



STAFF REPORT

Authorizing Award of City Contract Number 455, Sanitary Sewer Rehabilitation, Basins 4, 5 and 6 Pipebursting, to J. Howard Engineering, Inc. and Approving a Construction Contract including Contingency in an Amount Not to Exceed \$948,660

Honorable Mayor and City Council:

Summary

On April 13, 2004, Council approved award of City Contract Number 455 to the lowest responsible bidder for an amount not to exceed \$698,500. The City received four sealed bids that were opened on May 18, 2004. California Trenchless, Inc. supplied the lowest responsible bid of \$644,002. Staff sent California Trenchless notice of contract award and the contract for signature. California Trenchless has not returned the contract and has advised staff they want to be relieved of their bid. Staff has reviewed several options and has concluded it is in the City's best interest to award this contract to J. Howard Engineering, Inc., the next lowest responsible bidder, for an amount not to exceed \$862,418.00. Staff also request that Council approve of a ten percent construction contingency of \$86,242 for a total authorized project budget of \$948,660.

Background and Discussion

On May 18, 2004, the City Clerk opened four sealed bids for City Contract Number 455 as scheduled. The results were as follows:

California Trenchless	\$644,002.00
J. Howard Engineering	\$862,418.00
K. J. Woods Construction	\$934,000.00
D'Arcy and Harty Construction	\$944,047.00

Staff reviewed the bids and determined that all four-bid proposals were responsible. There were no evident errors or omissions in any of the submissions. California Trenchless was determined to be the lowest responsible bidder and so was awarded the contract as directed in Council's April 13 resolution. On May 19, California Trenchless called the Department of Public Works stating that they had made a clerical error and requesting that they be relieved of their bid. Staff reviewed the Public Contracting Code with the City Attorney and determined that the City could

not allow California Trenchless to retract their bid. Staff sent California Trenchless notice of contract award and the contract for signature on May 20. California Trenchless abandoned their bid and their \$64,400 bidders bond to the City when they did not sign and return the contract within 15 days as required.

The design engineer has reviewed his engineer's estimate and the four bid results and has concluded that it is in the best interests of the City to award this contract to the next lowest bidder. Staff does not believe that the City will obtain a lower bid if this job is readvertised. Pipebursting is a specialized and limited practice area and four bids is more than the City has typically obtained in the past. California Trenchless has supplied the low bid on the City's last two pipebursting projects. They would not be eligible for a rebid since they abandoned this bid and we do not expect the remaining contractors to lower their prices. Staff recommends that the Council award the contract to J. Howard Engineering, Inc. to remain on our sewer rehabilitation schedule and to award the contract in this fiscal year as it is budgeted.

Fiscal Impact

The fiscal impact of this action is \$948,660. This consists of a not to exceed contract to J. Howard Engineering, Inc. for \$862,418.00 and a ten percent construction contingency of \$86,242. Moneys budgeted in the Sanitary Sewer Capital Improvement Program Fund are sufficient to fund this contract.

Funding for this contract will be drawn from the FY04 sewer project accounts as follows:

503-4326-7046-9030 - Basins 4,5,6 Pipebursting	\$308,350
503-4326-7045-9030-Basins 4, 5, 6 Pipelining	\$420,310
<u>503-4326-7058-9030 – Master Plan</u>	<u>\$220,000</u>
Total	\$948,660

Recommendation

It is recommended that the City Council award the contract to J. Howard Engineering, Inc. for an amount not to exceed \$862,418.00 and approve a ten percent construction contingency of \$86,242 for unforeseen conditions.

Alternatives

1. Reject all bids and eliminate the project.
2. Direct staff to readvertise the project at a later date.

Attachments

1. Resolution

City Contract Number 455
June 8, 2004
Page 3

Respectfully submitted,

Kathleen E. Phalen
City Engineer

Raymond E. Davis, III, P.E., PTOE
Director of Public Works

Jere A. Kersnar
City Manager

RESOLUTION NO. ____
CITY OF BELMONT
San Mateo County California

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT
AUTHORIZING AWARD OF CITY CONTRACT NUMBER 455, SANITARY SEWER
REHABILITATION, BASINS 4, 5 AND 6 PIPEBURSTING, TO J. HOWARD
ENGINEERING, INC. AND APPROVING A CONSTRUCTION CONTRACT
INCLUDING CONTINGENCY IN AN AMOUNT NOT TO EXCEED \$948,660**

WHEREAS, as part of the Citywide sanitary sewer rehabilitation program, sewers in Basins 4, 5, and 6 in the Sunnyslope, downtown and Central neighborhoods are scheduled for pipebursting; and,

WHEREAS, the Department of Public Works has prepared plans and specifications for this project; and,

WHEREAS, Sewer Capital Improvement Program Funds have been budgeted in Fiscal Year 2004 for this project; and,

WHEREAS, by virtue of Resolution 9524, the Council did approve the City Contract Number 455 project plans and specifications, advertisement for the contract, and award to the lowest responsible bidder; and,

WHEREAS, the City received and opened four sealed bids for this contract on May 18, 2004; and,

WHEREAS, California Trenchless was determined to be the lowest responsible bidder and was given notice of contract award; and,

WHEREAS, California Trenchless abandoned their bid and bidder's bond by failing to sign and return the contract within fifteen days as required by the Contract 455 Notice Inviting Sealed Bids; and,

WHEREAS, staff have determined that it is in the City's best interest to award this contract to the next lowest responsible bidder.

NOW, THEREFORE, BE IT RESOLVED:

1. The City Council authorizes award of contract to J. Howard Engineering, Inc. for an amount not to exceed \$862,418.00 and authorizes the City Manager to execute a contract.
2. The City Council authorizes a construction contingency of \$86,242 to be administered by the City Manager to address unforeseen conditions.
3. Funding shall be drawn in the following amounts from the FY04 budget project accounts:

503-4326-7046-9030 - Basins 4, 5, 6 Pipebursting	\$308,350
503 4326-7045-9030 – Basins 4, 5, 6 Pipelining	\$420,310
503-4326-7058-9030 – Master Plan	\$220,000

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on June 8, 2004.

AYES, COUNCILMEMBER(S): _____

NOES, COUNCILMEMBER(S): _____

ABSTAIN, COUNCILMEMBER(S) _____

ABSENT, COUNCILMEMBER(S): _____

City Clerk of the City of Belmont

APPROVED:

Mayor of the City of Belmont