TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS
DATE: SEPTEMBER 8, 2008 CMR: 349:08

SUBJECT: APPROVAL OF A STORM DRAIN ENTERPRISE FUND CONTRACT WITH CASEY CONSTRUCTION INC. IN THE AMOUNT NOT TO EXCEED $320,895 FOR STORM DRAIN REHABILITATION AND REPLACEMENT PROJECT - PHASE II, CAPITAL IMPROVEMENT PROGRAM PROJECT SD-06101

RECOMMENDATION
Staff recommends that Council:

1. Approve and authorize the City Manager or his designee to execute the attached contract with Casey Construction, Inc., in the amount of $320,895 for Storm Drain Rehabilitation and Replacement Project Phase – II, Capital Improvement Program (CIP) Project SD-06101.

2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Casey Construction, Inc., for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed $32,000

BACKGROUND
In 2005, the property owners of Palo Alto voted to increase their monthly storm drainage fee to fund a number of storm drain-related capital improvement projects, including an increased budget for annual storm drain rehabilitation and replacement. This project makes use of the rehabilitation and replacement funds for FY 2008-09.

DISCUSSION
Project Description
A project location and overview map is shown on Attachment B. The major elements of the work are the replacement of the existing deteriorated storm drain lines on Vernon Terrace and on High Street between Forest Avenue and Homer Avenue. Additionally, backflow control devices will be installed in manholes on Charleston Court at Charleston Road and at the intersection of Seneca Street and University Avenue in order to prevent localized street flooding at these locations. Bolt-down lids will be installed on several manholes along Embarcadero Road near Alma Street to prevent water pressure from the Embarcadero Pump Station from lifting the lids during severe storms. Localized repairs of damaged storm drain pipe will be made on Lambert Avenue near Park Boulevard and at the intersection of Middlefield Road and Seale Avenue. Plastic pipe liners will be inserted into storm drains in the Embarcadero Road / Wildwood Lane /
Channing Avenue area in order to rehabilitate the existing deteriorated corrugated metal pipes. Construction is expected to start in late September and be completed by the end of November 2008.

Project Coordination
The work included in this project has been coordinated with the City’s street maintenance program and does not directly impact any other utility or street resurfacing project.

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<tr>
<th>Summary of Bid Process</th>
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<tr>
<td>Bid Name/Number</td>
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<td>Proposed Length of Project</td>
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<td>Number of Bids Mailed to Contractors</td>
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<td>Number of Bids Mailed to Builder’s Exchanges</td>
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<td>Total Days to Respond to Bid</td>
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<td>Pre-Bid Meeting?</td>
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<td>Number of Company Attendees at Pre-Bid Meeting</td>
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<td>Number of Bids Received:</td>
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<td>Bid Price Range *</td>
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*Bid summary provided in Attachment C. The Certification of Nondiscrimination is Attachment D.

Staff has reviewed the one bid submitted and recommends that the bid of $320,895 submitted by Casey Construction, Inc., be accepted and that Casey Construction, Inc., be declared the lowest responsible bidder. The bid is 34% below the engineer's estimate of $489,705. Casey Construction was the contractor for the last storm drain rehabilitation project and performed very well. Multiple inquires made by staff to other plan holders indicated that a high volume of bid openings on the same day as this project’s bid opening was the primary reason that only one bid was submitted for the project. The change order amount of $32,000 (which equals 10% of the total contract) is requested to resolve unforeseen problems and/or conflicts that may arise during the construction period. Staff confirmed with the Contractor's State License Board that the contractor has an active license on file.

**RESOURCE IMPACT**
Funding for the Storm Drain Rehabilitation and Replacement Phase II Project is available in Storm Drainage Fund Capital Improvement Program Project SD-06101. Project SD-06101 is funded annually on an ongoing basis in order to finance enhanced maintenance of the City’s existing storm drain system by replacing or rehabilitating deteriorated components. The project is funded by the Storm Drainage Fee increase approved by property owners in 2005.

**POLICY IMPLICATIONS**
This recommendation does not represent any changes to existing City policies.
**ENVIRONMENTAL REVIEW**
This project has been determined to be categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15301 of the CEQA Guidelines as repair, maintenance, and/or minor alteration of an existing facility and no further environmental review is necessary.

**ATTACHMENTS**
Attachment A: Contract  
Attachment B: Project Location Map  
Attachment C: Bid Summary  
Attachment D: Certification of Nondiscrimination

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