

# Agenda Report

March 9, 2020

**TO:** Honorable Mayor and City Council

**FROM:** Department of Public Works

**SUBJECT: CONTRACT AWARD TO SOUTHWEST PIPELINE & TRENCHLESS CORPORATION FOR FISCAL YEAR 2020 ANNUAL SEWER SYSTEM IMPROVEMENTS AND CAPACITY UPGRADES PROJECT FOR AN AMOUNT NOT TO EXCEED \$1,250,000 AND AMENDMENT TO FISCAL YEAR 2020 CAPITAL IMPROVEMENT PROGRAM BUDGET**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find the project proposed herein to be categorically exempt under the California Environmental Quality Act (CEQA) Guidelines in accordance with Title 14, Chapter 3, Article 19, Section 15301, Class 1, minor alterations of existing public facilities involving negligible or no expansion of use beyond that previously existing at the time of the lead agency's determination, and that there are no features that distinguish this project from others in the exempt class, and therefore, there are no unusual circumstances;
2. Amend the Fiscal Year (FY) 2020 Capital Improvement Budget by transferring \$500,000 in Sewer Capacity Charge from Sewer System Improvements and Citywide Capacity Upgrades FY 2017-2019 (76909) to Annual Sewer System Improvements and Capacity Upgrades – FY 2020 (76915); and
3. a) Accept the bid dated February 26, 2020, submitted by Southwest Pipeline & Trenchless Corporation in response to the plans and specifications for the FY 2020 Sewer Relining and Point Repair Project, b) reject all other bids, and c) authorize the City Manager to enter into a contract for an amount not to exceed \$1,250,000.

## **BACKGROUND:**

The City of Pasadena's sewer system consists of over 1.7 million linear feet of pipes ranging from 6 to 42 inches in diameter, 60 percent of which are over 70 years old. Sewer relining is a trenchless technology that can extend the life of a pipe by up to 50 years by installing a liner which adheres to the host pipe and covers cracks, root

intrusions, and other discontinuities. Relining an aged pipe enhances its capacity by retrofitting its structural integrity, eliminating groundwater infiltration, and providing a smoother surface for effluent to flow, thereby accommodating higher volume flows than the pipe's existing diminished condition.

This project consists of rehabilitating and increasing capacity in over 20,000 lineal feet (almost four miles) of sanitary sewer pipes by relining existing 8-inch, 10-inch, 12-inch and 15-inch diameter vitrified clay pipes and reinforced concrete pipes, and replacement or point repair of pipes at various locations throughout the City. The work includes cleaning of pipes; pre-lining and post-lining video inspections; installation of liners; point repairs of broken/cracked/offset pipes; removing and replacing damaged pipe sections; sealing service lateral connection points; and miscellaneous appurtenant work.

Because of favorable bid prices for the FY 2019 Sewer Relining and Point Repair project, completed in November 2019, there is \$500,000 in Sewer Capacity Charge Fund remaining on the Sewer System Improvements and Citywide Capacity Upgrades FY 2017-2019 (76909) project. Staff recommends transferring this remaining balance to the next phase of the program which is the FY 2020 Sewer Relining and Point Repair project (76915), to clean and line additional linear feet of sewer pipe.

A finding of compliance with the General Plan was previously made and is shown on page 6.3 of the adopted FY 2020 Capital Improvement Program (CIP) budget.

The Department of Public Works prepared plans and specifications for the project and in accordance with Section 4.08.070 of the Pasadena Municipal Code, bids were requested and received. The project was advertised in the *Pasadena Journal* on January 30, 2020. In addition, the Notice Inviting Bids was published in four trade publications and listed on the City's website, which generated notices to seven local vendors. 38 contractors obtained bid packets, four of whom submitted bids for the project.

Following advertising, bids were received on February 26, 2020, and are as follows:

Bidder	Amount (\$)
1. Southwest Pipeline & Trenchless Corporation, Torrance	\$ 935,050
2. Insituform Technologies, Inc., Santa Fe Springs	\$ 981,556
3. Nu-Line Technologies, LLC, Encinitas	\$1,049,125
4. Sancon Engineering, Inc., Huntington Beach	\$1,241,775
Engineer's Estimate	\$1,350,000

The low bid is 30 percent lower than the Engineer's Estimate. Due to the contiguous area of work and the large quantity of pipe to be lined, greater than anticipated savings were realized.

