PUBLIC OUTREACH**

This agenda item appeared on the City's tentative agenda document on May 15, 2023, which was a publicly noticed meeting.

Public outreach will include the following: (1) mailers and door notices to all stakeholders within the project area prior to construction; (2) social media notifications via Facebook, NextDoor, and/or other platforms; (3) weekly updates to the city's website for project information; and (4) a virtual community presentation.

## **COUNCIL GOAL ALIGNMENT**

The proposed action supports City Council goals and the following workplan item:

- #55 "Make the City's water distribution system more resilient, by repairing and replacing leaking water pipes, and implementing the water/sewer masterplan."

## **CLIMATE ACTION/SUSTAINABILITY EFFORTS**

The maintenance of the City's water distribution system is vital to reducing water loss, which increases water conservation and ensures the city is minimizing losses. This project removes known causes of water loss and ultimately reduces substantial City staff resources that would otherwise be used for emergency leak repairs.

The maintenance of the city's sewer collection system is critical for decreasing inflow and infiltration to the system, which reduces the operating costs of the City's Ellis Creek Wastewater Treatment Facility.

## **ENVIRONMENTAL REVIEW**

This project is categorically exempt pursuant to the California Environmental Quality Act ("CEQA") pursuant to Article 19, Section 15301(c), of Title 14 of the California Code of Regulations ("CEQA Guidelines"), because the project consists of the repair, maintenance, and minor alteration of existing public facilities involving negligible or no expansion of existing or former use. The improvements will repair existing deteriorated water services and sewer laterals and water and sewer main services without changing the use of those facilities. Accordingly, there is negligible or no expansion of use beyond what currently exists and there are no cumulative impacts, unusual circumstances, or other factors that would make the exemption inapplicable pursuant to CEQA Guidelines Section 15300.2. A Notice of Exemption will be filed in July 2023 with the County of Sonoma for the Project or soon thereafter when Council awards the project after rebidding.

## **FINANCIAL IMPACTS**

There will be no financial impacts based due to the recommendation to reject all bids.

## **ALTERNATIVES**

If all bids are not rejected and the project is not rebid, the project budget and funding will need to be increased, and the project will be awarded to the apparent low bidder.

## **ATTACHMENTS**

1. Resolution
2. Location Map