

SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE

CHUCK REED, CHAIR
BOB LIVENGOOD, VICE-CHAIR
KEVIN MOORE, MEMBER
PATRICIA MAHAN, MEMBER
MADISON NGUYEN, MEMBER

KEN YEAGER, MEMBER
JOHN GATTO, MEMBER
ED SHIKADA, MEMBER
NORA CAMPOS, MEMBER

AGENDA

4:30 p.m.

August 12, 2010

Room T-1047

1. ROLL CALL

2. MINUTES

A. June 10, 2010

3. UNFINISHED BUSINESS

4. CORRESPONDENCE

5. REPORTS

A. Open Purchase Orders Greater Than \$100,000
The attached monthly Procurement and Contract Activity Report summarizes the purchase and contracting of goods with an estimated value between \$100,000 and \$1 million and of services between \$100,000 and \$250,000.

6. AGREEMENTS

A. Action Item – TPAC Recommendation for Approval: Contract for SJ-21 Recycled Water San Jose Schools Extension Phase A

The following action item is scheduled to be considered by the San Jose City Council on August 17, 2010:

1. Report on bids and award of contract for the SJ-21 Recycled Water San Jose Schools Extension – Phase A project to the low bidder, Pacific Underground Construction, Inc., in the amount of \$254,560; and approval of a budget contingency of 15% of the contract amount (\$38,000)

B. Action Item – TPAC Recommendation for Approval: Contract for SJ-20 Recycled Water San Jose Lateral and Garden Extensions Phase A

The following action item is scheduled to be considered by the San Jose City Council on August 17, 2010:

1. Report on bids and award of contract for the SJ-20 Recycled Water San Jose Lateral and Garden Extensions– Phase A project to the low bidder, Pacific Underground Construction, Inc., in the amount of \$137,825; and approval of a budget contingency of 15% of the contract amount (\$21,000).

C. Action Item – TPAC Recommendation for Approval: Change order No. 38 “San Jose/Santa Clara Water Pollution Control Plant”

The following action item is scheduled to be considered by the San Jose City Council on August 17, 2010:

1. Approval of a change order No. 38 for the “San José/Santa Clara Water Pollution Control Plant, Fiscal Year 2007-2008 Capital Improvement Program, Alternative Disinfection Project,” to extend the project completion date by 109 working days to allow for completion of additional work in the amount of \$41,660. This change order is funded by the existing contingency for this project, approved by the City Council on May 13, 2008.

7. **STATUS OF ITEMS PREVIOUSLY RECOMMENDED FOR APPROVAL BY TPAC**

A. **The following action items were approved by the San Jose City Council on June 15, 2010:**

1. Report on bids and award of contract for the Switchgear M1, M2 & M3 Replacement Design-Build Project to the low bidder, Rosendin Electric, in the amount of \$8,386,978; and approval of a contingency of 15% of the contract amount, in the amount of \$1,258,047.
2. Report on bids and award of contract for the Motor Control Center Phase II Replacement Project to the lowest responsive and responsible bidder, Blocka Construction, in the amount of \$1,020,000; and approval of a budget contingency of 15% contract amount (\$153,000).
3. Adopt a resolution authorizing the City Manager to negotiate and execute a Grant Agreement with the U.S. Bureau of Reclamation (Reclamation) to receive up to \$260,000 upon execution of the agreement, and up to an additional \$20.44 million subject to appropriation of federal funds, in reimbursement for up to twenty-five percent (25%) of eligible costs incurred in the Phase 1B expansion of the South Bay Water Recycling facilities.

4. Adopt a resolution setting the wholesale discount for recycled water used for industrial and agricultural purposes at \$325 per acre foot compared to Santa Clara Valley Water District rate for untreated water, effectively increasing the rate for industrial and agricultural recycled water effective July 1, 2010 from \$175 per acre-foot to \$195 per acre foot.
5. Report on bids and award the painting and rehabilitation of five secondary clarifier tanks at the Water Pollution Control Plant (WPCP) to low bidder Jeffco Painting and Coating, Inc, (Vallejo, CA) for a total amount not to exceed \$642,000, and authorize the Director of Finance to:
 - a. Execute the service order for \$642,000.
 - b. Approve a contingency in the amount of \$50,000 for any unforeseen changes or requirements that may arise prior to the completion of services.

B. The following action was deferred by the San Jose City Council on May 18, 2010 and was approved by the San Jose City Council on June 15, 2010:

This Item was deferred from May 13, 2010 TPAC and recommended for approval by TPAC on June 10, 2010.

Adopt a resolution authorizing the City Manager to negotiate and execute first amendments to the master agreements with:

- (a) Carollo Engineers for various capital improvements projects at the San Jose/Santa Clara Water Pollution Control Plant increasing the maximum compensation by \$3,000,000 for a total agreement amount not to exceed \$4,000,000 and decreasing the hourly rates by five percent;
- (b) CH2M Hill for various capital improvement projects as the San Jose/Santa Clara Water Pollution Control Plant increasing the maximum compensation by \$3,000,000, for a total agreement amount not to exceed \$4,000,000 and decreasing the hourly rates by five percent; and
- (c) Black & Veatch for various capital improvement projects at the San Jose/Santa Clara Water Pollution Control Plant increasing the maximum compensation by \$3,000,000, for a total agreement amount not to exceed \$4,000,000 and decreasing the hourly rates by four percent.