It is recommended that Southwest Pipeline & Trenchless Corporation be awarded the contract for this project as they are the lowest responsive and responsible bidder. The proposed contract with Southwest Pipeline & Trenchless Corporation fully complies with

the Competitive Bidding and Living Wage Ordinances. In addition, the proposed contract with Southwest Pipeline & Trenchless Corporation fully complies with the Prevailing Wage Law (Senate Bill 7) per Resolution 9406 adopted by the City Council on December 15, 2014.

The contractor has indicated that the award of this contract will result in no new hires to its present workforce. A Local Hiring Provision to notify the labor unions of the goal to employ qualified Pasadena residents for 75 percent of the new labor work hours on the project was included in the project specifications.

Southwest Pipeline & Trenchless Corporation has previously performed work for the City of Pasadena, recently completing the 2019 Sewer Relining and Point Repair project for a total of \$1,940,000.

The contract for this project will be set up as follows:

Base Bid	\$	935,050
Contingency Allowance	\$	314,950
Contract "Not to Exceed" Amount	\$	<u>1,250,000</u>

The contract contingency, typically 10 percent, has been increased to 33 percent due to favorable bid prices in order to install additional sewer improvements under this contract. It is anticipated that work will begin in May 2020 and be completed in November 2020.

#### **COUNCIL POLICY CONSIDERATION:**

This project is consistent with the City Council's goal to improve, maintain and enhance public facilities and infrastructure. It also supports the Public Facilities Element of the General Plan by maintaining public facilities to enhance the quality of life of the community.

#### **ENVIRONMENTAL ANALYSIS:**

The City's Environmental Administrator recommends that the City Council determine the proposed project to be exempt under CEQA in accordance with Title 14, Chapter 3, Article 19, Section 15301, Class 1. This exemption includes the minor alteration of existing public facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination, and there are no features that distinguish this project from others in the exempt class, and therefore, there are no unusual circumstances.

**FISCAL IMPACT:**

Staff recommends amending the FY 2020 Capital Improvement Budget by transferring \$500,000 in Sewer Capacity Charge from Sewer System Improvements and Citywide Capacity Upgrades FY 2017-2019 (76909) to the Annual Sewer System Improvements and Capacity Upgrades – FY 2020 (76915) project. This action does not result in a net increase to the CIP Budget and there are sufficient funds in project 76909 to support this transfer.

The cost of this contract is \$1,250,000 and the total cost of this action will be \$1,400,000. Funding for this action will be addressed by the utilization the budgeted appropriations in the Annual Sewer System Improvements and Capacity Upgrades FY 2020 (76915) CIP project. It is anticipated that all of the cost will be spent in FY 2020 and FY 2021.

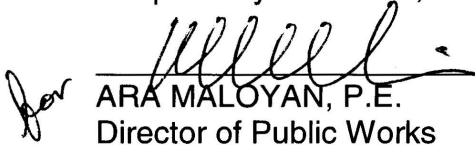
The following table presents a summary of the sources of funds that will be used.

Sewer System Improvements and Citywide Capacity Upgrades FY 2017-2019 (76909)	\$ 500,000
Annual Sewer System Improvements and Capacity Upgrades FY 2020 (76915)	\$ 900,000
<b>Total Sources</b>	<b>\$ 1,400,000</b>

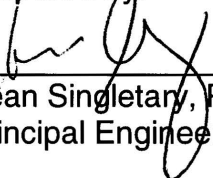
The following table represents a contract summary.

Base Bid	\$ 935,050
Contingency Allowance	\$ 314,950
Contract Administration/Inspection	\$ 150,000
<b>Total Fiscal Impact</b>	<b>\$ 1,400,000</b>

Respectfully submitted,

  
for ARA MALOYAN, P.E.  
Director of Public Works

Prepared by:

  
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Approved by:

  
STEVE MERMELL  
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