



# CITY OF SAN MATEO

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## Agenda Report

Agenda Number: 12

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**TO:** City Council  
**FROM:** Alex Khojikian, City Manager  
**PREPARED BY:** Public Works Department  
**MEETING DATE:** November 20, 2023

**SUBJECT:**

El Camino Real Conveyance System Improvements Project – Appropriation and Construction Contract

**RECOMMENDATION:**

Adopt a Resolution to authorize an appropriation of funds in the amount of \$6,180,000 from the Sewer Fund Reserves to the Basins 2 and 3 Collection Systems Improvements Project, revising the total budget to date to a value of \$165,597,185; award a contract with JMB Construction, Inc. for construction of the El Camino Real Conveyance System Improvements Project in an amount not to exceed \$11,847,106; establish a contingency reserve in an amount of \$2,370,000; and authorize the Public Works Director to execute the agreement in substantially the form presented and issue change orders within the contingency amount.

**BACKGROUND:**

The Clean Water Program (CWP) is improving the City of San Mateo's sanitary sewer system to prevent sanitary sewer overflows and unauthorized discharges of sewage. The Basins 2 and 3 Collections System Improvements Project (Basins 2 & 3) rehabilitates or replaces aging sewer collection system infrastructure and increases wastewater system capacity to eliminate sanitary sewer overflows in the City. Basins 2 & 3 consists of seven different packages. Three packages are complete and consist of the Glendora Shasta Relief Sewer, 38<sup>th</sup> Ave and 41<sup>st</sup> Ave Lift Station Improvements, and Pacific Blvd Force Main. Three other packages are progressing in construction and include the Dale Avenue Pump Station (DAPS) Improvements, Underground Flow Equalization System (UFES), and Delaware Street Relief Sewer, all of which are anticipated to be complete in Fiscal Year 2023-2024.

**EL CAMINO REAL CONVEYANCE SYSTEM IMPROVEMENTS PROJECT**

The seventh and final package of Basins 2 & 3 is the El Camino Real Conveyance System Improvements Project (ECR Project). The ECR Project will replace existing gravity sewers with new, large diameter pipeline, replace and install new manholes, rehabilitate existing sewers with liner, and construct weir diversion structures to improve management of wet weather sewer flows. These improvements will prevent sanitary sewer overflows and will occur along the following road segments:

1. 25th Ave, at the westside of El Camino Real
2. Flores St, from 25th Ave to 28<sup>th</sup> Ave
3. 28th Ave, from Flores St to Juniper St
4. Juniper St, from 28th Ave to 29<sup>th</sup> Ave
5. El Camino Real, from 400-ft north of Hillsdale Blvd to 36th Ave
6. 36th Ave, from El Camino Real to Colegrove St
7. Colegrove St, from 36th Ave to 39<sup>th</sup> Ave
8. El Camino Real, from 38th Ave to south of 41st Ave

In accordance with Municipal Code section 3.60.030, a competitive public process was used to obtain bids to construct the

ECR Project. A Notice Inviting Sealed Proposals and Bidding Documents were issued to advertise the ECR Project on August 29, 2023. Six (6) bids were received and opened on October 17, 2023, with the following results.

Contractor	Bid Amount
JMB Construction Inc.	\$11,847,106.00
K.J. Woods Construction Inc.	\$12,438,000.00
Ranger Pipelines Inc.	\$12,733,940.00
Mitchell Engineering	\$18,778,000.00
Mountain Cascade Inc.	\$19,278,585.00
AB Construction	\$19,761,150.00

Based on staff's review, JMB Construction, Inc. is the lowest responsive, responsible bidder with a bid of \$11,847,106, which is 27% percent lower than the engineer's estimate of \$16,200,000. JMB Construction has successfully completed two prior CWP sewer infrastructure construction contracts for the City and is actively progressing on completing a third construction contract, the Delaware St Relief Sewer package. In addition, staff has found that JMB Construction has provided construction services to the City in a collaborative and satisfactory manner. Based on the above, staff recommends for Council to award the ECR Project construction agreement to JMB Construction Inc.

The ECR Project presents a high-risk profile due to construction on El Camino Real near Hillsdale Blvd, Caltrans night work requirements on El Camino Real, and sewer flow bypassing needs during construction. Because of this, staff has determined that a 20% contingency is appropriate and should adequately cover any unanticipated costs and these potentially higher risk elements. Therefore, staff recommends a construction contingency of 20% of the contract value in the amount of \$2,370,000.

#### **APPROPRIATION FOR BASINS 2 & 3**

The current adopted budget for the overall Basins 2 & 3 Project is \$159,417,185. The current estimate to complete Basins 2 & 3, including all the remaining active construction packages and the last ECR Project package, is \$165,597,185. This \$6,180,000 increase in the Basins 2 & 3 estimate at completion is due to 1) higher than originally estimated costs for the ECR Project, inclusive of construction costs, contingencies, project management, construction management, and engineering costs; 2) required construction contract changes to the Dale Ave Pump Station package, along with the additional project management, construction management and engineering costs to facilitate and manage the changes; and 3) anticipated contract change orders for the Underground Flow Equalization System construction contract. Staff recommends the appropriation of \$6,180,000 to fund the execution and completion of construction, project management, construction management, and engineering services during construction.

#### **BUDGET IMPACT:**

An appropriation of \$6,180,000 from the Sewer Fund reserves to Basins 2 & 3 Collection System Improvements (46s003) Project budget is required to fund the remaining anticipated costs for this project. There are sufficient funds available in the Sewer Fund reserves for this appropriation.

Upon appropriation of funds, the Basins 2 & 3 Project will have sufficient balance to address the changing pace of the projects and fund the remaining anticipated efforts for the last active Basins 2 & 3 packages.

#### **ENVIRONMENTAL DETERMINATION:**

The work addressed by this administrative report is being undertaken to support the Clean Water Program. This project is subject to the requirements of the California Environmental Quality Act (CEQA), the general components of which are included as part of the Final Programmatic Environmental Impact Report (Final PEIR) (SCH No. 201532006) that was prepared for the Clean Water Program. The Final PEIR was certified by City Council on June 6, 2016.

#### **NOTICE PROVIDED**

All meeting noticing requirements were met.

**ATTACHMENTS**

Att 1 – Proposed Resolution

Att 2 – Agreement

Att 3 – Bid Summary

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