C. The following action items were approved by the San Jose City Council on June 22, 2010:

1. Adopt a resolution authorizing the City Manager to negotiate and execute a First Amendment to the Wholesaler-Retailer Agreement for Supply of Recycled Water between the City of San Jose and San Jose Water Company (SJWC): to permit SJWC to connect approximately 16 miles of pipeline recycled water pipeline, to be built, owned, operated and maintained by SJWC in north and central San Jose, to the South Bay Water Recycling (SBWR) system; to permit SJWC to own, operate maintain and connect such other recycled water pipeline within SJWC's service area as may be approved by the City and SJWC in the future; and

to allocate additional responsibility and liability to SJWC related to recycled water operations within SJWC's service area.

2. Adopt a resolution authorizing the Director of Finance to:
 - a. Negotiate and execute the Fifth Amendment (Amendment) to the Environmental Enforcement Data Management System (EEDMS) Agreement with enfoTech & Consulting, Inc. to extend the term of the agreement by eighteen months from July 31, 2010 to January 31, 2012 and increase the compensation by \$318,199 for a revised not to exceed amount of \$1,381,598 in order to upgrade the existing EEDMS to a web based system and to add additional features and functionality.
 - b. Exercise five additional one-year options to extend the Agreement for ongoing software maintenance and support at a fixed cost of \$49,500 per year subject to the appropriation of funds.
 - c. Execute change orders not-to-exceed a contingency amount of \$72,750 to cover any unanticipated changes to the system upgrade and maintenance and support.

8. **MISCELLANEOUS**

- A. The next TPAC meeting will be Thursday, September 9, 2010, at 4:30 p.m. City Hall, Environmental Services, 10th Floor, Room 1047.

9. **OPEN FORUM**

10. **ADJOURNMENT**

NOTE: If you have any changes or questions, please contact Monica Perras, Environmental Services, 408-975-2515.

To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please call Monica Perras at (408) 975-2515 or (408) 294-9337 (TTY) as soon as possible, but at least three business days before the meeting/event.

Availability of Public Records. All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at San Jose City Hall, 200 East Santa Clara Street, 10th Floor, Environmental Services at the same time that the public records are distributed or made available to the legislative body.

DRAFT
MINUTES OF THE
SAN JOSÉ/SANTA CLARA
TREATMENT PLANT ADVISORY COMMITTEE
City Hall, Environmental Services, 10th Floor, Room 1047
Thursday, June 10, 2010 at 4:30 p.m.

1. ROLL CALL

Minutes of the Treatment Plant Advisory Committee convened this date at 4:30 p.m. Roll call was then taken, with the following members in attendance:

Committee members: Chuck Reed, Kevin Moore, Patricia Mahan, Madison Nguyen, Ken Yeager, Bob Livengood.

Staff present: Monica Perras, Dale Ihrke, John Stufflebean, Bhavani Yerrapotu, Harry Freitas, Eric Hansen, Mark Giovannetti, Melody Tovar, Kirsten Struve.

Others present: Kathleen Phalen, Howard Salamance (City of Milpitas), Robert Reid (West Valley Sanitation District), Alan Kurotori (City of Santa Clara), Mary Hoang (HydroScience Engineers), George Belhumeur (San Jose Water Company), David Wall (San José City Resident).

2. APPROVAL OF MINUTES

A. Minutes of May 13, 2010.

Item 2.A was approved unanimously.

3. UNFINISHED BUSINESS

4. CORRESPONDENCE

5. REPORTS

A. Open Purchase Orders Greater Than \$100,000
The attached monthly Procurement and Contract Activity Report summarizes the purchase and contracting of goods with an estimated value between \$100,000 and \$1 million and of services between \$100,000 and \$250,000.

Item 5.A was unanimously accepted.

6. **AGREEMENTS**

A. Technical Committee Recommendation (Handout)

TAC Item 6.A was approved unanimously. Dale Ihrke reported that the TAC members requested that the Technical Committee Recommendation Handout be discontinued as the TAC meets routinely and there is no value to this handout any longer. If a member has a problem with an issue they will prepare a letter regarding that issue on the agenda.

Item 6.A was approved unanimously.

B. Action Item – TPAC Recommendation for Approval: Switchgear M1, M2 & M3

The following action items were approved by the San Jose City Council on June 15, 2010:

1. Report on bids and award of contract for the Switchgear M1, M2 & M3 Replacement Design-Build Project to the low bidder, Rosendin Electric, in the amount of \$8,386,978; and approval of a contingency of 15% of the contract amount, in the amount of \$1,258,047.

Item 6.B was approved unanimously.

C. Action Item – TPAC Recommendation for Approval: Motor Control Center

The following action items were approved by the San Jose City Council on June 15, 2010:

1. Report on bids and award of contract for the Motor Control Center Phase II Replacement Project to the lowest responsive and responsible bidder, Blocka Construction, in the amount of \$1,020,000; and approval of a budget contingency of 15% contract amount (\$153,000).

