



**DATE:** May 19, 2020

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** Adopt a Resolution Approving Addendum No. 1 and Awarding a Contract to Westland Contractors, Inc. for the Sewer Line Replacement Project, Project No. 07694, in an Amount Not-to-Exceed \$1,874,500.

## **RECOMMENDATION**

That Council adopts a resolution (Attachment II) approving Addendum No. 1 and awarding a contract to Westland Contractors, Inc. for the Sewer Line Replacement Project, Project No. 07694, in an Amount Not-to-Exceed \$1,874,500.

## **SUMMARY**

The Utilities Division of the Department of Public Works replaces the City's undersized or structurally damaged sewer mains through annual Capital Improvement Projects (CIP). This project will replace approximately 4,300 linear feet of 6-inch to 10-inch vitrified clay pipe (VCP) with 8-inch and 10-inch polyvinyl chloride (PVC) by the traditional open-cut method. In addition, approximately 660 linear feet of 12-inch asbestos cement pipe (ACP) will be rehabilitated by a cured-in-place pipeline technology. On May 5, 2020, ten (10) bids were received. The low bid was \$1,630,000, which is \$522,000 below the Engineer's estimate of \$2,152,000. Staff is requesting Council's approval of Addendum No. 1, which provided minor visual, revisions to clarify the plans, and awarding the contract to the lowest bidder, Westland Contractors, Inc., in the amount not-to-exceed \$1,874,500, including Administrative Change Orders.

## **BACKGROUND**

The City's current CIP includes funding to replace the City's undersized and/or structurally damaged sewer mains through annual sewer line replacement projects. The City's sanitary sewer collection system was mostly constructed after World War II. Among its 325 miles of sewer pipelines, approximately 9% of the sewer mains are four or six inches in diameter. As the City grew over subsequent decades, sewer flows have increased and as a result, a majority of these small size sewer mains are now undersized. Industry experience has shown that these small diameter pipes are more likely to cause overflows and blockages in the system than 8-inch pipes. Therefore, the City has adopted a standard minimum sanitary sewer main size of eight inches.

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. As the camera moves forward, it sends back video to a TV monitor which enables the staff to inspect the condition of the pipe. These inspections are used to identify structurally damaged sewer mains for repair or replacement. The sewer mains selected for this project were identified as having structural defects or being undersized.

Approximately 4,300 linear feet of existing pipe will be replaced with 8-inch and 10-inch polyvinyl chloride (PVC) pipe by the traditional open-cut method. Traditional open-cut sewer repair involves excavating a trench of approximately two to four feet in width and to the depth of the damaged or undersized pipe. Once the sewer main is exposed, the damaged or undersized section is removed and replaced with new PVC pipe. At the same time, a portion of the existing sewer laterals that connect to the sewer are replaced and services are restored. When the repair is complete, the opened trench is backfilled, compacted, and paved to match the original pavement section. The locations of open-cut replacement are on E Street, 1st Street, Armstrong Street, Main Street, Vallejo Street, Sunset Boulevard, and Fletcher Lane.

The remaining 660 linear feet will be rehabilitated by a trenchless pipe replacement technique known as cured-in-place pipe (CIPP). CIPP involves inserting a resin-impregnated flexible tube into the pipe, inflating, and curing with hot water or steam forming a structurally sound, water-tight new pipe within a pipe that has all the structural properties of a stand-alone pipe.

This project also includes installation of new manholes in areas where there is a distance greater than 350 feet between manholes to facilitate future maintenance, as Hydro cleaning and CCTV equipment operate best within a range of 350 feet.

## **DISCUSSION**

On July 16, 2019, Council approved the plans and specifications for the project and called for bids to be received on August 20, 2019. Shortly after approval to advertise for bids, staff discovered that a portion of one of the pipelines originally included in the project was in private property. In addition, another pipeline was identified by CCTV video to have a severely eroded base with a portion of the pipeline potentially at risk for imminent collapse. Staff dropped the pipeline in the private easement and added the severely eroded pipeline to the project resulting in a delay in advertising and opening bids. Subsequently, staff decided to delay the project to advertise and bid in early 2020 to allow the City to take advantage of a traditionally more competitive bidding climate and spring/summer construction period. This also provided the opportunity to allow construction to proceed on E Street in front of Bret Harte Middle School during summer break, resulting in less disruption to the school caused by construction activities. Subsequently, the bid date was postponed to March 3, 2020.

