TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: UTILITIES
DATE: APRIL 12, 2004 CMR:200:04
SUBJECT: APPROVAL OF A CONTRACT WITH MANUEL BROTHERS INCORPORATED IN THE AMOUNT OF $3,298,892 FOR GAS MAIN REPLACEMENT CAPITAL IMPROVEMENT PROJECT 13, GS-03002

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the Mayor to execute the attached contract with Manuel Brothers Incorporated (Manuel Bros. Inc.) in the amount of $3,298,892 for Gas Main Replacement Project 13, GS-03002.

2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Manuel Bros., Inc. for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed $329,889.

DISCUSSION

Project Description

The work to be performed under the contract is for Gas Main Replacement Project 13 (project location maps attachment D). The contract includes installation of approximately 30,119 linear feet of new polyethylene pipe, 497 new customer service pipes, and service stubs to reconnect 135 existing customer service pipes. Replacing the gas distribution system with polyethylene pipe will eliminate leaks in the project areas and reduce loads on the existing cathodic protection system, thereby extending its useful life. Additionally, larger size mains will increase distribution system reliability. The
project targets a specific material type of piping that is approaching the end of its useful life. If this material type is not replaced, it will continue to contribute to maintenance expenses associated with gas leaks and expose the City to potential liability.

Project 13 Gas Main Replacement has been in planning for 5 years and coordinated with other City Departments including Public Works on the GIS Maps Project Coordinator to insure that other surface improvement projects on the streets included in GMR 13 occur after the completion of this project.

**Summary of Bid Process**

<table>
<thead>
<tr>
<th>Bid Name/Number</th>
<th>Gas Main Replacement Project 13, CIP GS-03002, IFB Number 105033</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>250 calendar days</td>
</tr>
<tr>
<td>Number of Bids Mailed to Contractors</td>
<td>5</td>
</tr>
<tr>
<td>Number of Bids Mailed to Builder’s Exchanges</td>
<td>5</td>
</tr>
<tr>
<td>Total Days to Respond to Bid</td>
<td>21</td>
</tr>
<tr>
<td>Pre-Bid Meeting?</td>
<td>Yes</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
<td>7</td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>5</td>
</tr>
<tr>
<td>Bid Price Range</td>
<td>From a low of $3,298,891.80 to a high of $4,254,963.00</td>
</tr>
</tbody>
</table>

*Bid summary provided in Attachment C.*

Staff has reviewed all bids submitted and recommends that the bid of $3,298,892 submitted by Manuel Bros., Inc. be accepted and that Manuel Bros., Inc. be declared the lowest responsible bidder. The bid is 12% below the staff/engineer's estimate of $3,745,990. The change order amount of $329,889, which equals 10% of the total contract is requested for related unforeseen work, which may develop during the project.

Staff confirmed with the Contractor's State License Board that the contractor has an active license on file. Staff checked references supplied by the contractor for previous work performed and found no significant complaints.

**RESOURCE IMPACT**

Funds for this Capital project are included in the FY 2003/04 Gas Fund as Project GS-03002. Existing City staff is unable to replace the quantity of the mains and services in this contract within the required time frame.
This project includes funding transfers of $76,175 to the General Fund for Trench Impact Fees. Funds for Trench Impact Fees for this project are included in the FY 2003/04 Utilities Department budget.

POLICY IMPLICATIONS

The approval of this contract is consistent with existing City policies. This recommendation is consistent with the Council-approved Utilities’ Strategic Plan, especially Supporting Key Strategy No. 1: Operate distribution system in a cost effective manner, Strategy No. 7: Implement programs that improve the quality of the environment and Objective No 2: Invest in utility infrastructure to deliver reliable service.

ENVIRONMENTAL REVIEW

This project is categorically exempt from the provisions of the California Environmental Quality Act and no further environmental review is necessary.

ATTACHMENTS

A: Contract
B: Certificate of Non-Discrimination
C: Bid Summary
D: Project Location Maps

PREPARED BY:  

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Project Engineer

DEPARTMENT HEAD:  

JOHN ULRICH  
Director of Utilities

CITY MANAGER APPROVAL:  

EMILY HARRISON  
Assistant City Manager