Harry Freitas reported there was a protest regarding Item 6.C.1 and Public Works is preparing a letter of rejection due to a technical error on material addenda.

Item 6.C.1 was heard separately, and approved unanimously.

D. Action Item – TPAC Recommendation for Approval: U.S. Bureau of Reclamation

The following action items were approved by the San Jose City Council on June 15, 2010:

1. Adopt a resolution authorizing the City Manager to negotiate and execute a Grant Agreement with the U.S. Bureau of Reclamation (Reclamation) to receive up to \$260,000 upon execution of the agreement, and up to an additional \$20.44 million subject to appropriation of federal funds, in reimbursement for up to twenty-five percent (25%) of eligible costs incurred in the Phase 1B expansion of the South Bay Water Recycling facilities.

Item 6.D.1 was approved unanimously.

E. Action Item – TPAC Recommendation for Approval: Recycled Water Use

The following action items were approved by the San Jose City Council on June 15, 2010:

1. Adopt a resolution setting the wholesale discount for recycled water used for industrial and agricultural purposes at \$325 per acre foot compared to Santa Clara Valley Water District rate for untreated water, effectively increasing the rate for industrial and agricultural recycled water effective July 1, 2010 from \$175 per acre-foot to \$195 per acre foot.

Item 6.E.1 was approved unanimously.

F. Action Item – TPAC Recommendation for Approval: Clarifier Tanks

The following action items were approved by the San Jose City Council on June 15, 2010:

- bidder
to
- Report on bids and award the painting and rehabilitation of five secondary clarifier tanks at the Water Pollution Control Plant (WPCP) to low Jeffco Painting and Coating, Inc, (Vallejo, CA) for a total amount not exceed \$642,000, and authorize the Director of Finance to:
1. Execute the service order for \$642,000.
 2. Approve a contingency in the amount of \$50,000 for any unforeseen changes or requirements that may arise prior to the completion of services.

Items 6.F.1&2 were approved unanimously.

G. Action Item – TPAC Recommendation for Approval: Carollo Engineers, CH2MHill and Black & Veatch

The following action items were approved by the San Jose City Council on June 15, 2010:

Adopt a resolution authorizing the City Manager to negotiate and execute first amendments to the master agreements with:

- (a) Carollo Engineers for various capital improvements projects at the San Jose/Santa Clara Water Pollution Control Plant increasing the maximum compensation by \$3,000,000 for a total agreement amount not to exceed \$4,000,000 and decreasing the hourly rates by five percent;
- (b) CH2M Hill for various capital improvement projects at the San Jose/Santa Clara Water Pollution Control Plant increasing the maximum compensation by \$3,000,000, for a total agreement amount not to exceed \$4,000,000 and decreasing the hourly rates by five percent; and
- (c) Black & Veatch for various capital improvement projects at the San Jose/Santa Clara Water Pollution Control Plant increasing the maximum compensation by \$3,000,000, for a total agreement amount not to exceed \$4,000,000 and decreasing the hourly rates by four percent.

Items 6.G.a-c were approved unanimously.

H Action Item – TPAC Recommendation for Approval: First Amendment to Agreement with San Jose Water Company for Recycled Water

The following action item was approved by the San Jose City Council on June 22, 2010:

- 1. Adopt a resolution authorizing the City Manager to negotiate and execute a First Amendment to the Wholesaler-Retailer Agreement for Supply of Recycled Water between the City of San Jose and San Jose Water Company (SJWC): to permit SJWC to connect approximately 16 miles of pipeline recycled water pipeline, to be built, owned, operated and maintained by SJWC in north and central San Jose, to the South Bay Water Recycling (SBWR) system; to permit SJWC to own, operate maintain and connect such other recycled water pipeline within SJWC's service area as may be approved by the City and SJWC in the future; and to allocate additional responsibility and liability to SJWC related to recycled water operations within SJWC's service area.

Item 6.H.1 was approved unanimously.

- I. Action Item – TPAC Recommendation for Approval: Fifth Amendment to Agreement with enfo Tech & Consulting, Inc. for Data Management System Services

The following action item was approved by the San Jose City Council on June 22, 2010:

Memo was handed out at TPAC meeting June 10, 2010.

Adopt a resolution authorizing the Director of Finance to:

1. Negotiate and execute the Fifth Amendment (Amendment) to the Environmental Enforcement Data Management System (EEDMS) Agreement with enfoTech & Consulting, Inc. to extend the term of the agreement by eighteen months from July 31, 2010 to January 31, 2012 and increase the compensation by \$318,199 for a revised not to exceed amount of \$1,381,598 in order to upgrade the existing EEDMS to a web based system and to add additional features and functionality.
2. Exercise five additional one-year options to extend the Agreement for ongoing software maintenance and support at a fixed cost of \$49,500 per year subject to the appropriation of funds.
3. Execute change orders not-to-exceed a contingency amount of \$72,750 to cover any unanticipated changes to the system upgrade and maintenance and support.

Items 6.I. 1-3 were approved unanimously.

7. **STATUS OF ITEMS PREVIOUSLY APPROVED BY TPAC**

The following items were approved by the San Jose City Council on May 18, 2010.

