



DATE: May 19, 2026

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT Adopt a Resolution Awarding a Contract to Andes Construction, Inc., for the Hesperian Sewer Rehabilitation Project, Project No. 07832, in the Amount of \$720,000 and Authorizing an Administrative Change Order Budget of \$72,000

RECOMMENDATION

That the City Council adopts the attached resolution (Attachment II) awarding the construction contract to Andes Construction, Inc. (Andes), for the Hesperian Sewer Rehabilitation Project, Project No. 07832, in the amount of \$720,000 and authorizing an administrative change order budget of \$72,000 for a total not-to-exceed contract amount of \$792,000.

SUMMARY

The Utilities Division of the Public Works & Utilities Department is responsible for maintaining approximately 325 miles of sewer mains within the City's sanitary sewer system. As part of this effort, this project will rehabilitate approximately 700 linear feet of 33-inch reinforced concrete pipe (RCP) sewer main on Hesperian Boulevard using the trenchless cured-in-place pipe (CIPP) method to address structural deficiencies and extend the service life of the sewer.

On April 21, 2026, three (3) bids were received on BidNet Direct for the Hesperian Sewer Rehabilitation Project ranging from \$720,000 to \$1,115,300. Andes submitted the low bid of \$720,000, which is approximately 20% below the Engineer's Estimate of \$905,000. Staff have reviewed the bids, and have determined the low bidder, Andes, to be responsive and qualified to perform this work. Staff recommend awarding the construction contract to the lowest responsive and responsible bidder, Andes, in an amount not-to-exceed \$792,000, including potential Administrative Change Orders.

This project is categorically exempt from environmental review from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, Section 15301, Class 1 – Existing Facilities.

FISCAL IMPACT

There will be no impact on the General Fund or Measure C.

The total estimated costs for the Hesperian Sewer Rehabilitation Project are as follows:

Project Tasks	Cost
Construction Contract	
CIPP, local repair, cleaning, bypass, traffic control, CCTV	\$720,000
Administrative Change Order (10%)	\$72,000
Staff Time for In-House Services	
(design, construction management, inspection)	<u>\$ 56,000</u>
	Total
	\$848,000

Funding for this work will come from the Hesperian Sewer Rehabilitation CIP project (Project No. 07832), which is part of the Sewer Replacement Fund (Fund 611). Adequate funding is available in the Sewer System funds for Fiscal Year 2026.

BACKGROUND

The 33-inch RCP sewer main located in the southbound lanes of Hesperian Boulevard was installed in 1952 and has been in continuous service for over 70 years. In June 2025, closed-circuit television (CCTV) inspection was conducted on a 700-foot length of the sewer main on Hesperian Boulevard between West A Street and Sueirro Street (spanning manholes 9368-09, 9368-10, and 9368-12). A void in the RCP sidewall, approximately 6 feet long, was observed just south of SSMH 9368-09, located in the crosswalk at the southwest corner of Hesperian Boulevard and West A Street. The CCTV also showed various levels of pipe degradation along the sewer line, with the worst conditions just downstream from SSMH 9368-09. Due to the age and condition of the pipe, rehabilitation of the pipe should be performed with local repairs at the void section.

The Hesperian Sewer Rehabilitation project includes 700 linear feet of CIPP lining and approximately 10 feet of sewer replacement by open cut excavation. Both the CIPP installation and localized pipe replacement require full bypass pumping of sewer flows during the construction. Work will also include pre- and post-construction CCTV inspections, traffic control, and surface improvement restoration.

The CIPP method is a trenchless rehabilitation technique that involves inserting a resin-saturated liner into the existing pipe and curing it in place using steam, hot water, or ultraviolet (UV) light, forming a new jointless structural liner within the host pipe.

DISCUSSION

On March 24, 2026¹, Council approved the plans and specifications for the project and authorized the call for bids.

On April 21, 2026, three (3) bids were received on BidNet Direct for the Hesperian Sewer Rehabilitation Project ranging from \$720,000 to \$1,115,300. Andes submitted the lowest bid in the amount of \$720,000, which is approximately 20% below the Engineer's Estimate of \$905,000. The average of the three (3) bids received was \$935,313 which is approximately 3% above the Engineer's estimate. An additional \$72,000 (or 10% of the contract amount) is included for potential administrative construction contingency in the event additional funds are needed for unforeseen conditions and changes during construction.

ECONOMIC IMPACT

Proactive maintenance and repair of aging utilities infrastructure is essential to maintain service, protect public health, and avoid costly emergency repairs. Rehabilitating the 700-foot-long segment of 33-inch RCP sewer main on Hesperian Boulevard with trenchless CIPP technology addresses structural deficiencies before they escalate, reducing the risk of service interruptions, sinkholes, and damage to surrounding infrastructure. This approach represents a cost-effective investment in the long-term reliability and safety of the sewer system.

STRATEGIC ROADMAP

This agenda item supports the various goals of City Council's Strategic Roadmap. The Hesperian Sewer Rehabilitation project will increase the reliability of the City's sewer collection system, while supporting the goals of City Council. Specifically, this item relates to the implementation of the following strategic objectives:

Invest in Infrastructure

- *Invest in Water Supplies, Sanitation Infrastructure & Storm Sewers*
N20 – Replace an average of 2.5 miles of sewer pipelines annually

SUSTAINABILITY FEATURES

All project work is related to operations and maintenance of existing sewer infrastructure; therefore, no sustainability features are included.

PUBLIC CONTACT

The public will be informed about this project through standard City notification procedures, including coordination with nearby residents, businesses, and other stakeholders along Hesperian Boulevard. Notifications will provide details on the construction schedule, traffic

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=7956763&GUID=208385C1-2BD0-4A76-8256-129C628DF768&Options=&Search=>

control measures, and any temporary construction-related impacts. Access to adjacent businesses and properties will be maintained throughout construction and the project will not result in any disruption of sewer service to community residents or businesses.

NEXT STEPS

The following schedule has been developed for this project.

Award Construction Contract	May 19, 2026
Notice to Proceed	June 2026
Construction Completion	September 2026

Prepared by: Steven Wolfe, Associate Civil Engineer

Reviewed by: Zaheer Shaikh, Utilities Engineering Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Jennifer Ott, City Manager