



Office of the City Manager

CONSENT CALENDAR
December 11, 2012

To: Honorable Mayor and Members of the City Council
From:  Christine Daniel, City Manager
Submitted by: Andrew Clough, Director, Public Works
Subject: Reject and Re-bid Contract for Sanitary Sewer Rehabilitation Project on Sacramento Street and Woolsey Street

RECOMMENDATION

Adopt a Resolution approving the withdrawal of the bid by Andes Construction, Inc., including release of their bid bond, and rejecting all bids received on October 23, 2012, and authorizing the City Manager to re-scope and re-bid the Sanitary Sewer Rehabilitation Project on Sacramento Street and Woolsey Street.

FISCAL IMPACTS OF RECOMMENDATION

Funding is available in the Sanitary Sewer Fund (830-5213-432-6510-13SR02) and no other funding is required.

CURRENT SITUATION AND ITS EFFECTS

The sanitary sewer collection system in this area is quite old and should be replaced to prevent future pipe failures, sewer blockages, and leakage problems. Field investigations performed using a closed circuit television (CCTV) camera indicated deteriorated piping, root infiltrations from City trees, and pipe defects in the existing sewer mains.

Additionally, the sanitary sewer along Sacramento Street must be rehabilitated in advance of street repaving work that is scheduled for spring 2013. If action is delayed, and the street is repaved without the sewer being rehabilitated, the sewer repairs will be delayed a minimum of five (5) years to allow the moratorium for cutting into newly paved streets to expire. Should the existing sanitary sewer fail during the moratorium period, an emergency sewer repair would be required in a newly resurfaced area.

This sanitary sewer project is part of the City's ongoing program to rehabilitate or replace the aging sewer system, and to eliminate potential health hazards to the public.

BACKGROUND

The City implemented a long-term, mandated Sanitary Sewer Capital Improvement Program in order to stay in compliance with the Environmental Protection Agency (EPA) and Regional Water Quality Control Board (RWQCB) Cease and Desist Order to

eliminate sewage overflows and reduce storm water infiltration and inflow into the sanitary sewer system.

This is the 23rd year of a 30-year compliance plan. There have been significant accomplishments in both the reduction of sewage overflows and the replacement and upgrading of the City's portion of the sanitary sewer system.

The work to be done consists of, in general, rehabilitation and construction of approximately 3,435 linear feet of 8-inch, 10-inch, 28-inch, and 36-inch diameter sanitary sewer (primarily via sliplining method, although some open-trench work is involved), construction of manholes, manhole rehabilitation, excavation, replacement of approximately 1,386 linear feet of 4-inch and 6-inch diameter sewer laterals, and related work. The scope of work includes additional funds for emergency/urgent work on an as-needed basis at various locations within the City of Berkeley. Because of the urgent nature of the work and unknown extent of the work, a 20% contingency for construction services is required.

The project was released for bids on October 9, 2012, and bids were opened on October 23, 2012. Four non-local bids were received from a low of \$575,403 to a high of \$1,429,366. Andes Construction, Inc. was the lowest apparent bidder. References for Andes Construction, Inc. were provided and checked out satisfactorily. However, on the following day, October 24, 2012, Andes Construction, Inc. submitted a request to be relieved of their bid due to mistakes that were made in entering several bid unit prices. The errors made their bid materially different from what they intended it to be, and were not a result of errors in judgment, nor of carelessness in inspecting the site of the work, nor of errors in reading the plans and specifications. A review by staff of their claim was conducted, and acceptable grounds for approval of their request were determined to exist under California Contract Code, Sections 5101 and 5103.

Given the above, staff considered awarding the project to CTI, the second lowest bidder. Their bid of \$841,986 is significantly higher than the advertised engineer's estimate of \$350,000. As such, staff does not recommend awarding the project to the second lowest bidder.

Consequently, staff recommends that Council relieve Andes Construction, Inc. of their bid, including release of their bid bond, reject all bids, and authorize the re-scoping, re-advertisement and re-bidding of the Sanitary Sewer Rehabilitation Project on Sacramento Street and Woolsey Street.

RATIONALE FOR RECOMMENDATION

Four bids were submitted for the project. Section 67 of the City Charter allows City Council to reject any and all bids. If all bids are so rejected, the Council may re-advertise for new bids, or authorize the City Manager to negotiate in the open market for a contract at a reasonable price, or authorize the City Manager to purchase on the open market, or authorize the City Manager to have the work performed by City employees. The City

does not have the available in-house work force to perform the construction services required for this scale of a project and any negotiation process would likely be time consuming and difficult. The sealed bid process is considered to be the most effective method of obtaining fair and reasonable price competition for the work.

ALTERNATIVE ACTIONS CONSIDERED

No alternative action is recommended.

CONTACT PERSON

Jeffrey L. Egeberg, Manager of Engineering, Public Works, 981-6400
Kenneth Emeziem, Supervising Civil Engineer, Public Works, 981-6444
Ron Ranada, Assistant Civil Engineer, Public Works, 981-6415

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

REJECT AND RE-BID CONTRACT FOR SANITARY SEWER REHABILITATION
PROJECT ON SACRAMENTO STREET AND WOOLSEY STREET

WHEREAS, the Sanitary Sewer Rehabilitation Project located on Sacramento Street and Woolsey Street is part of the City's on-going Sewer Capital Improvement Program to replace the aging and deteriorated sanitary sewer system; and

WHEREAS, such Capital Improvement Program is a requirement of compliance with the National Pollution Discharge Elimination System Permit and Regional Water Quality Control Board Cease and Desist Order; and

WHEREAS, the sewer must be rehabilitated in advance of street repaving work; and

WHEREAS, the City has neither the labor nor the equipment necessary to undertake this Sanitary Sewer Project and other emergency/urgent sewer repairs; and

WHEREAS, an invitation for bids was duly advertised on October 9, 2012, and four bids were opened on October 23, 2012; and

WHEREAS, Andes Construction, Inc. was the apparent low bidder; and

WHEREAS, Andes Construction, Inc. claimed errors on their bid and requested to be relieved of their bid pursuant to California Public Contract Code Sections 5101 and 5103, which staff has reviewed and recommends be granted as provided under these statutory provisions; and

WHEREAS, all other remaining bids that were received significantly exceeded the estimate advertised for the work.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the withdrawal of bid by Andes Construction, Inc. is hereby approved, including release of their bid bond.

BE IT FURTHER RESOLVED that the Council of the City of Berkeley hereby rejects all bids submitted on October 23, 2012, and authorizes the City Manager to direct staff to re-scope, re-advertise, and receive new bids for the Sanitary Sewer Rehabilitation Project located on Sacramento Street and Woolsey Street.