1. SJ-19 Recycled Water
 - (a) Reject all bids for the SJ-19 Recycled Water Airport Main Extension project.
 - (b) Accept the report on re-bid of the project and award of contract for SJ-19 Recycled Water Airport Main Extension project to the low bidder, Bay Pacific Pipelines, Inc., for the term of May 2010 to August 2010, in an amount not to exceed \$473,000, and approve a project contingency in the amount of \$75,000.
2. Carollo Engineers, CH2M Hill and Black & Veatch

Adopt a resolution authorizing the City Manager to negotiate and execute first amendments to the master agreements with:

 - (a) Carollo Engineers for various capital improvements projects at the San Jose/Santa Clara Water Pollution Control Plant increasing the maximum compensation by \$3,000,000 for a total agreement amount not to exceed \$4,000,000 and decreasing the hourly rates by five percent;

- (b) CH2M Hill for various capital improvement projects as the San Jose/Santa Clara Water Pollution Control Plant increasing the maximum compensation by \$3,000,000, for a total agreement amount not to exceed \$4,000,000 and decreasing the hourly rates by five percent; and
- (c) Black & Veatch for various capital improvement projects at the San Jose/Santa Clara Water Pollution Control Plant increasing the maximum compensation by \$3,000,000, for a total agreement amount not to exceed \$4,000,000 and decreasing the hourly rates by four percent.

Biomethane Fuel Production

Adopt a resolution authorizing the City Manager to submit two grant proposals to the California Energy Commission, Alternative and Renewable Fuel and Vehicle Technology Program, for up to \$1,000,000 each to conduct pre-development planning for:

- (a) A Biomethane transportation fuel production facility on Water Pollution Control Plant lands, subject to the concurrence of the Treatment Plant Advisory Committee; and
- (b) An Alternative fuel vehicle manufacturing facility in San Jose.

Items 7.1&2 were approved unanimously.

8. MISCELLANEOUS

- A. The next TPAC was announced for July 8, 2010 at 4:30 p.m. City Hall, Environmental Services, 10th Floor, Room 1047.

9. PUBLIC COMMENT

- A. David Wall submitted a speaker card supporting an audit of Fund 513.

10. ADJOURNMENT

- A. The Treatment Plant Advisory Committee adjourned at 4:40 p.m.

Chuck Reed, Chair
Treatment Plant Advisory Committee

City Manager's Contract Approval Summary
For Procurement and Contract Activity between \$100,000 and \$1 Million for Goods and \$100,000 and \$250,000 for Services

July 1, 2010 - July 31, 2010

Description of Contract Activity ¹	Fiscal Year	Req#/ RFP#	PO#	Vendor/Consultant	Original \$ Amount	Start Date	End Date	Additional \$ Amount	Total \$ Amount
BULK LIQUID CHLORINE	FY10-11	11891	44687	OLIN CORPORATION	\$453,000	7/1/10	6/30/11	(\$353,000)	\$100,000
NEW & REPAIRED REPLACEMENT HARDWARE	FY10-11	11897	44519	ABB INC	\$250,000	7/1/10	6/30/11		
FUEL AND PETROLEUM PRODUCTS	FY10-11	11904	44583	COAST OIL CO	\$140,000	7/1/10	6/30/11		
BUILDING MAINTENANCE SUPPLIES	FY10-11	11908	44493	GRAINGER, W W INC	\$250,000	7/1/10	6/30/11		
AQUEOUS AMMONIA, INDUSTRIAL GRADE 19% AQUA AMMONIA	FY10-11	11909	44933	HILL BROS CHEMICAL CO	\$150,000	7/1/10	6/30/11		
BULK SULFUR DIOXIDE- APPROXIMATELY 1500 TONS	FY10-11	11910	44883	TECK AMERICAN INC	\$220,000	7/1/10	6/30/11	(\$180,000)	\$40,000
BADGER METERS & REPLACEMENT PARTS	FY10-11	11915	44733	BADGER METER, INC	\$260,000	7/1/10	6/30/11		
REPAIR LEAKING AND MISSING EXPANSION JOINTS	FY10-11	11967	44494	TUCKER CONSTRUCTION	\$150,000	7/1/10	6/30/11		
ELECTRICAL PARTS/SUPPLIES	FY10-11	11968	45174	GRAYBAR ELECTRIC CO INC	\$180,000	7/1/10	6/30/11		
LIQUID SODIUM HYPOCHLORITE 12.5% AROUND 33,000 GALLONS OF 25% SODIUM BISULFITE	FY10-11	11998	44764	OLIN CORPORATION	\$500,000	7/1/10	6/30/11	\$800,000	\$1,300,000
	FY10-11	11999	44777	BASIC CHEMICAL SOLUTIONS LLC	\$100,000	7/1/10	6/30/11	\$256,000	\$356,000
FUEL AND PETROLEUM PRODUCTS	FY10-11	12054	44584	VALLEY OIL CO	\$150,000	7/1/10	6/30/11		
FUEL AND PETROLEUM PRODUCTS	FY10-11	12057	44585	WESTERN STATES OIL CO	\$275,000	7/1/10	6/30/11		
CYLINDER HEADS RE-BUILD	FY10-11	12873	00000	CAMERON	\$130,000				
TAPPET ASSEMBLY, PARTS	FY10-11	12876	00000	CAMERON	\$146,200	7/1/10			
CAMSHAFT ASSEMBLY, HVA ENTERPRISE, 1A-7800	FY10-11	12877	00000	CAMERON	\$120,000				
PISTON RECONDITIONING	FY10-11	12885	00000	CAMERON	\$100,000				
LED LIGHTING FOR WPC	FY10-11	12951	00000	RUUD LIGHTING	\$105,586				

