



DATE: August 7, 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 Awarding Contract for the Payran-Madison Trenchless Sewer Main Replacement Project (C66402245) to K.J. Woods Construction, Inc.

RECOMMENDATION

It is recommended that the City Council approve the Resolution awarding contract for the Payran-Madison Trenchless Sewer Main Replacement Project (C66402245) to K.J. Woods Construction, Inc.

BACKGROUND

In order to maintain and improve the condition of the City’s wastewater systems, the City replaces or rehabilitates deteriorating or undersized sanitary sewer lines annually. After a thorough review of the City’s aging sewer main infrastructure, staff has identified critical sections of the sewer main in need of replacement.

Within the San Carlos Dr., Vallejo St., and Avery Way portions of the project, the City owns, operates, and maintains sewer mains that are located within the backyards and/or bordering the property line of multiple residences. To minimize the impact of construction within these residential areas, a less intrusive method known as pipe-bursting (a trenchless construction method) will be used in lieu of traditional open trenches. This type of construction will minimize the number of excavations necessary to perform the work as the new sewer pipe will be pulled through the existing pipe system, from sewer manhole to sewer manhole. This replacement work is necessary because the existing vitrified clay pipe (VCP) is beginning to fail as it ages and maintenance in the area has ramped up, causing operations staff to be called out more frequently to assist with flushing and cleaning sewer lines in the project area. In addition, VCP is known to have issues with offset joints and is frequently a source of inflow and infiltration into the sewer. The new sewer pipes will also help to reduce the amount of water that infiltrates into the sewer

system during rain events, which correlates to a reduction in operating costs for the Ellis Creek Treatment Facility.

This project was originally bid on April 27, 2023, with the apparent low bidder, W.R. Forde Associates, Inc.'s, bid coming in at \$4,397,330. Staff reviewed W.R. Forde Associates' bid and determined that the bid was complete; however, the bid came in at approximately \$1 million over the engineers' estimate. City staff followed up with other contractors on the project's plan holder's list and discovered that there was minimal interest amongst bidders due to the scope of work including both typical open trenching work as well as non-typical pipe-bursting (trenchless) work. On June 5, 2023, City Council adopted the resolution rejecting all bids due to the feedback provided by staff and the high cost of the original bids. Following this, City staff rebid the Payran-Madison Water and Sewer Main Replacement project as two separate projects differentiated by the method of construction, trenchless sewer main replacement, and typical trenching water and sewer main replacement. This was done to try and solicit more interest in the project and to promote more competitive bidding. The first project Payran-Madison Trenchless Sewer Main Replacement Project was bid and is described in the discussion section below, and a subsequent Payran-Madison Trenching Water and Sewer Main Replacement Project is anticipated to be bid in September 2023.

DISCUSSION

The construction plans and specifications were prepared by engineering staff and a Notice Inviting Bids was readvertised on Friday, June 16, 2023. On July 6, 2023, the following bids were received:

<u>Name of Bidder</u>	<u>Base Bid</u>
K.J. Woods Construction, Inc.	\$1,578,000
Hardiman Construction, Inc.	\$1,663,505
Glosage Engineering, Inc.	\$1,855,180
Nelson Construction	\$1,888,675
Koios Engineering, Inc. (High Bid)	\$1,894,250
Engineers' Estimate	\$1,020,000

The lowest responsible and responsive bidder, K.J. Woods Construction, Inc., was formed in 1994 and has performed similar projects throughout the Bay Area, including wet and dry utilities, sanitary sewers, storm drains, and water mains up to 72-inches in diameter, using traditional open cut, sectional slip lining, trenchless pipe-bursting and horizontal directional drilling methods, and associated grading and street restoration. K.J. Woods Construction possesses a valid Class A California Contractor's License, #701797, which allows them to perform the work. It is recommended that Council adopt the resolution awarding the contract to K.J. Woods Construction, Inc. in the amount of \$1,578,000. There were no bid protests and the time to protest the bid has lapsed.

Construction is scheduled to begin in Fall 2023 and be completed by Winter 2023. Construction management and inspection services will be conducted by City staff with assistance from outside consultants for quality assurance/quality control (QA/QC) testing services.

PUBLIC OUTREACH

This agenda item appeared on the City’s tentative agenda document on July 17, 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 sewer collection system is critical for decreasing inflow and infiltration to the system, which in turn 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 August 2023 with the County of Sonoma for the Project.

FINANCIAL IMPACTS

The Payran-Madison Sewer Main Replacement Project has a total project budget of \$3,045,000, which was approved in 2023 and includes both trenchless and trenched sewer main replacements. The construction costs related to the Payran Madison Trenchless Sewer Main Replacement Project are a portion of the full C66402245 FY 23/24 project budget. This portion of the work is within the project budget; however, it is utilizing a larger portion of the overall project budget and some additional funding may be needed to complete the overall project once the trenched sewer replacement project is bid and awarded. This project is expected to reduce maintenance operating costs. The subsequent Payran Madison Water and Sewer Main Replacement Project will utilize funding from both Payran Madison Sewer Main Replacement and Payran Madison Water Main

Replacement projects (C66402245 and C67502225, respectively). The revised trenchless construction project budget below is \$1,578,000 with a decrease in construction contingency. The revised budget for the project is as follows:

Phase	C66402245 FY 23/24 Budget	Revised Trenchless Construction Budget	Revised Future Trenching Construction Budget	Revised Trenchless and Trenching Project Budget
Planning/Environmental	\$ 10,000	\$ 1,000	\$ 1,000	\$ 2,000
Land & Easements	\$ 0	\$ 0	\$ 0	\$ 0
Design	\$ 25,000	\$ 7,600	\$ 5,400	\$ 13,000
Legal Services	\$ 5,000	\$ 1,000	\$ 1,000	\$ 2,000
Administration	\$ 10,000	\$ 2,000	\$ 2,000	\$ 4,000
Construction Contract	\$2,400,000	\$1,578,000	\$1,087,000	\$2,665,000
Construction Management	\$ 210,000	\$ 47,800	\$ 42,200	\$ 90,000
Contingency	\$ 360,000	\$ 150,000	\$ 110,000	\$ 260,000
CIP Overhead	\$ 25,000	\$ 4,600	\$ 4,400	\$ 9,000
TOTAL:	\$3,045,000	\$1,792,000	\$1,253,000	\$3,045,000
Funding Sources				
Waste Water	\$3,045,000	\$1,792,000	\$1,253,000	\$3,045,000

ALTERNATIVES

If the project is not awarded to K.J. Woods Construction, Inc., the project would need to be re-bid and construction would be delayed by approximately four months, which impacts the reliability of the sewer system, increases the risk of failed wastewater collection, and impacts other work scheduled for 2023 such as the upcoming Payran Madison Water and Sewer Main Trenching project.

ATTACHMENTS

1. Resolution
2. Location Map