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REPORT TO THE CITY COUNCIL

August 18, 2016

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Department of Public Utilities

THROUGH: KEVIN L. NORGAARD, PE, Supervising Professional Engineer
Department of Public Utilities

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SUBJECT

Reject all bids for sewer rehabilitation/replacement in the Congo and H/Broadway Downtown Alleys (Bid File 3429) (Council District 3)

RECOMMENDATION

Staff recommends the City Council reject all bids received for the Sewer Rehabilitation/Replacement in the Congo and H/Broadway Downtown Alleys.

EXECUTIVE SUMMARY

The Department of Public Utilities, Wastewater Management Division is seeking to reject all bids received for the Sewer Rehabilitation/Replacement in the Congo and H/Broadway Downtown Alleys.

There were two bids submitted, the lowest bid was withdrawn, and the second bid was 90% above the engineer's estimate.

BACKGROUND

The Collection System Maintenance work group performed an inspection of the Downtown sewer systems. The goal of these inspections was to evaluate the structural and capacity handling capability of all the downtown sewer pipes. The investigation was done using Closed Circuit Television (CCTV). Through this investigation, portions of these sewer pipes were found to have structural deficiencies such as cracks and voids, some are past the design useful life and other pipes are undersized per the current City Standard design requirements.

The ages of the pipes in the project area range from 1890 to 1962. The typical design life of a sewer pipe is 50 to 75 years. The advanced age, and structural deficiencies discovered in these areas require that portions of the sewer pipes be rehabilitated and others removed and replaced.

Plans and specifications were prepared for the project. A Notice Inviting Bids was published on June 6, 2016, and posted on the City's website. The specifications were distributed to four prospective bidders, and faxed to ten Builder Exchanges. Two sealed bid proposals were received and publicly opened on June 28, 2016. The bid proposal prices were \$378,770.00 and \$713,992.25. Because a discrepancy was identified the day of the bid opening, an addendum was issued but it was past the deadline for issuance according to City policy. Only one bidder acknowledged receipt. Therefore all bids must be rejected and the project re-bid.

Staff is in the process of revising the technical bid documents to help provide a more competitive bid price when the project is re-advertised. The specifications required a modification to the number of S-3 Sewer Access Structures to be installed from one to two. The second modification required the addition of wording with respect to the removal and disposal of existing sewer access structures. Finally, the drawings were modified to address the reconnection of an existing sewer house branch.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, the rejection of all bids does not qualify as a "project", and is therefore exempt from the CEQA requirements.

LOCAL PREFERENCE

Local preference was not implemented because Department of Public Utilities, Wastewater Management Division is seeking to reject all bids received for the Sewer Rehabilitation/Replacement in the Congo and H/Broadway Downtown Alleys.

FISCAL IMPACT

The rejection of all bids will result in no financial impact to the General Fund or Sewer Enterprise Fund. This project is identified in the five year capital improvement plan and is located in Council District 3.

Attachment:

Bid Evaluation