¹ This report captures in process contract activity (Requisition Number or RFP Number) and completed contract activity (Purchase Order Number, Contract Term, and Contract Amount)



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean
Katy Allen

SUBJECT: SEE BELOW

DATE: 07-20-10

Approved

Date

7/21/10

COUNCIL DISTRICT: 3

SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT TO PACIFIC UNDERGROUND CONSTRUCTION, INC. FOR THE SJ-21 RECYCLED WATER SAN JOSE SCHOOLS EXTENSION – PHASE A PROJECT

RECOMMENDATION

Report on bids and award of contract for the SJ-21 Recycled Water San Jose Schools Extension – Phase A project to the low bidder, Pacific Underground Construction, Inc., in the amount of \$254,560; and approval of a budget contingency of 15% of the contract amount (\$38,000).

OUTCOME

Approval of this contract will allow construction of a pipeline to expand the recycled water system in accordance with the cooperative agreement between the City of San José and the US Bureau of Reclamation (Bureau). Approval of a 15% contingency will provide funding for any unanticipated work necessary for the completion of the project.

BACKGROUND

In March 2009, the Bureau announced a grant program funded by the American Recovery and Reinvestment Act of 2009 (ARRA). The City of San José submitted an application to the Bureau identifying several recycled water projects which would qualify for federal funding under the program. In April 2010, the City Council adopted a resolution authorizing the City Manager to execute an agreement with the Bureau to accept \$6.46 million in ARRA grant funding towards the design and construction of \$14.8 million in South Bay Water Recycling pipeline extensions and related facilities. The SJ-21 Recycled Water San Jose Schools Extension project is one of eight projects defined in the agreement. A cooperative agreement between the City and the Bureau was subsequently executed on April 30, 2010.

Construction of approximately 1,820 feet of recycled water main in East Santa Clara Street will increase the amount of recycled water usage, enhance future reliability expansions of the system, and minimize capital cost. Work is scheduled from September 2010 to November 2010. Some prospective users and customers include the Roosevelt Community Center, a planned carwash facility, and local schools. Prospective customers will need to complete a permitting process in order to be able to connect to the recycled water system.

Pursuant to the cooperative agreement between the City and the Bureau, this project qualifies for funding reimbursement for 44% (\$150,920) of the total project cost.

ANALYSIS

The project was advertised for bid and a total of eleven bids were received and opened on June 10, 2010 with the following results:

<u>Contractor</u>	<u>City</u>	<u>Bid Amount</u>	<u>Variance</u>	
			<u>Over/(Under)</u>	<u>Amount Percent</u>
Engineer's Estimate		\$388,900		
Sanco Pipelines, Inc.	Campbell, CA	\$347,798	(\$41,102)	(11%)
D&D Pipelines, Inc.	San Francisco, CA	\$344,260	(\$44,640)	(11%)
Platinum Pipeline, Inc.	Dublin, CA	\$339,316	(\$49,584)	(13%)
Ranger Pipelines	San Francisco, CA	\$330,000	(\$58,900)	(15%)
Bay Pacific Pipelines	Novato, CA	\$320,500	(\$68,400)	(18%)
Fermin Sierra Construction	Union City, CA	\$314,400	(\$74,500)	(19%)
Preston Pipelines	Milpitas, CA	\$295,038	(\$93,862)	(24%)
Stoloski & Gonzalez, Inc.	Half Moon Bay, CA	\$289,840	(\$99,060)	(25%)
Lewis & Tibbitts, Inc.	San José, CA	\$286,045	(\$102,855)	(26%)
J&M, Inc.	Livermore, CA	\$284,054	(\$104,846)	(27%)
Pacific Underground Construction	San José, CA	\$254,560	(\$134,340)	(35%)

The bid documents submitted by the low bidder, Pacific Underground Construction were evaluated and found to be in order. The low bid submitted by Pacific Underground Construction in the amount of \$254,560 is 35% below the Engineer's Estimate. The median and average bid amounts are 19 percent and 20 percent lower than the Engineer's Estimate, respectively. Considering the current steep competition in the construction industry in the Bay Area, staff considers the bid proposal submitted by Pacific Underground Construction reasonable for the work involved.

Council Policy provides for a standard contingency of 10% on public works projects involving utilities. However, staff recommends a 15% contingency for this project. While staff has made efforts during the design phase to locate all existing underground utilities and structures by reviewing existing record drawings and performing site surveillance, experience on recent

projects has shown that conflicts with existing utilities can occur. Due to the relatively low construction cost, 10% may not adequately cover the cost of unanticipated work. A 15% contingency is expected to provide enough funding to cover for any unanticipated tasks necessary for proper completion of this work.

