TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: PUBLIC WORKS

DATE: JUNE 20, 2005

SUBJECT: APPROVAL OF AN ENTERPRISE FUND CONTRACT WITH POWER ENGINEERING CONTRACTORS IN THE AMOUNT OF $390,150 FOR THE EAST PALO ALTO SANITARY DISTRICT METER INSTALLATION PROJECT (CAPITAL IMPROVEMENT PROGRAM PROJECT #WQ-80022)

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the City Manager or his designee to execute the attached contract with Power Engineering Contractors (Attachment A) in the amount of $390,150 for the East Palo Alto Sanitary District (EPASD) Meter Installation Project (Capital Improvement Program Project #WQ-80022); and

2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Power Engineering Contractors for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed $39,015.

DISCUSSION

Project Description

The work to be performed under the contract is for the installation of a flow meter in the existing sewer main from the EPASD to the Regional Water Quality Control Plant (RWQCP).

This project is part of a settlement to resolve a claim that EPASD submitted to the City in May of 2001 related to charges for sewage treatment services provided by the City. The City and EPASD agreed that the City would install a flow meter in the existing EPASD sewer main and that the City and EPASD would share the cost of the project equally. This project is expected to be completed before November 2005.

This project requires special licenses, skills, and equipment to work on the existing asbestos pipe and shoring, which are not available from City employees. The invitation for bid was posted at City Hall on May 19, 2005 and mailed to 6 contractors.
Summary of Bid Process

<table>
<thead>
<tr>
<th>Bid Name/Number</th>
<th>EPASD Meter Installation/Number of Bid here</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>3 months</td>
</tr>
<tr>
<td>Number of Bids Mailed to Contractors</td>
<td>6</td>
</tr>
<tr>
<td>Number of Bids Mailed to Builder’s Exchanges</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Total Days to Respond to Bid</td>
<td>20</td>
</tr>
<tr>
<td>Pre-Bid Meeting?</td>
<td>Yes</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
<td>3</td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>2</td>
</tr>
<tr>
<td>Bid Price Range</td>
<td>From a low of $390,150 to a high of $696,000</td>
</tr>
</tbody>
</table>

*Bid summary provided in Attachment B. The Certification of Nondiscrimination is Attachment C.

Staff has reviewed all bids submitted and recommends that the bid of $390,150 submitted by Power Engineering Contractors be accepted and that Power Engineering Contractors be declared the lowest responsible bidder. The bid is 8.4 percent above the staff/engineer's estimate of $360,000 ($320,000 for base bid plus $40,000 for add-alternates). The change order amount of $39,015, which equals ten percent of the total contract, is requested because the condition of the existing pipe and soil could not be economically pre-determined and may require additional work unknown at this time.

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 the EPASD Meter Installation Project have been appropriated under the FY 2004-2005 Wastewater Treatment Capital Improvement Program Project WQ-80022. According to the settlement agreement, the RWQCP’s share of the costs is $195,075. EPASD will be billed for its share of the contract costs in accordance with the settlement agreement.

POLICY IMPLICATIONS
Recommendations of this staff report are consistent with existing City policies.

ENVIRONMENTAL REVIEW
This project is a minor alteration to an existing sewer pipe, which does not expand the capacity of the pipe, and is categorically exempt from California Environmental Quality Act (CEQA) review pursuant to CEQA Guidelines section 15301.

ATTACHMENTS
Attachment A: Contract
Attachment B: Bid Summary
Attachment C: Certificate of Non-Discrimination
PREPARED BY:  Daisy Stark, Senior Engineer RWQCP
               William D. Miks, Manager RWQCP

DEPARTMENT HEAD:  __________________________________
                   GLENN S. ROBERTS
                   Director of Public Works

CITY MANAGER APPROVAL:  __________________________________
                        EMILY HARRISON
                        Assistant City Manager