



## Agenda Report

19-861

Agenda Date: 8/20/2019

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### REPORT TO COUNCIL

#### **SUBJECT**

Action on the Sanitary Sewer Condition Assessment Repairs Project - Phase 1 (CE 18-19-08), Mitigated Negative Declaration, Mitigation Monitoring and Reporting Program, and Award of Contract

#### **BACKGROUND**

The Water & Sewer Utilities Department manages the Sanitary Sewer Condition Assessment Program (Condition Assessment Program) using the National Association of Sewer Service Companies (NASSCO) Pipeline Assessment Certification Program (PACP) guidelines. The PACP guidelines are used to inspect the sanitary sewer collection system, evaluate defects, and prioritize repairs for approximately 270 miles of pipeline in the City's sanitary sewer collection system. The defects are rated on a scale of 1 to 5 based on the significance of the defect, with 1 being minor and 5 being the most significant. Currently, the City is prioritizing the repair of defects that are rated 5.

While Water & Sewer Utilities Department crews perform spot repair work on sanitary sewer mains, significant repairs that are complex due to factors such as traffic control, repair length, pipe size, and pipe depth, are referred to the Department of Public Works (DPW) to develop design and construction documents for a public works contract.

There are approximately 38 sanitary pipeline segments that are identified for repairs. These segments have been packaged into two construction contracts, Phase 1 and Phase 2. The work was separated into phases to: 1) combine similar work in terms of scope, permitting and environmental impact, 2) obtain competitive pricing and 3) complete the work more quickly.

The Sanitary Sewer Condition Assessment Repairs Project - Phase 1 (Project) will repair defects in the sanitary sewer collection system identified through the Condition Assessment Program. The scope of work for the Project involves replacing or rehabilitating sanitary sewer mains along 26 pipeline segments at various locations citywide. The sewer repairs will be completed using various methods, including cured-in-place pipe lining, resulting in rehabilitation of 4,400 linear feet of pipe ranging in diameter size from 8-inches to 30-inches, pipe bursting replacement of 740 linear feet of pipe ranging in diameter from 6-inches to 8-inches, and individual point repairs at 16 locations. A map of the repair locations is attached to this report (Attachment 1). Ancillary work includes infiltration grouting of pipe joints, reinstating affected sanitary sewer laterals, traffic control, sanitary sewer flow bypassing, and other incidentals necessary to complete the Project.

The March 21, 2013 settlement agreement between the City of Santa Clara and Northern California River Watch (NCRW) requires the City to repair any significant (PACP grade 5) defects on the sanitary sewer collection system located within 150 feet of waterways within three years of identification of the defect. 15 pipeline segments in this construction contract fall within this category, with the timeframes for repairs to be completed ranging from December 12, 2019 to March 21, 2020

(based upon the individual pipeline segment and its date of being identified as significantly defective). Award of the construction contract will allow construction of these repairs to commence in order to satisfy the timelines associated with the settlement agreement.

## **DISCUSSION**

On July 31, 2019, bids were opened for construction of the Project. One bid was received in the amount of \$2,531,230 from Cratus Inc., which is 17.7% above the Engineer's Estimate of \$2,151,00 (Attachment 2). While the bid is higher than the Engineer's Estimate, staff reviewed the bid and considers it reasonable for the work involved in the contract. The Project was advertised for three weeks on BidSync, the City's e-procurement tool, and received a total of 62 vendor views. Staff also transmitted the advertisement to contractor's plan exchanges and to individual contractors on the Public Works known contractors list.

Based upon conversations with several contractors following the bid opening, staff concluded that a contributing factor for the limited number of bidders was that many specialty contractors qualified to perform the cured-in-place-pipe lining and infiltration grouting work involved in the project are backlogged and did not have an interest in bidding on new work. Due to the proactive outreach already performed for the Project advertisement and current construction market conditions, staff recommends awarding the contract as there is no guarantee that re-bidding the Project will produce additional bidders or a substantially lower bid result. Additionally, re-bidding the Project will delay the start of construction, potentially resulting in not satisfying the repair timeframes required under the NCRW settlement agreement.

Cratus Inc.'s bid was reviewed for compliance with the terms and conditions of the Bid Documents and was determined to be the lowest responsive and responsible bidder. Staff recommends awarding the contract to Cratus Inc. Construction of the Project is estimated to start shortly after the contract is awarded and is anticipated to be completed by spring 2020.