EVALUATION AND FOLLOW-UP

The project is currently within budget and on schedule with a projected completion date of November 2010. No additional follow up actions with the Council are expected at this time.

POLICY ALTERNATIVES

Alternative # 1: Reject all bids and drop the project

Pros: Capital cost savings

Cons: Recycled water will not be available for use at San José High School, Roosevelt Community Center, and a carwash facility

Reason for not recommending: Low construction costs due to competitive bidding climate and 44% federal reimbursement if constructed

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item does not meet any of the above criteria. To solicit contractors, this project was advertised in the *San José Post Record*, as well as on the Public Works Bid Hotline. This memorandum is posted on the City's website for the August 17, 2010 City Council agenda.

COORDINATION

This project and memorandum have been coordinated with Risk Management, Equality Assurance, the City Attorney's Office, and the City Manager's Budget Office and is scheduled to be heard at the August 12, 2010 Treatment Plant Advisory Committee (TPAC) meeting.

FISCAL/POLICY ALIGNMENT

There are no cost implications to the General Fund as a result of this action. This recommendation meets the general principles of the 2010-2011 Mayor's June Budget Message of providing essential public services while valuing financial sustainability and cost recovery.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: **\$254,560**

2. COST OF PROJECT:

Construction	\$ 254,560
Project Delivery	\$ 50,440
Contingency	\$ 38,000
Total Project Costs	\$ 343,000

Prior Year Expenditures **\$0**

Remaining Project Costs \$343,000

3. SOURCE OF FUNDING: 512 – San José/Santa Clara Treatment Plant Capital Fund
561 – ARRA – SBWR Memo to Fund 512

BUDGET REFERENCE

The table below identifies the funds and appropriations proposed to fund the contract recommended as part of this memo and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. For Contract	2010-2011 Proposed Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
Total Project Costs				\$343,000	\$254,560		
Current Funding Available							
512	6589	Revised SBAP-SBWR Extension	159705	\$9,989,000	\$142,554	V-163	6/29/2010, Ord. No. 28765
512	7161	ARRA-S. Bay Water Recycling Phase 1C	159705	\$5,794,000	\$112,006	N/A	6/29/2010, Ord. No. 28765
Total Current Funding Available				\$15,783,000	\$254,560		

*The 2010-2011 Adopted Capital Budget was approved by City Council on June 29, 2010, and will be published in late summer 2010.

CEQA

CEQA: Resolution No. 64667, PP10-018

/s/
KATY ALLEN
Director, Public Works Department

/s/
JOHN STUFFLEBEAN
Director, Environmental Services

For questions please contact Mansour Nasser, Deputy Director, Environmental Services Department, at (408) 277-3671.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean
Katy Allen

SUBJECT: SEE BELOW

DATE: 07-20-10

Approved

Date

7-26-10

COUNCIL DISTRICT: 3

SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT TO PACIFIC UNDERGROUND CONSTRUCTION, INC. FOR THE SJ-20 RECYCLED WATER SAN JOSE LATERAL AND GARDEN EXTENSIONS – PHASE A PROJECT

RECOMMENDATION

Report on bids and award of contract for the SJ-20 Recycled Water San Jose Lateral and Garden Extensions– Phase A project to the low bidder, Pacific Underground Construction, Inc., in the amount of \$137,825; and approval of a budget contingency of 15% of the contract amount (\$21,000).

OUTCOME

Approval of this contract will allow construction of a pipeline to expand the recycled water system in accordance with the cooperative agreement between the City of San José and the US Bureau of Reclamation (Bureau). Approval of a 15% contingency will provide funding for any unanticipated work necessary for the completion of the project.

BACKGROUND

In March 2009, the Bureau announced a grant program funded by the American Recovery and Reinvestment Act of 2009 (ARRA). The City of San José submitted an application to the Bureau identifying several recycled water projects which would qualify for federal funding under the program. In April 2010, the City Council adopted a resolution authorizing the City Manager to execute an agreement with the Bureau to accept \$6.46 million in ARRA grant funding towards the design and construction of \$14.8 million in South Bay Water Recycling pipeline extensions and related facilities. The SJ-20 Recycled Water San Jose Lateral and Garden Extensions –

Phase A project is one of eight projects defined in the agreement. A cooperative agreement between the City and the Bureau was subsequently executed on April 30, 2010.

The SJ-20 Recycled Water San Jose lateral and Garden Extensions – Phase A project involves the construction of approximately 1,190 feet of 6-inch recycled waterline. This recycled waterline will increase the amount of recycled water usage, enhance future reliability expansions of the system, and minimize capital cost. One extension, consisting of 530 feet of pipeline, will be installed along Spring Street, between Hedding Street and McKendrie Street. A second extension, consisting of 660 feet of pipeline, will be installed in Walnut Street and Taylor Street. Work is scheduled from September 2010 to November 2010. Some prospective users and customers include a carwash facility, a new community garden, a tree nursery for Our City Forest, and a recycled water access point. Prospective customers will need to complete a permitting process in order to be able to connect to the recycled water system.

Pursuant to the cooperative agreement between the City and the Bureau, this project qualifies for funding reimbursement for 44% of the total project cost. Anticipated reimbursement is approximately \$87,560.

