

# Agenda Report

February 22, 2016

**TO:** Honorable Mayor and City Council

**FROM:** Department of Public Works

**SUBJECT: CONTRACT AWARD TO VASILJ, INC. FOR 2016 SEWER RELINING AND POINT REPAIR PROJECT FOR AN AMOUNT NOT TO EXCEED \$541,000**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find the project herein to be categorically exempt under the California Environmental Quality Act (CEQA) Guidelines in accordance with Title 14, Chapter 3, Class 1, Section 15301, 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
2. Accept the bid dated January 13, 2016, submitted by Vasilj, Inc., in response to the Project Specifications for the 2016 Sewer Relining and Point Repair Project, and authorize the City Manager to enter into such contract for an amount not to exceed \$541,000.

## **BACKGROUND:**

This project consists of rehabilitating over 10,000 lineal feet of sanitary sewer pipes by relining existing 8- and 10-inch diameter pipes, and replacing or point repair of 6- to 8-inch diameter pipes at various locations throughout the City. The work includes the following: cleaning, pre-lining and post-lining video inspections; removing and replacing damaged sections of pipes; and installation of pipe liners.

A finding of compliance with the General Plan was previously made and is shown on page 7.1 of the adopted FY 2016 Capital Improvement Program, Preventive Maintenance – Sewer System FY 2011-2016.

The Department of Public Works prepared plans and specifications for this project. 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 December 10, 2015. In addition, the Notice Inviting Bids was published in five trade publications and

2015. In addition, the Notice Inviting Bids was published in five trade publications and listed on the City's website, which generated notices to 28 local vendors. Fifteen contractors obtained bid packets, four of whom submitted bids for the project.

Following advertising, bids were received on January 13, 2016, and are as follows:

Bidder	Amount (\$)
1. Vasilj, Inc., Irwindale	\$ 491,675
2. Southwest Pipeline and Trenchless Corp., Torrance	\$ 524,645
3. Ramona, Inc., Arcadia	\$ 531,701
4. MNR Construction, Baldwin Park	\$ 553,103

The lowest bid received was 13.9 percent lower than the Engineer's Estimate of \$570,900. The difference is primarily due to a lower than expected bid price to remove and replace damaged sections of pipe.

It is recommended that Vasilj, Inc. be awarded the contract for this project as they are the lowest responsive and responsible bidder. The proposed contract with Vasilj, Inc. fully complies with the Competitive Bidding and 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.

Vasilj, Inc. is not currently under contract for other work with the City of Pasadena, but they have successfully completed previous sewer repair projects for the City totaling approximately \$750,000 since 2010.

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

Base Bid	\$ 491,675
Contingency Allowance	\$ 49,325
Contract "Not to Exceed" Amount	\$ 541,000

It is anticipated that construction will begin in April 2016 and be completed in June 2016.

**COUNCIL POLICY CONSIDERATION:**

This project is consistent with the City Council's goal to improve, maintain and enhance public facilities. 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, Class 1, Sections 15301 and 15302. 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.

**FISCAL IMPACT:**

The cost of this contract is \$541,000 and the total cost of this action will be \$615,000. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the Preventive Maintenance – Sewer System FY 2011-2016 (Budget Account 76901) CIP project. It is anticipated that all of the cost will be spent in FY 2016.

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

Preventive Maintenance – Sewer System (76901)	\$615,000
<b>Total Sources</b>	<b>\$615,000</b>

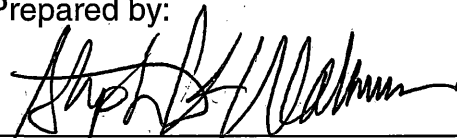
The following table represents a contract summary.

Base Bid	\$	491,675
Contingency Allowance	\$	49,325
Contract Administration/Inspection	\$	74,000
<b>Total Fiscal Impact</b>	<b>\$</b>	<b>615,000</b>

Respectfully submitted,

  
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ARA MALOYAN, P.E.  
Director of Public Works

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