



DATE: July 5, 2022

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT Adopt a Resolution Approving Addendum No. 1 and No. 2 and Awarding a Contract to Ranger Pipelines, Inc., for the Sewer Line Improvements Project, Project No. 07761, in the Amount of \$11,087,925 in Addition to Approving \$1,108,793 in Administrative Construction Contingency, and Appropriating Additional Funds in an Amount of \$3,067,915

RECOMMENDATION

That Council adopts a resolution (Attachment II): approving Addendum No. 1 and No. 2, providing minor revisions to the project specifications; and awarding the construction contract to Ranger Pipelines, Inc., (Ranger) for the Sewer Line Improvements Project, Project No. 07761, in the amount of \$11,087,925 in addition to approving \$1,108,793 in administrative construction contingency; and appropriating additional funds in the amount of \$3,067,915 from the Sewer System Replacement Fund (Fund 611).

SUMMARY

The Utilities Division of the Department of Public Works & Utilities replaces the City's undersized or structurally damaged sewer mains through annual capital improvement projects. The Sewer Line Improvements Project (Project) will improve the capacity and maintain the operability of the sewer collection system by replacing approximately 4.1 miles of existing vitrified clay pipe (VCP), asbestos cement pipe (ACP), and high-density polyethylene pipe (HDPE) ranging in diameter from 6 to 12-inches with new 8, 10, 12, or 15-inch polyvinyl chloride (PVC) or HDPE. This project takes place at twenty-nine locations throughout the City (Attachment III). Approximately 3.3 miles will be replaced by traditional open-cut method, and another approximately 0.8 mile will be replaced by trenchless technology used to cross under obstructions that prohibit open-cut installation.

On June 14, 2022, four (4) bids were received. The low bid was \$11,087,925, which is \$2,512,075, or 18.5%, below the Engineer's estimate of \$13,600,000. Staff is requesting Council's approval of Addendum No. 1 and No. 2, which provided minor revisions to clarify the specifications, and awarding the construction contract to the lowest bidder, Ranger, the amount of \$11,087,925, and approving an Administrative Construction Contingency (change orders) budget of \$1,108,793.

Furthermore, staff is requesting appropriation of additional funds in the amount of \$3,067,915 from the Sewer System Replacement Fund (Fund 611).

BACKGROUND

The City's current Capital Improvement Program (CIP) includes funding to replace the City's undersized or structurally damaged sewer mains through annual sewer line replacement projects. The City operates approximately 325 miles of sanitary sewer mains. The Utilities Division staff performs regular sewer main cleaning and has an ongoing program to monitor and inspect the condition of the City's sanitary sewer collection system using closed circuit television (CCTV) technology. The inspection is performed by placing a camera, mounted on tracks, inside a sewer pipe and remotely guiding it through the length of the pipe to identify structurally damaged sewer mains for repair or replacement.

The sewer main improvements include replacing approximately 4.1 miles of existing 6, 8, 10, and 12-inch vitrified clay, asbestos cement, and high-density polyethylene pipes at twenty-nine locations throughout the City as shown in Attachment III. The sewer line locations were selected by staff based on performance and maintenance data over the past several years. Recommended projects from the 2015 Sewer Master Plan, including upsizing undersized sewer mains, rerouting flows, and installing new sewer lines, were also incorporated to address capacity deficiencies within the existing sewer collection system.

Approximately 3.3 miles of sewer main will be replaced by traditional open-cut method constructed in segments to minimize the impact to customers and traffic. The remaining 0.8 mile will either be rehabilitated or replaced by trenchless pipe techniques including microtunneling, pipe bursting, pipe reaming, or cured-in-place pipe (CIPP), where open-cut installation is not recommended due to surface features.

This project also includes installation of new manholes in areas where it is often difficult to access the existing manholes located in easements on residential properties. Installing new manholes in the public street improves accessibility for future maintenance and operational efficiency when performing Hydro cleaning and CCTV.

On December 7, 2021¹, Council approved Resolution No. 21-236, adopting the Initial Study and Mitigated Negative Declaration (IS/MND). The City completed the environmental analysis in accordance with the California Environmental Quality Act (CEQA).

