AWARD A CONSTRUCTION CONTRACT AND APPROVE THE FILING OF A NOTICE OF EXEMPTION (CE006-14) FOR THE 2013 SANITARY SEWER REHABILITATION, PROJECT NO. M13001

RECOMMENDATION

It is recommended that the City Council approve a motion that adopts the plans and specifications, determines that the work is of a highly specialized nature, and authorizes the City Manager to execute a Construction Contract in the amount of $591,440 to Pacific Trenchless, Inc., of Oakland, California, for the 2013 Sanitary Sewer Rehabilitation, Project No. M13001.

It is also recommended that the City Council adopt a resolution authorizing the filing of Notice of Exemption No. CE006-14 under the California Environmental Quality Act (CEQA). It is further recommended that the City Manager be authorized to take appropriate actions to carry out the purpose and intent of this motion and resolution.

Summary

On July 28, 2009, Council adopted Resolution No. 09-0248 and approved the settlement agreement resolving the litigation in the California Sportfishing Protection Alliance (CSPA) v. City of Stockton. The settlement agreement requires the City to undertake specified corrective actions to prevent sewer overflows, including the repair and replacement of deficient sewer lines. The 2013 Sanitary Sewer Rehabilitation project will rehabilitate sewer lines at various locations that are in poor condition and in danger of structural failure.

On April 24, 2014, the City received four bids for the 2013 Sanitary Sewer Rehabilitation project. Staff recommends Council approve a motion to award a Construction Contract to Pacific Trenchless, Inc. in the amount of $591,440. Staff also recommends Council adopt a resolution authorizing the filing of a Notice of Exemption for the project. Construction is anticipated to begin in August 2014, and be completed by the end of 2014. The recommended motion determines that the work is of a highly specialized nature, therefore exempting the project from the requirements of the Local Employment Ordinance. The Local Business Preference was applied to the project, but did not change the outcome of the contract award.

DISCUSSION

Background

On September 16, 2008, the CSPA brought an action against the City based on an allegation that the City had violated the Federal Clean Water Act (CWA). Under the CWA, a citizen may bring an action to address continuing violations of the CWA through declaratory and injunctive relief, and imposition
of civil penalties. The CSPA alleged that the City had violated the CWA by causing the occurrence of an excessive number of overflows in the City’s sanitary sewer system, and that those overflows had been harmful to the environment.

On July 28, 2009, Council adopted Resolution No. 09-0248, which approved the settlement agreement that resolved the litigation in CSPA v. City of Stockton. The settlement agreement is in the form of a consent decree, meaning that the settlement forms the basis of an order enforceable by the Court and effective for at least five years. The consent decree establishes a target of not more than five sanitary sewer overflows (SSO) per 100 miles of sewer line per year. The City has met the SSO requirement each year, except for 2013. An additional year was added to the decree, due to non-compliance in 2013. Therefore, the decree will expire in 2015, provided that the City achieves the SSO requirement in 2014 and 2015.

The consent decree requires the City to undertake specified corrective actions, including the preparation of operating procedures for the sanitary sewer system, and the preparation of action plans aimed at reducing potential SSOs. The City is also required to conduct closed circuit television inspections of 1,000 miles of the sanitary sewer system, clean all gravity sewers 15 inches or smaller in diameter that are greater than 10 years old, and conduct grease interceptor inspections annually for all food service establishments.

The consent decree requires the City to correct conditions that may cause a SSO within an appropriate timeframe, in accordance with the Pipeline Assessment and Certification Program standards. Accordingly, the City has included projects to rehabilitate deficient sewer lines in the City’s annual Capital Improvement Program (CIP). The 2013 Sanitary Sewer Rehabilitation project will rehabilitate approximately 2,514 linear feet of 6-inch, 1,598 linear feet of 8-inch, and 160 linear feet of 12-inch sewer line throughout the City of Stockton as shown on Attachment A.

**Present Situation**

The 2013 Sanitary Sewer Rehabilitation, Project No. M13001, was advertised on March 27, 2014. On April 24, 2014, four bids were received on the subject project with the following results:

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>BID AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific Trenchless, Inc. (Oakland, CA)</td>
<td>$ 591,440.00</td>
</tr>
<tr>
<td>Mocon Corporation (Indio, CA)</td>
<td>$ 828,023.00</td>
</tr>
<tr>
<td>Nor-Cal Pipeline Services (Yuba City, CA)</td>
<td>$ 918,939.00</td>
</tr>
<tr>
<td>Diede Construction, Inc. (Woodbridge, CA)</td>
<td>$ 993,865.00</td>
</tr>
<tr>
<td>Engineer's Estimate</td>
<td>$ 614,931.00</td>
</tr>
</tbody>
</table>

The bid from Pacific Trenchless, Inc., the lowest responsive bidder, is regular in all respects. Pacific Trenchless, Inc. has the proper license to perform the work. Staff recommends awarding the Construction Contract to Pacific Trenchless, Inc. in the amount $591,440 (Attachment B). It is anticipated that the project will begin construction in August 2014, and be completed by the end of 2014.

The project is in conformance with the City’s General Plan, pursuant to California Government Code,
Section 65402, and is exempt from the requirements of CEQA as specified under Article 19, Section 15302(c), of the CEQA Guidelines. Staff recommends Council adopt a resolution authorizing the filing of a Notice of Exemption under CEQA.

This project is exempt from the Local Employment Ordinance pursuant to Stockton Municipal Code (SMC), Section 3.68.095. The SMC allows exemption to City construction contracts, or portions thereof, wherein the work is of a highly specialized nature as determined by Council when the contract specifications are approved. This project will rehabilitate existing sewer lines with cured-in-place pipe, pipe bursting, and horizontal directional drilling technologies. These are trenchless technology methods used to repair existing pipelines. The work involves inserting a one-piece seamless liner into a pipe that is cured-in-place, and inserting a one-piece high density polyethylene pipe by pipe bursting, and horizontal directional drilling. The process requires specialized boiler trucks, steam generators, and robotic cutters for cured-in-place technology and expander head, pulling rods, and pulling machines for pipe bursting, and horizontal directional drilling methods. The installers need to be certified with at least three years of active experience. Consequently, the work involved with this project is considered highly specialized.

One of the four bids received on the project is subject to SMC, Section 3.68.090, Local Business Preference. Diede Construction, Inc. is located within San Joaquin County and is entitled to a two percent bid preference. However, Diede Construction, Inc. submitted the highest bid, and their bid is more than two percent higher than the third lowest bid. Accordingly, there is no change in the outcome of the award or the bid order when applying the Local Business Preference.

FINANCIAL SUMMARY

Sufficient funds are available in Account No. 437-7702-670 (CIP-Wastewater/Sanitary System Repairs) to cover the cost of this project.

There is no impact to the City’s General Fund or to any other unrestricted fund as a result of taking the recommended action.

Attachment A - Vicinity Map
Attachment B - Construction Contract with Pacific Trenchless, Inc.