



MEETING DATE: 6/16/08

ITEM NO: 7

COUNCIL AGENDA REPORT

DATE: JUNE 12, 2008

TO: MAYOR AND TOWN COUNCIL

FROM: GREG LARSON, TOWN MANAGER 

SUBJECT: PPW JOB NO. A08-017 – LOS CERRITOS DRIVE STORM DRAIN
PROJECT NO. 816-0406

- A. AUTHORIZE ESTABLISHMENT OF THE LOS CERRITOS DRIVE STORM DRAIN PROJECT NO. 816-0406
- B. AUTHORIZE PROJECT BUDGET IN THE AMOUNT OF \$27,500 PAYABLE FROM STORM DRAIN BASIN #1
- C. ADOPT RESOLUTION DECLARING MSI UNDERGROUND IMPROVEMENTS, INC. TO BE THE LOWEST RESPONSIBLE BIDDER ON THE PROJECT AND AWARD A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$27,500.00

RECOMMENDATION:

1. Authorize establishment of the Los Cerritos Drive Storm Drain Project No. 816-0406.
2. Authorize project budget in the amount of \$27,500 payable from Storm Drain Basin #1.
3. Adopt resolution (Attachment 1) declaring MSI Underground Improvements, Inc. to be the lowest responsible bidder on the project and award a construction contract (Exhibit A) in the amount of \$27,500.00.

BACKGROUND:

The storm drain pipes in the hillside sections of the Town were built over 50 years ago and are mainly made of corrugated metal pipes as was the standard of construction at that time. These metal pipes corrode over time and require replacement and the Town has replaced some of these pipes over the past few years with new High-Density Polyethylene (HDPE) pipes that are industry standard and resistant to corrosion and have high durability and strength for these applications.

PREPARED BY: KEVIN ROHANI

Interim Director of Parks and Public Works 

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Reviewed by: PSJ Assistant Town Manager AL Town Attorney
____ Clerk Administrator Se Finance ____ Community Development

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MAYOR AND TOWN COUNCIL

SUBJECT: PPW JOB NO. A08-017 – LOS CERRITOS DRIVE STORM DRAIN PROJECT
NO. 816-0406

JUNE 4, 2008

DISCUSSION:

A recent inspection of Los Cerritos Drive identified a 36" corrugated metal pipe storm drain pipe that was corroded almost entirely and collapsed in sections. This pipe has to be replaced and roadway repaired before the rainy season begins. This project is consistent with the Town's goals to improve public health and safety.

This is a new project that was not in the Capital Improvement Program as it was not anticipated, and because of the urgency to make the repairs and replacement of this pipe, it is recommended that this project be established as a new Capital Improvement Program project and funded by the Storm Basin #1 funds. Clearly under normal circumstances, such a project would have been considered during the Capital Improvement Program budget process and incorporated in the annual Capital Improvement Program.

For projects under \$100,000 construction costs, the Town's informal bid process does not require public advertising and the preparation of a set of complete plans and specifications for a project. This informal bid process allows staff to prepare a scope of work, solicit bids from three (3) contractors, and award the contract to the lowest bidder. The Town uses this process for small and uncomplicated projects.

Bids for the Los Cerritos Drive Storm Drain Project received by the Town Engineer on June 2, 2008. The following contractors submitted bids for this project:

MSI Underground Improvements, Inc.	\$27,500.00
Menlo Pipelines, Inc.	\$28,000.00
Joseph J. Albanese, Inc.	\$61,575.00

It is recommended that the Council adopt the attached Resolution that would declare MSI Underground Improvements, Inc. to be the lowest responsible bidder on the project and award a construction contract to this company in the amount of \$27,500.00. Staff has checked all of the bids received and has determined that MSI Underground Improvements, Inc. is responsible and that its bid is responsive to the Town's informal bid process.

The construction of this project is anticipated to take place in July 2008.

CONCLUSION:

Staff recommends that the Council accept the staff recommendations noted above.

ENVIRONMENTAL ASSESSMENT:

This is a project as defined under CEQA but is Categorical Exempt (Section 15301c). A Notice of Exemption will not be filed.

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FISCAL IMPACT:

Sufficient funds are available in the Storm Drain Basin #1 Fund. The current unencumbered balance is \$142,942.

Attachments:

Resolution declaring MSI Underground Improvements, Inc. as the lowest responsible bidder (with Exhibit A) Agreement

RESOLUTION OF THE TOWN COUNCIL
OF THE TOWN OF LOS GATOS
AWARDING A CONSTRUCTION CONTRACT TO
MSI UNDERGROUND IMPROVEMENTS, INC.
FOR PPW JOB NO. A08-017
LOS CERRITOS DRIVE STORM DRAIN PROJECT

CLERK ADMINISTRATOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

CONTRACT

THIS AGREEMENT is between the **Town of Los Gatos** (hereinafter referred to as "Owner") and **MSI Underground Improvements, Inc.** (hereinafter referred to as "Contractor"). Owner and Contractor, for the consideration hereinafter named, agrees as follows:

A. SCOPE OF WORK

Contractor shall furnish all materials and perform all of the work for the construction of **PPW Job No. A08-017 – Los Cerritos Drive Storm Drain Project** in accordance with the Contract Documents.

B. CONTRACT PRICE

As full compensation for furnishing all materials and for doing all the work contemplated and embraced in this Contract, also for all loss or damage arising out of the nature of the work aforesaid, or from the actions of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by Owner, and for all risks of every description connected with the Work, also for all expenses incurred by or in consequence of the suspension or discontinuance of work, and for well and faithfully completing the Work, and the whole thereof, in the manner and according to the Contract Documents, Owner shall pay (twenty seven thousand five hundred dollars) **(\$27,500.00)**, which shall supersede any other amount specified in the Contract Documents.

C. CONTRACT DOCUMENTS

All rights and obligations of Owner and Contractor are fully set forth and described in the Contract Documents. All parts of the Contract Documents are intended to be correlated so that any work called for in one part and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all said documents.

D. BEGINNING OF WORK

Following the execution of this Contract and the approval of bonds and insurance policies and certificates, Owner shall issue a *Notice to Proceed* with the Work. Commencing work or the entrance of equipment or materials on the site of the Work by Contractor before receipt of the *Notice to Proceed* is at the sole risk and expense of Contractor, and the Contractor shall be fully liable for any damage or injury sustained by Owner or third persons resulting there from.

E. TIME OF COMPLETION

The Work called for herein shall be fully completed in fifty **(50) working days** of Contractor's receipt of the Notice to Proceed.

F. CORRECTION OF WORK AFTER ACCEPTANCE AND FINAL PAYMENT BY TOWN

Contractor shall remedy any defects due to faulty materials and/or workmanship and pay for any damages to other work and/or existing facilities resulting there from which shall appear within a period of 2 years from the date of recording of the *Notice of Completion*.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of day of _____, 20____.

TOWN OF LOS GATOS, by:

CONTRACTOR, by:
MSI Underground Improvements, Inc.

Greg Larson, Town Manager

(Signature)

RECOMMENDED BY:

(Print Name)

Kevin Rohani
Interim Director of Parks and Public Works

(Address)

APPROVED AS TO FORM:

Orry P. Korb, Town Attorney

(City, State, Zip)

ATTEST:

Jackie Rose, Clerk Administrator

(Contractor's License Number)