



Ironhouse Sanitary District BOARD OF DIRECTORS **STAFF REPORT**

DATE: February 18, 2020

TO: Members of the Board of Directors

FROM: Tyson Zimmerman, Assistant General Manager

SUBJECT: AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A CONSTRUCTION CONTRACT WITH RANGER PIPELINES, INC. FOR THE OLD TOWN PIPELINE IMPROVEMENTS PROJECT IN AN AMOUNT NOT TO EXCEED \$3,856,404

STATEMENT OF ISSUE:

The Old Town Pipeline Improvements project will replace approximately 9,649 lineal feet of 6-, 8-, and 15-inch diameter sewer pipelines south of Main Street in Oakley, California.

The project identified was determined using the District's risk model. The risk model identified pipelines within the neighborhoods south of Main Street and north of Vine Way, and between O'Hara Avenue and Rose Avenue that should be replaced. These pipes have Structural Grade 4 and 5 defects, with many of the pipes having multiple defects along their length. National Association of Sewer Service Companies (NASSCO) Pipeline Assessment Certification Program (PACP) identifies Structural Grade 5 defects as typically needing action within 5 years, and Structural Grade 4 defects as typically needing action within 10 years.

STAFF'S RECOMMENDATION TO THE BOARD:

AUTHORIZE the General Manager to enter into a construction contract with Ranger Pipelines, Inc. for the Old Town Pipeline Improvements project in an amount not to exceed \$3,856,404. This includes a 10% contingency for the project.

COST OR FINANCIAL IMPACTS:

Through unrestricted Capital Expenditure Reserves and Net Cash, the District has adequate funds for this Capital Improvement Project.

As of January 31, 2020, Capital Expenditure Reserves have a balance of \$9.5M. The projected capital expenditures that are expected to be encumbered throughout FY 20/21 are \$4.3M.

In the District's latest Capital Improvement Plan, projected major capital expenditures for the Collections System are as follows: FY 19/20 - \$1.75M and FY 20/21 - \$1.75M.

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The major capital expenditures for the Collections System during these fiscal years is expected to be \$3.5M.

The Old Town Pipeline Improvements project was bid as a base bid and alternate bid. Staff wanted to include an option to take advantage of economies of scale and address additional “high priority lines” adjacent to the base project. The base bid for the Old Town Pipeline Improvements project was estimated to be \$2.3M and the alternate bid was estimated to be \$0.6M. The total estimate for both the base and alternate bids is just over \$3.0M. Actual construction cost for the two bid items will be \$3.5M.

SCHEDULE FOR COMPLETION:

If authorized by the Board, a Construction Agreement will be executed between the District and Ranger Pipelines, Inc. The entire project will be complete within 250 calendar days of the Notice to Proceed. If the project spans the entire duration it would be complete in June of 2021.

ALTERNATIVES/CONSIDERATIONS:

Reject All Bids and Not Complete the Project – This alternative is not recommended since the construction of these projects will repair pipelines that have structural defects and reduce the need for increased maintenance intervals due to “high priority lines”.

DISCUSSION:

At the May 15, 2018 Board meeting, the Board awarded the design of the Old Town Pipeline Improvements project to V.W. Housen and Associates. The design was completed and bid packet prepared by March 2019.

The project was publicly advertised on May 23, 2019. On June 20, 2019, construction bids were opened for the Old Town Pipeline Improvements project. One bid was received from Cratus, Inc. for \$3.8M. Staff reviewed the submitted bid and recommended that the Board reject all bids received and re-advertise for construction proposals at a later date.

Staff contracted with Tanner Pacific for the re-bid of the Old Town Pipeline Improvements project. Tanner Pacific conducted targeted outreach to pipeline contractors and determined a favorable window to re-bid the project. On January 23, 2020, the District received four bids for construction of the project.

The project was advertised on the Bay Area Builders Exchange from December 9 through January 23, 2020.

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Tanner Pacific was contracted by the District to provide Constructability Review and Bid Assistance Services. They reached out to Contractors to determine what prevented them from bidding on the project and concluded that the Contractors did not have the capacity to prepare a bid at that time. They also actively worked with Contractors to determine when they would be available to fit the Old Town Pipeline into their schedules. Information gathered from the Contractors was used to develop the re-bid schedule.

Two mandatory pre-bid meetings were held on December 19, 2019 and January 9, 2020. Contractors were required to attend at least one of the pre-bid meetings in order to bid on the project. Five Contractors were in attendance at the December meeting and ten (10) Contractors were in attendance at the January meeting.

Sealed Bids (Envelope A) and Statement of Qualifications (Envelope B) were received from Contractors at the District office Thursday January 23, 2020 for the project. Bids were publically opened and read at 10:00 a.m. that morning. Bid packages were received from four Contractors.

Bid amounts are listed in the table below – Ranger Pipeline, Inc. was the apparent low bidder.

Bidder	Base Bid	Add Alt	Contingency	Total
Ranger Pipelines	\$ 2,736,138	\$ 769,684	\$ 350,583	\$ 3,856,404
Anvil Builders	\$ 3,599,330	\$ 914,500	\$ 451,383	\$ 4,965,213
Kerex Engineering	\$ 3,198,593	\$ 995,074	\$ 419,367	\$ 4,613,034
California Trenchless	\$ 3,673,573	\$ 962,134	\$ 463,571	\$ 5,099,277

Ranger Pipeline, Inc. submitted the lowest apparent project bid and based upon the submitted documentation, verifications and references should be considered the Lowest Single Responsive and Responsible Bidder.