

**City of Culver City, California
Agenda Item Report**

Meeting Date: 07/13/09		Item Number: <u>C-5</u>	
CITY COUNCIL AGENDA ITEM: 1) Award of a Contract with Sancon Engineering Inc for the Construction of Sewer Rehabilitation (Lining) Projects, P-872, P-893, P-894 and P-904; and 2) Approval of an Amendment to the Existing Professional Services Agreement with Dudek for Construction Management and Inspection Services Related Thereto.			
Contact Person/Dept: Hong Wang, PW		Phone Number: 310.253.5604	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Agendas and Meetings – City Council (07/08/09); (Telephone) Sancon Engineering Inc., (Telephone) Southwest Pipeline, (Telephone) Dudek, (Telephone) KOA (CBM), and (Telephone) Norris-Repke (07/08/08)			
Department Approval: Charles D. Herbertson (07/02/09)		City Attorney Approval: Carol Schwab (by H. Baker) (07/07/09)	
Chief Financial Officer Review: Jeff Muir (by N. Kimball) (07/08/09)		City Manager Approval: Mark Scott (07/08/09)	
<u>RECOMMENDATION:</u> Staff recommends the City Council: 1) award a contract to Sancon Engineering Inc. as the lowest responsive and responsible bidder for the construction of Sewer Rehabilitation (Lining) Projects, P-872, P-893, P-894 and P-904 in the amount of \$988,842; and 2) approve an amendment to the existing professional services agreement with Dudek for construction management and inspection services in the amount of \$106,800 for this project. <u>BACKGROUND:</u> Most of the existing sewer mains in this group of projects are identified as high priority repairs in the City's Sewer Video and Condition Assessment Report dated June 29, 2004. These sewer mains exhibited root intrusion, cracks, sags, protruding laterals, and offset joints. The Director of Public Works/City Engineer has selected trenchless lining technology to rehabilitate the sewer mains to minimize construction impacts to existing improvements and the associated inconvenience to the public, especially for those sewer mains located in rear property line easements. On July 28, 2008, the City Council approved a professional services agreement with Dudek to design the project. As designed, segments of sewer lines may be excavated and replaced as part of this project if the trenchless construction option is			

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determined to not be feasible. The work includes the rehabilitation of the sewer main, manholes and damaged sewer laterals at following locations:

1. Sewer Main in Farragut Drive (Jasmine Avenue to Overland Avenue) and Elenda Street (Washington Boulevard to Culver Boulevard), P-872;
2. Sewer Main in Easement between Madison Avenue and Lincoln Avenue (Culver Boulevard to Ballona Creek), P-893;
3. Sewer Main in Easement between Baldwin Avenue and La Salle Avenue (Jackson Avenue to Ballona Creek), P-894; and,
4. Sewer Main in Tellefson Road (Cranks Road to Ranch Road) and Ranch Road (Tellefson Road to Eeward Road), P-904.

On March 23, 2009, the City Council approved the final plans and specifications and authorized the advertising of construction bids.

DISCUSSION:

Construction Bids:

The combined project was advertized for construction bids in the local newspaper, on the City's website, and in trade journals. Seven general contractors purchased the plans and specifications. On June 25, 2009, the Deputy City Clerk publicly opened bids. Two Contractors responded with the following bid amounts:

CONTRACTOR	BID AMOUNTS
1. Sancon Engineering Inc.	\$988,842
2. Southwest Pipeline	\$1,004,938

Staff reviewed the bid of the apparent lowest bidder, Sancon Engineering Inc. and found the bid documents responsive and complete. In evaluating the bidder's responsibility, staff reviewed Sancon Engineering Inc.'s bid bond, contractor's license, qualifications and prior sewer lining project experience, and worker's compensation insurance, which were determined to meet City requirements.

Sancon Engineering Inc. has completed numerous similar projects for other municipal agencies in southern California and is considered one of the best pipe lining contractors in the region by its peers. Representatives from the City of Huntington Beach and City of La Habra indicated that Sancon Engineering Inc.

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performed in an excellent manner on their sewer lining projects. In addition, Sancon is currently working on another contract for Culver City to rehabilitate deteriorated manholes, and staff is satisfied with their products and performance.

Staff recommends a 20% (\$197,000) change order authority be granted to the Public Works Director/City Engineer for unforeseen conditions as most of the work will occur in the rear property line easements and unknown conditions may be present.

Should the City Council award this contract, construction is expected to commence in September 2009 and be completed by the end of 2009. All adjacent property owners will be notified of the dates of construction.

Construction Management and Inspection Services:

Per Culver City Municipal Code §3.07.070.A, a contract for professional services may be awarded without following the formal bidding process, provided that the contract is based upon competitive quotations, whenever practical, from not less than three vendors. The Request for Proposals for engineering services was mailed to the City's pre-approved on-call general civil engineering firms and several reputable engineering firms that specialize in trenchless technologies.

Three (3) engineering firms responded to the proposal:

<u>Firms</u>	<u>Proposed Fee</u>
1. Dudek	\$113,200
2. KOA (CBM)	\$ 80,229
3. Norris-Repke	\$ 59,490

The Public Works Director/City Engineer, Engineering Services Manager, and the Senior Civil Engineer conducted a review of the proposals, and it was unanimously determined that Dudek's proposal is the most responsive. Further Dudek is the most qualified firm to provide construction management and inspection services on this project.

Staff contacted Dudek's references for similar municipal sewer rehabilitation projects. These references rated both the firm and the designated construction manager and inspector from Dudek as excellent. Also, being that Dudek was the designer of this project, it is most desirable that the construction management and inspection be done by the same firm that has already developed extensive knowledge of the project and existing conditions that will likely be faced in the field

After the tentative selection, Staff negotiated the fee amount with Dudek. The original fee of \$113,200 was negotiated to \$106,800. Although this fee is still higher

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than the other consultants' proposed fees, due to the fact this is the first time the City is using trenchless technology to rehabilitate sewer lines, staff believes it is in the best interest of the City to select a firm with superior qualifications and experience. This will help to ensure that construction problems and change orders are minimized. In addition, staff believes that Dudek is offering a reasonable fee (approximately 10.7% of the construction cost) that is in line with industry standards for this type of work.

FISCAL ANALYSIS:

Currently, funds for these projects are appropriated in separate projects (P-872, P-893, P-894 & P-904). The Engineering Division has developed a capital plan to replace/repair a number of sewer mains throughout the City over the next few years. For operational efficiency, one capital project was created in FY 2008-09, P-906 Priority Sewer Main Rehabilitation. All future sewer main rehabilitation projects will be funded from P-906.

In order to maintain consistency and fund all sewer main rehab projects from P-906, staff proposes transferring the available funds from P-872, P-893, P894, and P-904 to P-906. Per the adopted budget resolution, this transfer can be done administratively with the approval of the City Manager. The following table identifies the available funding and estimated project expenses:

Current Project Budget	
Available Funding	Amount
Beginning budget (P-872,P-893, P-894 &P-904)	\$ 1,460,000
Expenditures (as of June 30, 2009):	(\$110,000)
Total =	\$ 1,350,000

Estimated Project Expenses	
Construction	\$988,842
Contingency (20%), if necessary	\$ 197,000
Construction Management and Inspection	\$106,800
Contingency (20%), if necessary	\$20,000
Total =	\$1,312,642

Any unused funds will be returned to the Sewer Fund balance to be appropriated towards future projects.

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ATTACHMENTS:

1. Location maps

MOTIONS:

That the City Council:

- 1) Award a Contract to Sancon Engineering Inc. for the construction of Sewer Rehabilitation (Lining) Projects, P-872, P-893, P-894 &P-904 in the amount of \$988,842; and,
- 2) Authorize the Public Works Director/City Engineer to approve Change Orders to Sancon Engineering Inc., if necessary, for an amount not-to-exceed \$197,000 (20% of \$988,842); and,
- 3) Approve an Amendment to the Existing Professional Services Agreement with Dudek for construction management and inspection services for the construction of Sewer Rehabilitation (Lining) Projects, P-872, P-893, P-894 &P-904 in the amount of not to exceed \$106,800; and,
- 4) Authorize the Public Works Director/City Engineer to approve Change Orders to Dudek, if necessary, for an amount not-to-exceed \$20,000 (approximately 20% of \$106,800); and,
- 5) Authorize the City Attorney to review/prepare the necessary documents; and,
- 6) Authorize the City Manager to execute such documents on behalf of the City.