It is important to note that the repair at one location beneath Guadalupe River (Segment 35) is subject to permitting by the United States Army Corps of Engineers (ACOE) and the San Francisco Bay Regional Water Quality Control Board (RWQCB). Staff received the ACOE permit, but as of writing this report, has not received the RWQCB permit. While staff has been actively pursuing this permit, staff expects this permit to be issued after construction of the contract has commenced. It is anticipated that the contractor can proceed with work at the other repair locations involved in the contract until this permit for Segment 35 is received, and provisions to this effect are included in the contract. While staff prefers to have all permits obtained prior to bidding and commencement of the construction, since there are timeframes associated with completing the repairs in accordance with the NCRW settlement agreement, it becomes necessary to award the contract and commence construction for the Project rather than delaying the work pending issuance of this permit for the one location.

## **ENVIRONMENTAL REVIEW**

In fall 2018, the environmental consulting firm Redtail Consulting performed an environmental screening process to identify the appropriate level of environmental review for each of the current repairs to be completed by DPW. The environmental screening evaluates the nature of the repairs proposed for each segment (i.e., the construction/repair activities anticipated) as well as factors that can elevate the level of CEQA review required or necessitate permitting from outside agencies, such as proximity to jurisdictional habitat, sensitive biological resources, known archaeological resources,

and sites with documented hazardous materials contamination. Each of the repairs was evaluated as a standalone project since each repair would address a separate, specific problem with a known extent, and each repair would be worth undertaking even if other nearby repairs could not be completed.

In this construction contract, the environmental screening identified a total of five repair projects (Segments 23, 29, 30, 31, and 35) where CEQA review was warranted. The remaining repair projects in this construction contract are considered as exempt from CEQA pursuant to *CEQA Guidelines* Section 15301, "Existing Facilities," as the activity consists of the repair, maintenance, or minor alteration of existing facilities involving no or negligible expansion of the use beyond that presently existing.

For the repairs that warranted review under CEQA (Segments 23, 29, 30, 31, and 35), an Initial Study and Proposed Mitigated Negative Declaration ("IS/MND") was prepared by Redtail Consulting in June 2019 (Attachment 3). Upon analysis in the Initial Study, it was determined that the projects would not have a significant effect on the environment if the projects followed the avoidance and minimization measures and additional mitigation measures identified through the environmental review process that was incorporated into a Mitigation, Monitoring and Reporting Program (Attachment 4). The IS/MND was made available for public review and comment for a 32-day review period from June 21, 2019 to July 22, 2019, pursuant to Section 15073 of the *CEQA Guidelines*. The IS/MND was also submitted to the State Clearinghouse for review and comment by state agencies, distributed to local government agencies and interested parties, provided to City Council members on June 21, 2019, made available on the City's website at [www.santaclaraca.gov/ceqa](http://www.santaclaraca.gov/ceqa) <<http://santaclaraca.gov/government/departments/community-development/planning-division/ceqa-documents>>, and a notice of availability was published in the Santa Clara Weekly on June 19, 2019. No comments were received during the circulation period for the IS/MND.

Staff recommends adopting the Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program for the projects.

### **FISCAL IMPACT**

The cost of the contract is \$2,531,230 plus approximately 15 percent contingency, or \$379,685, for any potential change orders, for a total not-to-exceed contract amount of \$2,910,915. Staff recognizes the potential unknowns and challenges of working with the existing underground infrastructure and hence recommends a 15 percent construction contingency for this Project. There is sufficient funding in the project budget (594-1912) that was previously approved in the FY 2018/19 and FY 2019/20 Adopted Capital Improvement Program Budget.

### **COORDINATION**

This report has been coordinated with the Water & Sewer Utilities Department, Finance Department, and City Attorney's Office.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's

Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

1. Adopt a Resolution adopting the Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program for the Sanitary Sewer Condition Assessment Repairs;
2. Authorize staff to file a Notice of Determination with the County Clerk-Recorder and State Clearinghouse;
3. Award the Public Works Contract for the Sanitary Sewer Condition Assessment Repairs Project - Phase 1 (CE18-19-08) to the lowest responsive and responsible bidder, Cratus Inc., in the amount of \$ 2,531,230 and authorize the City Manager to execute any and all documents associated with, and necessary for the award, completion, and acceptance of this Project; and
4. Authorize the City Manager to execute change orders up to approximately 15 percent of the original contract price, or \$379,685, for a total not-to-exceed amount of \$2,910,915.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Repair Location Map
2. Bid Summary
3. Proposed Mitigated Negative Declaration
4. Mitigation, Monitoring and Reporting Program
5. Resolution