On March 3, 2020, the City received four (4) bids for the project, ranging from \$1,747,520 to \$2,038,000. Andes Construction, Inc., submitted the low bid in the amount of \$1,747,520, which is approximately 19% below the Engineer's estimate of \$2,152,000.

On March 6, 2020, the City was informed by the second to lowest bidder that the low bidder did not list the Department of Industrial Relations (DIR) registration numbers for the listed subcontractors on the bid form. Upon review of Public Contract Code 4104, the City must require that bidders include public works contractor registration numbers with the bid. Because the City's bidding instructions did not explicitly require that DIR registration numbers be listed on the bid form, two of the four contractors did not include the registration numbers for their subcontractors, including the low bidder.

On March 17, 2020, Council approved staff's request to reject all bids, approved the updated plans and specifications incorporating revised bidding requirements and items from the Addendum issued in the previous bidding period, and authorized calling for bids to be received on April 7, 2020. The bid opening was then rescheduled to May 5, 2020 due to the unprecedented COVID-19 pandemic.

The City received ten (10) bids for the project, ranging from \$1,630,000 to \$2,291,213. Westland Contractors, Inc. submitted the low bid in the amount of \$1,630,000, which is approximately 24% below the Engineer's estimate of \$2,152,000. An additional \$244,500 (or 15% of the contract amount) is included for administrative change orders in the event additional funds are needed for unforeseen conditions and changes during construction. Several of the pipe segments are in challenging areas, including arterial roadways and in close proximity to other utilities. Given the complexity and unforeseen nature of underground sewer improvements, the administrative change order budget will also cover contingencies to address uncertain field conditions and add more pipe segments to the project scope, as necessary. Therefore, the contract limit requested is \$1,874,500 including administrative change orders.

## **ECONOMIC IMPACT**

Construction of this project would be subject to the requirements of the Community Workforce Agreement, which provides potential local economic benefits, such as the hiring of Hayward residents.

## **FISCAL IMPACT**

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

Construction Contract	\$1,630,000
Administrative Construction Contingency (ACO)	\$244,500
CIPP Specialty Consultant	\$11,000
Construction Administration	\$20,000
Permit Fees, Inspection & Testing	<u>\$50,000</u>
Total	\$1,955,500

The adopted FY2020 CIP includes \$2,620,000 for the Sewer Line Replacement Project, Project No. 07694.

## **STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority of Improve Infrastructure. Specifically, this item relates to the implementation of the following project:

Project 15: 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.

The use of CIPP method of sewer main rehabilitation reduces the disturbance to the ground, does not require demolition and repair of existing asphalt concrete surfaces, and does not require removal and replacement of soils in the pipe trench resulting in reduced air emissions and less waste that must be hauled to a landfill. In addition, the CIPP process allows an existing asbestos cement pipeline to stay in place thereby not generating potentially hazardous waste that must be disposed of at a Class 2 landfill.

## **PUBLIC CONTACT**

This project is statutorily exempt from environmental review under the California Environmental Quality Act (CEQA) Section 15282(k), which allows for the repair and restoration of an existing subsurface pipeline, provided the project does not exceed one mile in length.

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.

## **NEXT STEPS**

The following schedule has been developed for this project:

Award of Construction Contract	May 19, 2020
Notice to Proceed	June 12, 2020
Construction Completion	December 2020

While this a “shovel ready” project and can potentially benefit from any federal or state stimulate funding, it is important for the project to remain on schedule so that the work can be substantially completed during the dry season.

*Prepared by:* Mariza Sibal, Assistant Civil Engineer  
Suzan England, Senior Utilities Engineer

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

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

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Kelly McAdoo, City Manager