



City of Chula Vista

Staff Report

File#: 15-0593, **Item#:** 1.

RESOLUTION NO. 2016-013 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING BIDS; REJECTING THE BID OF THE FIRST APPARENT LOW BIDDER, PIPERIN CORPORATION, AS NON-RESPONSIVE; AWARDING A CONTRACT FOR THE "SEWER REHABILITATION PROJECT, FISCAL YEAR 2012/2013 AT VARIOUS LOCATIONS (CIP# SW276)" PROJECT TO SOUTHWEST PIPELINE AND TRENCHLESS CORP. IN THE AMOUNT OF \$508,450; WAIVING CITY COUNCIL POLICY NO. 574-01; AND AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO EXECUTE ALL CHANGE ORDERS

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

On November 18, 2015, the Director of Public works received four (4) sealed bids for the "Sewer Rehabilitation Project, FY 2012/2013 at Various Locations (CIP# SW276)". The project consists of lining existing sewer main pipes, spot repairs of sewer main pipes, and manhole rehabilitation.

ENVIRONMENTAL REVIEW

Environmental Notice

The Project qualifies for a Class 1 Categorical Exemption pursuant to Section 15301 (Existing Facilities) of the California Environmental Quality Act State Guidelines.

Environmental Determination

The Director of Development Services has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the "Sewer Rehabilitation Project, FY 2012/2013 AT VARIOUS LOCATIONS (CIP# SW276)" project qualifies for a Class 1 categorical exemption pursuant to Section 15301 (Existing Facilities) Thus, no further environmental review is necessary.

BOARD/COMMISSION RECOMMENDATION

Not Applicable

DISCUSSION

Based on the results of field inspections a number of sewer pipes and manholes have been identified by the Public Works Department as requiring replacement and/or rehabilitation. Certain sections of pipe are cracked and need to be replaced or repaired to prevent groundwater infiltration or leaching of raw sewage into the ground. The general scope of Sewer Rehabilitation Project, FY 2012/2013 at Various Locations (CIP# SW276) consists of lining existing sewer main pipes, spot repairs of sewer main pipes, and epoxy lining of manholes. The locations of work to be done are highlighted in the

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attached project Location Summary Map (Attachment 1).

On October 30, 2015, the Director of Public Works received four (4) sealed bids as follows:

	CONTRACTOR	BASE BID TOTAL
1	Piperin Corporation - Vista, Ca	\$497,850
2	Southwest Pipeline and Trenchless Corp. - Torrance, Ca	\$508,450
3	Palm Engineering - San Diego, Ca	\$595,550
4	Weir Construction - Escondido, Ca	\$660,915

The apparent low bid by Piperin Corporation was deemed non-responsive based on the listed subcontractor, Ace Pipeline, not meeting experience requirements as described in the contract documents for sewer main lining work. The contract documents stated the installer must have a minimum experience of 500,000 linear feet of installations for the liner intended for use on this project. Ace Pipeline's experience is approximately 20% of the minimum stipulation. Additionally, Piperin Corporation and Ace Pipeline failed to meet the contract requirement of ownership and operation of its own permitted wet-out facility where resin impregnation of the cured in place pipe (CIPP) tube will be carried out. Experience documentation was self-reported by Piperin and its subcontractor Ace Pipeline. Sewer lining work is highly skilled work; minimum installation experience and wet-out facility requirements ensure the City receives a proper installation that meets or exceeds the 50 year design life of CIPP lining.

The second low bid by Southwest Pipeline and Trenchless Corp. of \$508,450 is \$109,595 (approximately 18%) below the Engineer's estimate of \$618,045.

Southwest Pipeline and Trenchless Corp. is a currently an active licensed Class "A", General Engineering Contractor (License No. 773862) and has performed similar work in the City with satisfactory performance. Staff has reviewed Southwest Pipeline and Trenchless Corp. bid and determined it to be responsive. Therefore, staff recommends awarding SW276 project contract to Southwest Pipeline and Trenchless Corp.

The proposed resolution would also authorize the Director of Public Works to approve change orders over and above existing policy limits. Under City Council Policy No. 574-01, if an individual change order causes the cumulative increase in change orders to exceed the Director's authority, ("Maximum Aggregate Increase in Change Orders"), City Council approval is required. The corresponding maximum aggregate contract increase that may be approved by the Director of Public Works under Policy No. 574-01 is \$38,591.50. Approval of the resolution would increase the Director of Public Works authority to approve change orders, without City Council approval as necessary, up to contingency amount of \$76,270 (approximately 15% of the contract), an increase of \$ 37,678.50 over Policy No. 574-01. Increasing the Director's authority will allow the project to continue without delay should unforeseen circumstances arise resulting in increased project costs during the course of construction.

Wage Statement

The Contractor and its subcontractors are required by bid specifications to pay prevailing wage

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("Prevailing Wage Rates") to persons employed by them for work under this Contract. In accordance with the provisions of Section 1773 of the Labor Code of the State of California, the City of Chula Vista has ascertained the general prevailing wage scales applicable to the work to be done. The prevailing wage scales are those determined by the Director of Industrial Relations, State of California.

Disclosure Statement

Attachment 2 is a copy of the Contractor's Disclosure Statement for resolution A.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council and has found no property holdings within 500 feet of the boundaries of the properties, which are the subject of these actions. Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The Sewer Rehabilitation Project, FY 2012/2013 at various locations (CIP# SW276) project supports the Strong and Secure Neighborhoods Strategic Goal as it maintains public infrastructure vital to the quality of life for residents.

CURRENT YEAR FISCAL IMPACT

Approval of the first resolution will initiate the construction phase of SW276. Sufficient Sewer funds are available in SW276 to complete the project. Therefore, there is no additional impact to the fund.

The table below summarizes the anticipated project costs.

FUNDS REQUIRED FOR CONSTRUCTION	
A. Contract Amount	\$508,450
B. Contingency (Approximately 15% of contract)	\$76,270
C. Construction Inspection Staff Cost	\$110,000
TOTAL FUNDS REQUIRED FOR CONSTRUCTION	\$694,720

ONGOING FISCAL IMPACT

Upon completion of the projects, the improvements will require only routine maintenance of the sewer and drainage facilities.

ATTACHMENTS

1. Project Locations Map
2. Contractor's Disclosure Statement from Southwest Pipeline and Trenchless Corp.

Staff Contact: David Hicks, Assistant Civil Engineer

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