TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: UTILITIES

DATE: JULY 23, 2007 CMR:317:07

SUBJECT: APPROVAL OF A UTILITIES ENTERPRISE FUND CONTRACT WITH RANGER PIPELINE, INC. IN THE AMOUNT OF $3,835,354 FOR GAS MAIN REPLACEMENT CAPITAL IMPROVEMENT PROJECT 16, GS-06001

RECOMMENDATION

Staff recommends that Council approve and authorize the City Manager or his designee to execute the attached contract with Ranger Pipeline, Inc. (Attachment A) in the amount of $3,835,354 for the Capital Improvement Gas Main Replacement Project 16, GS-06001.

Staff also recommends that Council approve and authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Ranger Pipeline, Inc for related additional, but unforeseen work, which may develop during the project, the total value of which shall not exceed $383,535.

DISCUSSION

Project Description
The work to be performed under the contract is installation of approximately 27,790 linear feet of new polyethylene (PE) gas main, 605 new customer services, 106 service stubs to reconnect existing customer PE services and installation of 900 linear feet of new polyethylene (HDPE) water main (project locations are shown in Attachment C).

Replacing the gas distribution system with PE pipe will eliminate leaks in the project areas and reduce loads on the existing cathodic protection system, thereby extending its useful life. Larger size mains will increase distribution system reliability.

The project targets acrylonitrile-butadiene-styrene (ABS) mains that have caused additional maintenance problems and expense. Over time, these mains have developed an elliptical shape with brittle sidewalls. Repairs to these oddly shaped mains is time consuming and difficult.
Accelerated replacement of ABS mains and service replacements need to remain on the City’s planned Capital Project schedule. ABS material failures will continue to contribute to increasing gas maintenance expenses associated with gas leaks. The work is being performed by contract because the project resource requirements are beyond the City’s personnel and equipment capacity.

**Summary of Bid Process**

<table>
<thead>
<tr>
<th>Bid Name/Number</th>
<th>Gas Main Replacement Project 16, CIP GS-06001, IFB Number 122066</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>270 calendar days</td>
</tr>
<tr>
<td>Number of Bids Mailed to Contractors</td>
<td>6</td>
</tr>
<tr>
<td>Number of Bids Mailed to Builder’s Exchanges</td>
<td>5</td>
</tr>
<tr>
<td>Total Days to Respond to Bid</td>
<td>21</td>
</tr>
<tr>
<td>Pre-Bid Meeting?</td>
<td>Yes</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
<td>3</td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>3</td>
</tr>
<tr>
<td>Bid Price Range</td>
<td>From a low of $3,835,354 to a high of $6,092,904</td>
</tr>
</tbody>
</table>

*Bid summary provided in Attachment B.*

Staff has reviewed all bids submitted and recommends that the bid of $3,835,354 submitted by Ranger Pipelines, Inc. be accepted and that Ranger Pipeline, Inc. be declared the lowest responsible bidder. The bid is 21.7% percent below the staff/engineer's estimate of $4,899,363. The change order amount of $383,535, which equals 10 percent of the total contract, is requested for additional unforeseen work that 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.

**PROJECT COORDINATION**

Replacing the water mains included in this project will improve system reliability and system fire flow capacity in the College Terrace neighborhood and complete water main improvements in this portion of the College Terrace targeted work zone. The work was coordinated with the Public Works Department at the monthly Utilities/Public Works coordination meetings using the GIS project coordination program and staff discussions. This project along with Wastewater Project 19 A will complete all water, gas and wastewater capital improvements in the Phase 1 College Terrace targeted work zone.

**RESOURCE IMPACT**

Funds for this capital project are included in the FY 2006/07 Gas and the FY 2007/08 Water CIP budgets. The quantity of mains and services to be installed under this contract are beyond the City’s existing personnel and equipment capacities. This project includes funding transfers of
$155,345 to the General Fund for Trench Impact Fees. Funds for Trench Impact Fees for this project are included in the FY 2006/07 Gas and FY2007/08 Water CIP budgets.

**POLICY IMPLICATIONS**
The approval of this contract is consistent with existing City policies. This recommendation is consistent with the Council-approved Utilities Strategic Plan Key Strategy No. 1, “Operate distribution system in a cost effective manner,” Strategy No. 7, “Implement programs that improve the quality of the environment” and Objective No. 2, “Invest in utility infrastructure to deliver reliable service.”

**ENVIRONMENTAL REVIEW**
This project is categorically exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15301 (b) repair, maintenance of existing facilities and 15302 (c) replacement or reconstruction of existing facilities.

**ATTACHMENTS**
A: Contract  
B: Bid Summary  
C: Project Map

**PREPARED BY:**  
Aleksandr Pishchik, Project Engineer  
Greg Scoby, Project Manager  
Roger Cwiak, WGW Engineering Manager

**DEPARTMENT HEAD:**  
_________________________  
VALERIE O. FONG  
Director of Utilities

**CITY MANAGER APPROVAL:**  
_________________________  
EMILY HARRISON  
Assistant City Manager