ANALYSIS

The project was advertised for bid and a total of seven bids were received and opened on July 15, 2010 with the following results:

<u>Contractor</u>	<u>City</u>	<u>Bid Amount</u>	<u>Variance</u>	
			<u>Amount</u>	<u>Percent</u>
West Valley Construction Company	San Jose, CA	\$199,310	\$ 27,510	16%
Lewis & Tibbitts, Inc.	San José, CA	\$189,665	\$ 17,865	10%
Engineer's Estimate		\$171,800		
Robert F. Enz Construction	Hollister, CA	\$171,410	(\$390)	(0%)
Fermin Sierra Construction	Union City, CA	\$169,700	(\$ 2,100)	(1%)
J&M, Inc.	Livermore, CA	\$152,701	(\$19,099)	(11%)
Casey Construction	Emerald Hills, CA	\$139,970	(\$31,830)	(19%)
Pacific Underground Construction	San José, CA	\$137,825	(\$33,975)	(20%)

The bid documents submitted by the low bidder, Pacific Underground Construction were evaluated and found to be in order. The low bid submitted by Pacific Underground Construction in the amount of \$137,825 is 20% below the Engineer's Estimate. The median and average bid amounts are 1 percent and 4 percent lower than the Engineer's Estimate, respectively. Considering the current steep competition in the construction industry in the Bay Area, staff considers the bid proposal submitted by Pacific Underground Construction reasonable for the work involved.

Council Policy provides for a standard contingency of 10% on public works projects involving utilities. However, staff recommends a 15% contingency for this project. While staff has made efforts during the design phase to locate all existing underground utilities and structures by reviewing existing record drawings and performing site surveillance, experience on recent projects has shown that conflicts with existing utilities can occur. Due to the relatively low construction cost, 10% may not adequately cover the cost of unanticipated work. A 15% contingency is expected to provide enough funding to cover for any unanticipated tasks necessary for proper completion of this work.

EVALUATION AND FOLLOW-UP

The project is currently within budget and on schedule with a projected completion date of November 2010. No additional follow up actions with the Council are expected at this time.

POLICY ALTERNATIVES

Alternative # 1: Reject all bids and drop the project

Pros: Capital cost savings

Cons: Recycled water will not be available for use at a carwash facility, new community garden, tree nursery for Our City Forest, and a recycled water access point

Reason for not recommending: Low construction costs due to competitive bidding climate and 44% federal reimbursement if constructed

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item does not meet any of the above criteria. To solicit contractors, this project was advertised in the *San José Post Record*, as well as on the Public Works Bid Hotline. This memorandum is posted on the City's website for the August 17, 2010 City Council agenda.

COORDINATION

This project and memorandum have been coordinated with Risk Management, Equality Assurance, the City Attorney's Office, and the City Manager's Budget Office and is scheduled to be heard at the August 12, 2010 Treatment Plant Advisory Committee (TPAC) meeting.

FISCAL/POLICY ALIGNMENT

There are no cost implications to the General Fund as a result of this action. This recommendation meets the general principles of the 2010-2011 Mayor's June Budget Message of providing essential public services while valuing financial sustainability and cost recovery.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION:	\$137,825
2. COST OF PROJECT:	
Construction	\$ 137,825
Project Delivery	\$ 40,175
Contingency	\$ 21,000
Total Project Costs	\$ 199,000
Prior Year Expenditures	\$0
Remaining Project Costs	\$199,000
3. SOURCE OF FUNDING:	
512 – San José/Santa Clara Treatment Plant Capital Fund	
561 – ARRA – SBWR Memo to Fund 512	

BUDGET REFERENCE

The table below identifies the funds and appropriations proposed to fund the contract recommended as part of this memo and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. For Contract	2010-2011 Proposed Capital Budget (Page)*	Last Budget Action (Date, Ord. No.)
Total Project Costs				\$199,000	\$137,825		
Current Funding Available							
512	6589	Revised SBAP-SBWR Extension	159695	\$9,989,000	\$77,182	V-163	6/29/2010, Ord. No. 28765
512	7161	ARRA-S. Bay Water Recycling Phase 1C	159695	\$5,794,000	\$60,643	N/A	6/29/2010, Ord. No. 28765
Total Current Funding Available				\$15,783,000	\$137,825		

*The 2010-2011 Adopted Capital Budget was approved by City Council on June 29, 2010, and will be published in late summer 2010.

CEQA

CEQA: Resolution No. 64667, PP10-019

/s/
KATY ALLEN
Director, Public Works Department

/s/
JOHN STUFFLEBEAN
Director, Environmental Services

For questions please contact Mansour Nasser, Deputy Director, Environmental Services Department, at (408) 277-3671.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 07-22-10

Approved

Date

7-26-10

COUNCIL DISTRICT: City-Wide

SUBJECT: CONTRACT CHANGE ORDER NO. 38 FOR THE SAN JOSÉ / SANTA CLARA WATER POLLUTION CONTROL PLANT- ALTERNATIVE DISINFECTION PROJECT

RECOMMENDATION

Approval of a change order No. 38 for the "San José/Santa Clara Water Pollution Control Plant, Fiscal Year 2007-2008 Capital Improvement Program, Alternative Disinfection Project," to extend the project completion date by 109 working days to allow for completion of additional work in the amount of \$41,660. This change order is funded by the existing contingency for this project, approved by the City Council on May 13, 2008.

