TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS

DATE: APRIL 16, 2007 CMR:198:07

SUBJECT: APPROVAL OF AN ENTERPRISE CONTRACT WITH AES ENTERPRISES, INC. IN THE TOTAL AMOUNT OF $489,008 FOR SEWER CLEANING PROJECT AT THE REGIONAL WATER QUALITY CONTROL PLANT - CAPITAL IMPROVEMENT PROGRAM PROJECT WQ-04011

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the City Manager or his designee to execute the attached contract with AES Enterprises, Inc. in the amount of $444,552.40 for sewer cleaning project at the Regional Water Quality Control Plant (Attachment A).

2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with AES Enterprises, Inc. for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed $44,455.

DISCUSSION

Project Description

The work to be performed under the contract is cleaning of the 72-inch-diameter sanitary sewer at the Regional Water Quality Control Plant. Debris will be removed and disposed of at a landfill, to be determined. A November 2006 sonar inspection revealed that a large amount of debris had settled in the sewer, reduced needed pipeline capacity, and increased corrosive gases that attack the concrete pipe wall. This project will restore capacity, decrease corrosion, and ensure reliable use of the pipeline by the Regional Water Quality Control Plant. As Palo Alto does not own or use the special industrial equipment needed to clean the pipeline, an outline contractor is needed.

A notice inviting formal bids for the project was sent to ten contractors and posted at City Hall. The bidding period was 21 days. Bids were received from three qualified contractors on March 27, 2007 as listed on the attached bid summary (Attachment B). Bids ranged from a high of $664,446 to a low bid of $444,552.40.
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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 B. Certification of Nondiscrimination is Attachment C.

Staff has reviewed all bids submitted and recommends that the bid of $444,552.40 submitted by AES Enterprises, Inc. be accepted and that AES Enterprises, Inc. be declared the lowest responsible bidder. The bid is 33 percent below the engineer's estimate of $662,695. The change order amount of $44,455, which equals 10 percent of the total contract, is requested for related, additional but unforeseen work which 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.

**RESOURCE IMPACT**
Funds for this project are included in the 2006-2007 Wastewater Enterprise Fund budget.

**POLICY IMPLICATIONS**
This recommendation does not represent any change to existing City policies.

**ENVIRONMENTAL REVIEW**
The recommended action is exempt from review under the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301 (b), which includes maintenance of publicly-owned wastewater facilities involving negligible expansion.

**ATTACHMENTS**
Attachment A: Contract
Attachment B: Bid Summary
Attachment C: Certification of Nondiscrimination

**PREPARED BY:**
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Richard A. Wetzel, Manager RWQCP
DEPARTMENT HEAD:  
__________________________
GLENN S. ROBERTS  
Director of Public Works

CITY MANAGER APPROVAL:  
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EMILY HARRISON  
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