



**DATE:** July 5, 2022

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** Adopt a Resolution Approving Addendum No. 1 and Awarding a Contract to GSW Construction, Inc., for the Willimet Way & I-880 Sanitary Sewer Main Installation Project, Project No. 07717, in an Amount of \$770,218 with the Addition of \$85,000 in Administrative Change Orders and Appropriating Additional Funds in an Amount of \$543,675

## **RECOMMENDATION**

That Council adopts a resolution (Attachment II):

1. Approving Addendum No. 1, providing minor revisions to the project specifications; and awarding the construction contract to GSW Construction, Inc., (GSW) for the Willimet Way & I-880 Sanitary Sewer Main Installation Project, Project No. 07717, in an amount of \$770,218 with the addition of \$85,000 in administrative change orders; and
2. Appropriating additional funds in the amount of \$543,675 from Sewer System Improvement Fund (Fund 612).

## **SUMMARY**

The Utilities Division of the Public Works & Utilities Department replaces the City's undersized or structurally damaged sewer mains through capital improvement projects. These projects reduce the risk of potential sanitary sewer overflows, which can cause untreated wastewater to flow into public waterways. This project will install approximately 165 linear feet of 12-inch sanitary sewer main at a new location to increase pipeline capacity and replace a damaged sewer main between Willimet Way and the Highway 92W/Interstate 880N on-ramp within California Department of Transportation's (Caltrans) right-of-way (Attachment III). The project also includes installation of approximately 200 linear feet of new 8-inch sanitary sewer pipe and manholes and reversing the flow to drain to the new pipe location in Willimet Way.

On June 1, 2022, two (2) bids were received. The low bid was \$770,218 which is \$69,782, or approximately 8% below the Engineer's estimate of \$840,000. Staff is requesting Council's approval of Addendum No. 1, which provided minor revisions to clarify the specifications, and awarding the contract to the lowest bidder, GSW, in the amount not-to-exceed \$855,218, including Administrative Change Orders. Furthermore, staff is requesting appropriation of additional funds in the amount of \$543,675 from the Sewer System Improvement Fund (Fund 612).

This project is categorically exempt from environmental review under Section 15301(c) of the California Environmental Quality Act (CEQA) Guidelines for the operation, repair, maintenance, or minor alteration of existing facilities. Additionally, the Community Workforce Agreement (CWA) requirements do not apply to this project since the project construction cost is less than \$1,000,000.

## **BACKGROUND**

The existing sanitary sewer main located between two residential properties from Willimet Way to the Highway 92W/Interstate 880N on-ramp was selected for improvement based on staff analysis of the video inspection results. The video recording indicates an offset at a pipe joint causing a significant reduction in the pipeline's design capacity and a risk of sewer overflow on Willimet Way. In addition, the existing defective 8-inch sanitary sewer main goes through a stormwater inlet, which puts the stormwater system at risk of contamination. Due to the location of the offset and a casing around the sewer pipe in Caltrans' right-of-way, repair on the existing sewer main is not recommended. Therefore, a new 12-inch sanitary sewer main is proposed to be installed at a new location between two residential properties.

Field investigations with precise survey work showed that the spacing is approximately 14 inches between the piles in a favorable location for the proposed 12-inch sewer pipe within the City's easement and connection to the existing sewer manhole on the side of the highway on-ramp. Staff obtained approval and an encroachment permit from Caltrans for the proposed design of the new sewer pipe.

As shown in Attachment III, approximately 165 linear feet of new 12-inch polyvinyl chloride pipe will be installed in the City's sewer easement in residential properties and Caltrans' right-of-way between Willimet Way and the Highway 92W/Interstate 880N on-ramp.

Of the 165 linear feet of new sanitary sewer pipe, approximately 125 linear feet of sewer main will be installed by a trenchless pipe technique using pilot tube guided auger boring (PTGAB) to cross under obstructions that prohibit open-cut installation. The remaining 40 linear feet at the highway on-ramp will be installed by traditional open-cut method. In addition, approximately 200 linear feet of new 8-inch sanitary sewer pipe and manholes will be installed and the sewer flows will be reversed to drain to the new pipe location in Willimet Way.

## **DISCUSSION**

On May 3, 2022<sup>1</sup>, Council approved the plans and specifications for the project and called for bids to be received on May 24, 2022. Addendum No. 1 postponed the bid opening to June 1, 2022, to provide prospective bidders with more time to carefully review the bid documents and the project's design constraints.

On June 1, 2022, the City received two (2) bids for the project, one for \$770,218 and another for \$1,045,400. GSW submitted the low bid in the amount of \$770,218, which is

---

<sup>1</sup><https://hayward.legistar.com/LegislationDetail.aspx?ID=5636899&GUID=AF56B4C0-A037-4305-B53C-4AF7634D0512&Options=&Search=>

approximately 8% below the Engineer’s estimate of \$840,000. The average of the two (2) bids received was \$907,809, which is approximately 8% above the Engineer’s estimate. An additional \$85,000 (or 11% of the contract amount) is included for administrative change orders in the event additional funds are needed for unforeseen conditions and changes during construction.

**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 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.

**FISCAL IMPACT**

The estimated costs for the Willimet Way and I-880 Sanitary Sewer Main Installation Project are as follows:

Construction Contract	\$770,218
Administrative Change Orders (Contingency)	85,000
Professional Engineering Services – Consultant	\$154,300
Inspection & Testing & Permitting	\$40,000
Construction Administration – City Staff	<u>\$40,000</u>
Total	\$1,089,518

Appropriation of Additional Funds

In 2020, the City entered in a Professional Services Agreement with RSC Engineering, Inc., (RSC), of which \$154,300 is for sewer design services and technical support during construction. To date, approximately \$56,550 of RSC’s contract remains. The adopted FY22 Capital Improvement Program includes \$604,994 for the Willimet Way and I-880 Sanitary Sewer Main Installation Project, Project No. 07717, in the Sewer System Improvement Fund (Fund 612).

As of June 2022, \$391,544 remains available for construction, inspection, and administration. As shown above, the current total estimated cost to construct the project exceeds the available funds. 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 from 50% below or above the actual cost. Furthermore, due to the recent COVID-19 pandemic related global supply chain disruptions and constraints encountered during design and field investigations, the current estimated project cost is approximately 80% higher than anticipated. Staff requests that Council appropriate additional funds in the amount of \$543,675 from the fund balance of

Sewer System Improvement Fund (Fund 612) to fully fund the project. Adequate fund balance is available to cover the necessary appropriations.

### **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**

Staff has been in contact with the three property owners on Willimet Way that would be directly affected by the project. During construction, notices will be provided to other affected residents and property owners to inform them of the nature and purpose of the work, potential impacts, work schedule and City contact for additional information.

### **NEXT STEPS**

The following schedule has been developed for this project:

Award of Construction Contract	July 5, 2022
Notice to Proceed	August 2022
Construction Completion	December 2022

*Prepared by:* Saeed Saebi, Associate Civil Engineer

*Reviewed by:* Tay Nguyen, Senior Utilities Engineer

*Recommended by:* Alex Ameri, Director of Public Works

Approved by:



---

Kelly McAdoo, City Manager