OUTCOME

Approval of this proposed change order will allow the contractor, Anderson Pacific Engineering Construction, Inc. (APEC), sufficient time beyond the six months already credited through previous changes orders and rain delays, to complete additional work related to the project's electronic process-control automation system.

BACKGROUND

In May 2008, City Council approved the Alternative Disinfection Project and awarded the contract to APEC. The project will replace the use of the existing gaseous-chlorine and sulfur-dioxide systems with liquid sodium hypochlorite and sodium bi-sulfite, respectively. The use of liquid sodium hypochlorite and sodium bi-sulfite is a safer method to disinfect wastewater and thereby eliminates the need to store large volumes of chlorine and sulfur dioxide gasses on site.

Construction work for the Alternate Disinfection Project began on August 18, 2008. The original estimated completion date was February 19, 2010. To date, the City has extended the project completion date by a total of 126 working days to August 26, 2010.

ANALYSIS

The project includes the construction of a chlorination facility and a de-chlorination facility. Each of these facilities consists of chemical storage tanks and associated delivery systems. Each of the treatment systems includes pumps, piping, valves, and instrumentation hardware and software for the automated control of the dosing of these chemicals.

During March 2010, the dechlorination facility was completed and thoroughly tested to ensure the designed operability. During this testing phase, the automated control component failed, forcing a shut down and conversion to manual operations. This automated control component is essentially a large cabinet that contains all of the data-communications equipment that allow for the interaction of data between the pumps, valves and other process related equipment.

The automated control component was designed by in-house staff. The design staff evaluated the failure and determined that the design needed additional redundancy of data communications channels. Although operable, staff is currently in the planning and design phase to achieve this reliability through alternate means for the dechlorination facility to ensure its intended use. This re-designed change will be implemented by staff at a later date. (The cost to remove the already installed cabinet with a new one would be considerably higher than adding additional reliability design.)

Meanwhile a similar component on the chlorination system was scheduled to be fabricated with the original design. Learning from the dechlorination failure, staff quickly put a hold on fabrication and re-designed this portion of the automated-control system with the added redundancy. In order to implement this modification, the City executed a change-order with APEC in the amount of \$41,660 to furnish and install the re-designed automated-control system component for the Chlorination system. The project contingency amount has adequate funding to cover the additional costs and no budgetary changes are required. However, considering the complexity of the system and the time required to fabricate, install, and test both the component and the new process, a contract schedule extension of a total of 109 working days to February 15, 2011 is needed for APEC to complete the additional work.

San José Municipal Code Section 14.4.420(F) requires Council approval of a change order that results in the extension of the contract completion date beyond 180 days. Given the previous change orders, an extension of 109 working days would result in the extension of the contract completion date beyond 180 days. Accordingly, Environmental Services Department (ESD) is requesting the City Council to approve a change order extending the contract completion date by 109 working days to February 15, 2011 so that APEC can complete the additional work.

To avoid further delays in project completion, ESD has already executed a change order for APEC to start the additional work. If the City Council does not approve the extension that staff is requesting, then the contractor will furnish the re-designed component and City staff will install it along with the necessary wiring, programming and testing that needs to be done after installation. The post installation work is already part of the original contract with AEPC and staff will have to negotiate a credit change order to withhold payment for that portion of the work.

This additional work in completing the installation of the automation controls component will not have any negative impact on the current Plant operations, as the existing disinfection system is fully functional and is not slated for decommission until all satisfactory testing and debugging of the new facilities is completed.

EVALUATION AND FOLLOW-UP

The project is currently on budget and with the approval of this contract extension, no other follow-up action with the Council is expected at this time. Should start-up or testing conditions need additional change orders to be executed that require council action, staff will bring forth those recommendations at that time.

POLICY ALTERNATIVES

Alternative # 1: Not approve the extension and terminate the contract.

Pros: None

Cons: The project will proceed as designed with the identified malfunction not corrected. Staff will have to implement the corrections before putting the system in service or procure another contract to complete the modifications.

Reason for not recommending: Requires additional time to complete the project at potentially higher costs and phasing out of the gaseous chlorination system will be delayed.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**

07-22-10

Subject: Alternative Disinfection Project

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- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This action does not meet any of the above criteria. This memo will be posted on the City web site for the August 17, 2010 council agenda.

COORDINATION

This project and memorandum have been coordinated with the City Manager's Budget Office, and the City Attorney's Office. This item is scheduled to be heard at the August 12, 2010 Treatment Plant Advisory Committee meeting.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council approved Budget Strategy Economic Recovery section in that it will help spur construction spending in our local economy and protect a critical infrastructure component.

COST SUMMARY/IMPLICATION

This action requires no additional funding. The \$41,660 required for the contract extension is covered by the contingency funding approved by Council on May 13, 2008. These funds are encumbered and available for this purpose.

CEQA

Exempt, PP07-145

/s/

JOHN STUFFLEBEAN

Director, Environmental Services

For questions please contact Bhavani Yerrapotu, Division Manager, Environmental Services Department, at (408) 945-5321.