TO:        HONORABLE CITY COUNCIL
FROM:      CITY MANAGER          DEPARTMENT: UTILITIES
DATE:      JUNE 16, 2008        CMR: 273:08

SUBJECT:   APPROVAL OF A UTILITIES ENTERPRISE FUND CONTRACT WITH
D’ARCY & HARTY CONSTRUCTION, INC. IN AN AMOUNT NOT TO
EXCEED $1,177,695 FOR WASTEWATER COLLECTION SYSTEM
REHABILITATION CAPITAL IMPROVEMENT PROGRAM PROJECT
WC-06003 PROJECT 19B

RECOMMENDATION
Staff recommends that Council approve and authorize the City Manager or his designee to
execute the attached contract with D’Arcy & Harty Construction, Inc. (Attachment A) in an
amount not to exceed $1,177,695 for Wastewater Collection System Rehabilitation Capital
Improvement Program WC-06003 (WWC Project 19B).

Staff also recommends that Council approve and authorize the City Manager or his designee to
negotiate and execute one or more change orders to the contract with D’Arcy & Harty
Construction, Inc. for related, additional but unforeseen work which may develop during the
project, the total value of which shall not exceed $117,770.

DISCUSSION
Project Description
The work to be performed under the contract is for the replacement of approximately 8,100
linear feet of sanitary sewer mains of various sizes, 30 sewer manholes, and 200 sewer service
laterals. The scope includes the replacement of sewer mains, manholes, and laterals on
Arastradero Road and adjacent streets, as well as the replacement of sewer laterals on California
Avenue in the business district.
Summary of Bid Process

<table>
<thead>
<tr>
<th>Bid Name/Number</th>
<th>Project 19B Sanitary Sewer Rehabilitation/126462</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>180 calendar days</td>
</tr>
<tr>
<td>Number of Bids Mailed to Contractors</td>
<td>8</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>1</td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>2*</td>
</tr>
<tr>
<td>Bid Price Range</td>
<td>From a low of $1,177,695 to a high of $1,221,306</td>
</tr>
</tbody>
</table>

*2 responsive bids were received out of a total of 6 submittals. Bid summary is provided in Attachment B.

Staff has reviewed all bids submitted and found that four out of six bids were non-responsive because they failed to submit the required documentation for pipe-bursting experience. Staff recommends that the bid of $1,177,695 submitted by D’Arcy & Harty Construction, Inc. be accepted and that D’Arcy & Harty Construction, Inc. be declared the lowest responsive and responsible bidder. The bid is eighteen percent below the engineer’s estimate of $1,438,750. The change order amount of $117,770, which equals 10 percent of the total contract, is requested for unforeseen additional work that 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.

PROJECT COORDINATION
The work will be coordinated with the Public Works Department at the monthly department coordination meetings and by meeting independently with Public Works’ project managers whose projects may directly impact this project. During the coordination meetings, staff is aggressively targeting areas such as Arastradero Road and California Avenue to more closely plan and coordinate underground infrastructure into future street maintenance phases. The targeted streets will be resurfaced in Public Works Engineering’s upcoming projects after utility work is completed to prevent trenching in newly repaved streets.

RESOURCE IMPACT
Funds for this project are available in the Wastewater Collection Funds Capital Improvement Program budgets.
POLICY IMPLICATIONS
This recommendation is consistent with the Council-approved Utilities Strategic Plan, Key Strategy #2, “Invest in utility infrastructure to deliver reliable service.”

ENVIRONMENTAL REVIEW
This project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline Sections 15301 (b) repair and maintenance of existing public utility facilities and 15302 (c) replacement or reconstruction of existing utility facilities involving no expansion of capacity.

ATTACHMENTS
A: Contract
B: Bid Summary
C: Certificate of Non-Discrimination

PREPARED BY: Silvia Santos, Project Engineer
Edward Wu, Senior Project Engineer
Roger Cwiak, Engineering Manager

DEPARTMENT HEAD: VALERIE O. FONG
Director of Utilities

CITY MANAGER APPROVAL: STEVE EMSLIE/KELLY MORARIU
Deputy City Managers