



## **Staff Report**

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RESOLUTION APPROVING AWARD OF CONTRACT TO J.F. PACIFIC LINERS, INC. FOR AN AMOUNT NOT TO EXCEED \$789,113.50, APPROVING A CONSTRUCTION CONTINGENCY NOT TO EXCEED \$78,911.35 AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT FOR THE SANITARY SEWER REHABILITATION PROJECT – PIPELINING AND SPOT REPAIR WITH PIPE BURSTING – BASINS 7 AND 8, CITY CONTRACT NUMBER 485

Honorable Mayor and Council Members:

### **Summary**

On March 11, 2008, Council authorized advertisement for sealed bids approving award of City Contract Number 485, Sanitary Sewer Rehabilitation Project – Pipelining and Spot Repair with Pipe Bursting, Basins 7 and 8, to the lowest responsible bidder for an amount not to exceed \$680,000.00. The City received four sealed bids that were opened on April 9, 2008. All bids exceeded the engineer's estimate and the authorized contract amount.

Staff does not believe that the City will obtain a lower bid if this job is re-advertised. Staff recommends awarding the project to the lowest bidder J.F. Pacific Liners, Inc. for \$789,113.50 plus a construction contingency in the amount of \$78,911.35 for a total amount of \$868,024.85.

### **Background**

On April 9, 2008, the City Clerk opened four sealed bids as scheduled for the Sanitary Sewer Rehabilitation Project – Pipelining and Spot Repair with Pipe Bursting, Basins 7 and 8, City Contract Number 485. The results were as follows:

J.F. Pacific Liners, Inc.	\$789,113.50
J & M, Inc.	\$837,223.55
JMB Construction, Inc.	\$997,675.75
Insituform Technologies, Inc.	\$1,262,048.25

City Council authorized staff to go out to bid and award the project for an amount not to exceed \$680,000.00. All bids received were higher than the engineer's estimate and the authorized dollar amount. J.F. Pacific Liners, Inc. was the lowest bidder. However, they were not awarded the contract because their bid in the amount of \$789,113.50 was higher than the amount previously approved by the City Council (\$680,000.00).

**Discussion**

The original budget for this project indicated in the FY07-08 budget was \$900,000. However, due to failure to raise the sewer rates, the budget was decreased to \$750,000. The sewer lines located in Basins 7 and 8 are among the oldest lines within the City of Belmont. In 1995 and 1999, the City conducted sewer pipelining and spot repair rehabilitation projects in these basins. However, the sewers are getting older and require more maintenance to prevent incidents of overflow and improve the value of the aging infrastructure.

The design engineer reviewed the engineer’s estimate and the four bids and has concluded that it is in the best interest of the City to award this contract to the lowest bidder, J.F. Pacific Liners, Inc. Staff does not believe that the City will obtain a lower bid if this job is re-advertised. The primary reason for the bid being higher than the engineer’s estimate is that pipelining and pipe bursting unit prices are increasing rapidly. There will be another pipe lining/pipe bursting/spot repair project within the same basins next fiscal year because the number of deteriorating pipelines is greater than existing budget can handle. The sewers selected for rehabilitation this fiscal year are in worst the condition among these sewers.

**General Plan/Vision Statement**

This project is consistent with the General Plan Public Facilities and Services Goals section (Paragraph 2041), which states “To provide public services at a level adequate to ensure public safety, health and welfare at the lowest possible cost; to establish and maintain all essential public services and facilities in a manner that ensures continued operation in time of emergency.”

**Fiscal Impact**

The fiscal impact of this action is \$868,024.85. This consists of a not to exceed contract to J.F. Pacific Liners, Inc. for \$789,113.50 and a ten percent construction contingency of \$78,911.35. Money budgeted in the Sanitary Sewer Capital Improvement Program Fund are sufficient to fund this contract.

Funding for this contract will be drawn from the FY08 sewer project accounts as follows:

503-4326-7057-9030 – Basins 7 & 8 Rehabilitation	\$718,500.00
503-4326-7003-9030 – Sewer Rehabilitation Annual Program	\$130,500.00
503-4326-7063-8331 – Sewer System Capacity Study	\$19,024.85
Total	\$868,024.85

**Public Contact**

Publication and posting of City Council agenda.

**Recommendation**

It is recommended that the City Council award the contract to J.F. Pacific Liners, Inc. for an amount not to exceed \$789,113.50 and approve a ten percent construction contingency of \$78,911.35 for unforeseen conditions and authorize the City Manager to execute a contract for the Sanitary Sewer Rehabilitation Project – Pipelining, and Spot Repair with Pipe Bursting, Basins 7 And 8, City Contract Number 485.

**Alternatives**

1. Take no action.
2. Refer back to staff for further information.

**Attachments**

- A. Resolution

Respectfully submitted,

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

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Jack R. Crist  
City Manager

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING AWARD OF CONTRACT TO J.F. PACIFIC LINERS, INC. FOR AN AMOUNT NOT TO EXCEED \$789,113.50, APPROVING A CONSTRUCTION CONTINGENCY NOT TO EXCEED \$78,911.35 AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT FOR THE SANITARY SEWER REHABILITATION PROJECT – PIPELINING AND SPOT REPAIR WITH PIPE BURSTING – BASINS 7 AND 8, CITY CONTRACT NUMBER 485**

**WHEREAS**, as part of the Citywide sanitary sewer rehabilitation program, sewers in Basins 7 and 8 in the Country Club, Cipriani and Chula Vista neighborhoods are scheduled for rehabilitation; 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 2008 for this project in the amount of \$900,000, but were decreased to \$750,000; and,

**WHEREAS**, by virtue of Resolution 9986, the City Council approved City Contract Number 485 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 April 9, 2008; and,

**WHEREAS**, all bids received were higher than the engineer’s estimate; and,

**WHEREAS**, J.F. Pacific Liners, Inc. was the lowest responsible bidder; and,

**WHEREAS**, staff has determined that it is in the City’s best interest to award this contract to J. F. Pacific Liners, Inc.

**NOW, THEREFORE, BE IT RESOLVED:**

1. The City Council authorizes award of contract to J. F. Pacific Liners, Inc. for an amount not to exceed \$789,113.50 and authorizes the City Manager to execute a contract.
2. The City Council authorizes a construction contingency of \$78,911.35 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:

503-4326-7057-9030 – Basins 7 & 8 Rehabilitation	\$718,500.00
503-4326-7003-9030 – Sewer Rehabilitation Annual Program	\$130,500.00
503-4326-7063-8331 – Sewer System Capacity Study	\$ 19,024.85

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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 April 22, 2008 by the following vote:

AYES, COUNCILMEMBERS: \_\_\_\_\_

NOES, COUNCILMEMBERS: \_\_\_\_\_

ABSTAIN, COUNCILMEMBERS: \_\_\_\_\_

ABSENT, COUNCILMEMBERS: \_\_\_\_\_

\_\_\_\_\_  
CLERK of the City of Belmont

APPROVED:

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MAYOR of the City of Belmont