



CITY COUNCIL STAFF REPORT



September 19, 2023

ITEM TITLE

Contract Award and Appropriation: Award a Public Works Contract to Sancon Technologies, Inc. for the “Sewer Manhole Rehabilitation – FY2019-20 & Sewer Manhole Rehabilitation – FY2020-21 (SWR0314 & SWR0320)” Project and Appropriate Funds for that Purpose

Report Number: 23-0246

Location: Citywide

Department: Engineering

Environmental Notice: The Project qualifies for a Categorical Exemption pursuant to the California Environmental Quality Act State Guidelines Section 15301 Class 1 (Existing Facilities), and Section 15302 Class 2 (Replacement or Reconstruction).

Recommended Action

Adopt a resolution 1) awarding a public works contract to Sancon Technologies, Inc. for the “Sewer Manhole Rehabilitation – FY2019-20 & Sewer Manhole Rehabilitation – FY2020-21 (SWR0314 & SWR0320)” project in the amount of \$298,045, and 2) appropriating Sewer Facility Replacement funds to cover the projected costs of the construction phase of the project. **(4/5 Vote Required)**

SUMMARY

On August 2, 2023, the Director of Engineering and Capital Projects received three (3) sealed bids for the “Sewer Manhole Rehabilitation – FY2019-20 & Sewer Manhole Rehabilitation – FY2020-21 (SWR0314 & SWR0320)” project. After review of the bids, staff recommends awarding a public works contract to the lowest responsive and responsible bidder, Sancon Technologies Inc. Adoption of the resolution would: 1) accept bids; 2) appropriate \$347,600 from the available balance of the Sewer Facility Replacement fund to the Sewer Manhole Rehabilitation – FY2019-20 & Sewer Manhole Rehabilitation – FY2020-21 (SWR0314 & SWR0320) project; and 3) award the public works contract for the construction phase of the project to Sancon Technologies Inc. in the amount of \$298,045.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption pursuant to State CEQA Guidelines Section 15301 Class 1 (Existing Facilities), and Section 15302 Class 2

(Replacement or Reconstruction) because the proposed actions would not result in a significant effect on the environment, create a cumulative impact, damage a scenic highway, or cause a substantial adverse change in the significance of a historical resource. Thus, no further environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

The “Sewer Manhole Rehabilitation – FY2019-20 & Sewer Manhole Rehabilitation – FY2020-21 (SWR0314 & SWR0320)” project will primarily consist of the following improvements:

- Lining of existing sewer manholes.

The SWR0314 & SWR0320 project contract includes a base bid of 38 sewer manhole lining locations and an additional list of 16 manhole locations. The appropriation will provide funds to complete the work for both the base bid locations as well as the additional list of locations.

Bidding Process

On June 30, 2023, Engineering and Capital Projects Staff advertised the project. Three (3) sealed bids were received on August 2, 2023. The submitted base bid totals from the prime contractors were as follows:

Ranking	Contractor	Submitted Bid Amount
1	Mangano Design Engineering Permitting	\$95,000
2	Sancon Technologies, Inc.	\$298,045
3	SoCal Pacific Construction Corp.	\$309,082

The lowest bid for the project, submitted by Mangano Design Engineering Permitting, omitted all the required bid submittal documents. Staff determined that the bid submitted by Mangano Design Engineering Permitting is non-responsive and not eligible for project award.

The bid submitted by Sancon Technologies, Inc. of \$298,045, is approximately 30% above the Engineer’s estimate of \$229,000. Sancon Technologies, Inc. currently holds an active Class A General Contractor License (License No. 774055).

Staff recommends accepting bids, awarding the public works contract for the “Sewer Manhole Rehabilitation – FY2019-20 & Sewer Manhole Rehabilitation – FY2020-21 (SWR0314 & SWR0320)” project to the lowest responsive and responsible bidder, Sancon Technologies, Inc., and appropriating \$347,600 in Sewer Facility Replacement funds to cover the projected construction costs as shown in more detail below.

Disclosure Statement

Attachment 1 is a copy of the Contractor’s Disclosure Statement.

Wage Statement

The Contractor that is awarded the contract and its subcontractors are required to pay prevailing wages to persons employed by them for work under this contract. The prevailing wage scales are those determined by the Director of Industrial Relations, State of California.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found that Councilmember Carolina Chavez has property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. However, the decision solely concerns repairs, replacement or maintenance of existing streets, water, sewer, storm drainage or similar facilities, and the member's property will not be affected disproportionately to other properties receiving the same services. Consequently, pursuant to California Code of Regulations Title 2, sections 18700 and 18702.2(d)(1)), this item does not present a real property-related conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

Previously appropriated Sewer Facility Replacement Funds totaling \$242,000 are available to partially fund this project. Approval of this resolution will appropriate an additional \$347,600 in Sewer Facility Replacement funds to CIP SWR0314 & SWR0320 to cover the remaining projected costs for the construction phase of the project, as well as construction management, and staff costs associated with oversight of the project. Sufficient fund balance is available for said appropriation. The following is a summary of the anticipated project costs and funding:

FUNDS REQUIRED FOR CONSTRUCTION	
A. Contract Amount	\$298,045
B. Contract Contingency (Approx. 53%)	\$158,555
C. Construction Support (Approx. 44%)	\$130,000
D. Project Closeout (Approx. 1%)	\$3,000
TOTAL FUNDS REQUIRED FOR CONSTRUCTION	\$589,600

FUNDS AVAILABLE FOR CONSTRUCTION	
A. Sewer Facility Replacement - SWR0314	\$40,000
B. Sewer Facility Replacement - SWR0320	\$202,000
C. New Appropriation: Sewer Facility Replacement - SWR0314	\$173,800
D. New Appropriation: Sewer Facility Replacement - SWR0320	\$173,800
TOTAL FUNDS AVAILABLE FOR CONSTRUCTION	\$589,600

ONGOING FISCAL IMPACT

Upon completion of the project, the improvements will require routine sewer manhole maintenance. Related expenses will be considered as part of the annual Sewer Service Revenue Fund budget process.

ATTACHMENTS

1. Disclosure Statement

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