DISCUSSION

On May 3, 2022², Council approved the plans and specifications for the project and called for bids to be received on June 7, 2022. Addendum No. 2 postponed the bid opening to June 14, 2022, due to requests from contractors. On June 14, 2022, the City received four (4) bids for the project, ranging from \$11,087,925 to \$12,717,965. Ranger submitted the low bid in the amount of \$11,087,925, which is approximately 18.5% below the Engineer's estimate of \$13,600,000. The average of the four (4) bids received was \$11,698,981, which is approximately 14% below the Engineer's estimate. An additional \$1,108,793 (or 10% of the contract amount) is included for administrative construction contingency in the event additional funds are needed for unforeseen conditions and changes during construction.

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5347829&GUID=B1C01790-44AD-4D1E-A005-CD3DADA51E29&Options=ID|Text|&Search=07093>

² <https://hayward.legistar.com/LegislationDetail.aspx?ID=5636900&GUID=3B2E1F02-FA18-423F-8230-5391FD57893B&Options=&Search=>

ECONOMIC IMPACT

The community will enjoy the benefits of the project, including the continued operability and serviceability of the sewer collection system. Furthermore, robust and reliable sewer infrastructure can help protect public health and foster economic development and viability in the City.

Replacing the sewer main and appurtenances are part of an effort to, pursuant to Council direction, modernize and upgrade existing infrastructure. The project will reduce operations and maintenance costs associated with servicing the undersized and structurally defective sewer mains. In addition, staff time attending to issues related to high frequency maintenance and sanitary sewer overflows will be reduced.

On November 15, 2016³, Council passed a resolution authorizing a Community Workforce Agreement (CWA) with the Alameda County Building Trades Council (BTC), which applies to City projects with construction costs of \$1,000,000 or more. The agreement requires contractors to use local union hiring halls, encourages contractors to employ Hayward residents or Hayward Unified School District graduates, and requires hired workers to pay union dues and other benefit trust fund contributions, etc. The CWA agreement applies to this Sewer Line Improvements Project because the construction cost is more than \$1,000,000.

FISCAL IMPACT

The estimated costs for the Sewer Line Improvements Project are as follows:

Construction Contract	\$11,087,925
Administrative Construction Contingency	\$1,108,793
Professional Engineering Services – Consultant	\$908,933
Inspection & Testing & Permitting	\$600,000
Construction Administration – City Staff	<u>\$400,000</u>
Total	\$14,105,651

Appropriation of Additional Funds

The adopted FY23 CIP includes a total of \$11,116,653 for the Sewer Line Improvement FY21 Project, Project No. 07761, in the Sewer System Capital Replacement Fund (Fund 611). In 2020, the City entered into a Professional Services Agreement with Hydrosience Engineers, Inc., (Hydrosience), of which \$908,933 is for sewer design services and technical support during construction. As of June 2022, \$10,128,803 remains available for construction, inspection, and administration.

As shown above, the current total estimated cost to construct the project exceeds this amount. The original estimate was based on preliminary conceptual design. These costs are typically developed when project definition is at the planning stage. Expected accuracy for a planning stage estimate typically ranges as much as 25% below or above the actual cost.

³ <https://hayward.legistar.com/MeetingDetail.aspx?ID=504356&GUID=BBB3510A-72A9-4C24-ADA5-97D40B48097B&Options=info|&Search=>

Furthermore, due to the recent COVID-19 pandemic-related global supply chain disruption and its impact on costs, the current estimated project cost at \$14,105,651 is approximately 27% higher than the original FY23 CIP budgeted amount of \$11,116,653. Staff requests that Council appropriate additional funds in the amount of \$3,067,915 from the Sewer System Replacement Fund (Fund 611) to fully fund the project in FY23. Sufficient fund balance is available to cover the necessary appropriation.

STRATEGIC ROADMAP

This agenda item supports the Strategic Roadmap to invest in Infrastructure. Specifically, this item relates to the implementation of the following project:

Project N20: Upgrade sewer collection system by replacing 3-4 miles of sewer lines annually.

SUSTAINABILITY FEATURES

The repair and replacement of deteriorating sewer lines reduces the risk of sewer overflows, which can cause untreated wastewater to flow into public waterways.

PUBLIC CONTACT

Prior to and during construction, notices will be provided to affected residents, property, and business owners to inform them of the nature and purpose of the work, potential impacts, work schedule and City contact for additional information. In addition, staff will separately contact any large employers and schools that may be affected by the project and coordinate work to minimize impact.

NEXT STEPS

The following schedule has been developed for this project:

Award Construction Contract	July 5, 2022
Notice to Proceed	August 2022
Construction Completion	September 2023

Prepared by: Sammy Lo, Senior Civil Engineer

Reviewed by: Tay Nguyen, Senior Utilities Engineer

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager