

STAFF REPORT

City Council Business Agenda Item

DATE: May 6, 2024

TO: Honorable Mayor and Council Members

FROM: Mat Nyberg, Public Works Project Manager

THROUGH: Merritt Perry, City Manager

SUBJECT: **Authorize the City Manager to Award a Construction Contract for the ‘P’ Street Sewer Replacement Project (CIP 9121) to Mercer Fraser Company and establish a maximum contract amount of \$135,000**

STAFF RECOMMENDATION:

Authorize the City Manager to award the ‘P’ Street Sewer Replacement Project (CIP 9121) to Mercer Fraser and establish a maximum contract amount of \$135,000.

EXECUTIVE SUMMARY:

In some areas of the City, namely in the vicinity of downtown, wastewater collection pipes are old and some have begun to fail. Many of the old lines were constructed from clay pipe which was assembled in three-foot sections sealed with cord material pushed into each joint. Over time the cord material has deteriorated resulting in significant inflow from ground water and in some cases like ‘P’ Street, roots from vegetation. City utility crews have been deployed several times over the past few years for stoppages at this location as a result. The ‘P’ Street Sewer Replacement Project is part of a program that the City has undertaken to inspect and assess its wastewater collection system to identify failing components for repair. This program is ongoing and is a resultant of an agreement entered into by the City and California River Watch in lieu of a law suit initiated by them in 2016, and since that time the City has been regularly video inspecting sanitary sewer lines to find defective assets. The replacement of this section of mainline and the four associated private laterals within the right of way will eliminate groundwater inflow in this section of mainline and provide better function and maintenance access for utility crews via lateral cleanouts.

The ‘P’ Street Sewer Replacement Project bid package was released and publically advertised on March 22th, 2024. The bid period ended on April 19th, 2024, at which time the City received four responsive bids. The bid totals are shown in the table below:

Name of Contractor	Base Bid Amount
Mercer Fraser	\$115,000.00
Mobley Construction	\$118,500.00
Kelco Construction	\$119,603.00
GR Sundberg	\$470,106.00

The apparent low bid was submitted by Mercer Fraser Company with a total bid price of \$115,000 which is within the total established City construction budget of \$150,000. The Engineers Bid Estimate for the total project was approximately \$120,000.

City staff have confirmed that the bid received from Mercer Fraser Company was fully responsive and that they have active licenses and registrations. Staff recommend awarding the contract to Mercer Fraser Company.

If the project is awarded, staff anticipate being under contract in May. Mobilization and construction is anticipated to take approximately one-week, and is scheduled to be completed by September 2024. The draft Notice of Potential Award is included as Attachment A.

FINANCIAL IMPACT:

This project is funded by wastewater Capital Reserve Funds. See the table below for a breakdown of project funding.

Funding Source	Sewer Capital Reserve Funds
City Fund Number	560
Funding Amount	\$150,000

As shown above, the total available funding for the project is \$150,000. Staff propose to award the project to Mercer Fraser Company and enter into a contract for \$115,000 (the bid total), and to establish a maximum contract amount of \$135,000. The \$20,000 difference between the bid total and the maximum contract amount would be reserved as a construction contingency to cover any unforeseen costs that arise during the project. The contingency would be approximately 17% of the total project value, which is a bit higher than typical due to potential challenges or unknowns that tend to arise when constructing underground utilities. This amount is well within the fiscal year allocation for this project.

RECOMMENDED COUNCIL ACTION:

1. Receive staff presentation and review Council questions with staff
2. Open Public Comment
3. Close Public Comment
4. Motion to Authorize the City Manager to award the 'P' Street Sewer Replacement Project (CIP 9121) to Mercer Fraser Company and establish a maximum contract amount of \$135,000.