TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DATE: MARCH 7, 2005

SUBJECT: APPROVAL OF A UTILITIES ENTERPRISE FUND CONTRACT WITH MANUEL BROTHERS INCORPORATED IN THE AMOUNT OF $1,287,687 FOR GAS MAIN REPLACEMENT CAPITAL IMPROVEMENT PROJECT 14, GS-04003

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the City Manager to execute the attached contract with Manuel Brothers Incorporated (Manuel Bros., Inc.) in the amount of $1,287,687.00 for Gas Main Replacement Project 14, GS-04003.

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 $128,769.

DISCUSSION

Project Description
The work to be performed under the contract is for Gas Main Replacement Project 14 (project locations are shown in Attachment C). The contract includes installation of approximately 10,886 linear feet of new polyethylene (PE) gas main, 150 new customer services, and service stubs to reconnect 31 existing customer PE services.

Replacing the gas distribution system with PE pipe will eliminate leaks in the project areas and reduce loads on the existing cathodic protection system, thereby extending its useful life. Larger size mains will increase distribution system reliability. The project scope includes replacement of gas mains on Bryant Street between Forest and Channing Avenues and on Homer Avenue...
between Bryant and Ramona Streets prior to the Public Works Engineering’s South of Forest Coordinated Area Plan re-surfacing project later this year.

The project targets acrylonitrile-butadiene-styrene (ABS) mains that have caused additional maintenance problems and expense due to their brittle pipe walls and non-circular shape. Over time these mains have developed an elliptical shape with brittle side walls. Repairs to these odd-shaped mains is time consuming and difficult. Accelerated replacement of ABS mains and service replacements need to remain on the City’s planned CIP schedule. ABS material failures will continue to contribute to increasing gas maintenance expenses associated with gas leaks and expose the City to potential liability until all ABS materials are removed from the gas distribution system. The work is being performed by contract because the project resource requirements are beyond the City’s personnel and equipment capacity.

**Summary of Bid Process**

<table>
<thead>
<tr>
<th>Bid Name/Number</th>
<th>Gas Main Replacement Project 14, CIP GS-04003, IFB Number 110602</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>100 calendar days</td>
</tr>
<tr>
<td>Number of Bids Mailed to Contractors</td>
<td>4</td>
</tr>
<tr>
<td>Number of Bids Mailed to Builder’s Exchanges</td>
<td>3</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>5</td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>3</td>
</tr>
<tr>
<td>Bid Price Range</td>
<td>From a low of $1,287,687.00 to a high of $1,425,224.50</td>
</tr>
</tbody>
</table>

*Bid summary provided in Attachment B

Staff has reviewed all bids submitted and recommends that the bid of $1,287,687 submitted by Manuel Bros., Inc. be accepted and that Manuel Bros., Inc. be declared the lowest responsible bidder. The bid is 2.6 percent below the staff/engineer’s estimate of $1,322,450. The change order amount of $128,769 which equals 10% percent 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 2004/05 Gas Fund as Project GS-04003. The quantity of mains and services installed under this contract are beyond the City’s existing personnel and equipment capacities. This project includes funding transfers of $46,160 to the General Fund for Trench Impact Fees. Funds for Trench Impact Fees for this project are included in the FY 2004/05 Utilities Department budget.
POLICY IMPLICATIONS
The approval of this contact is consistent with existing City policies, including the Council-approved Utilities Strategic Plan 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 California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15301 (b) repair, maintenance of existing facilities and 15302 (c) replacement or reconstruction of existing facilities.

PROJECT REVIEW
Gas Main Replacement Project 14 was budgeted for FY 2004/05 and has been in planning for five years and coordinated with other City Departments including the Public Works Department on the GIS Project Coordinator Map to insure that other surface improvement projects on the streets included in GMR 14 occur after the completion of this project. The project scope was coordinated with Public Works resurfacing work in the South of Forest Area Coordinated Area Plan and includes replacement of a gas main on Bryant Street between Forest and Channing Avenues and on Homer Avenue between Bryant and Ramona Streets prior the City’s resurfacing project later this year.

This project does not contain any elements requiring review by boards or commissions.

ATTACHMENTS
A: Contract
B: Bid Summary
C: Project Map

PREPARED BY: Aleksandr Pishchik, Project Engineer
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Roger Cwiak, WGW Engineering Manager
Scott Bradshaw, Assistant Director

DEPARTMENT HEAD: ________________________________
John Ulrich
Director of Utilities

CITY MANAGER APPROVAL: _________________________
EMILY HARRISON
Assistant City Manager