



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: MARCH 12, 2024**

**FROM: PUBLIC WORKS DEPARTMENT** **WARDS: 6 AND 7**

**SUBJECT: AWARD BID NO. 8015 FOR THE REHABILITATION OF MAGNOLIA AVENUE SEWER FORCE MAIN TO SAK CONSTRUCTION, LLC. OF O'FALLON, MISSOURI, IN THE AMOUNT OF \$6,885,400, PLUS A TEN PERCENT (10%) CHANGE ORDER AUTHORITY IN THE AMOUNT OF \$688,540, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$7,573,940**

## **ISSUE:**

Award Bid No. 8015 for the rehabilitation of Magnolia Avenue Sewer Force Main to SAK Construction, LLC. Of O'Fallon, Missouri, in the amount of \$6,885,400, plus a ten percent (10%) change order authority in the amount of \$688,540, for a total contract amount not to exceed \$7,573,940.

## **RECOMMENDATIONS:**

That the City Council:

1. Award a construction contract for Bid No. 8015 for the Rehabilitation of Magnolia Avenue Sewer Force Main to SAK Construction, LLC., of O'Fallon, Missouri, in the amount of \$6,885,400;
2. Authorize 10% change order authority in the amount of \$688,540 for Bid No. 8015 for the Rehabilitation of Magnolia Avenue Sewer Force Main to SAK Construction, LLC. for a total contract amount not to exceed \$7,573,940; and
3. Authorize the City Manager, or designee, to execute the construction contract with SAK Construction, LLC., including making minor and non-substantive changes, subject to the availability of budgeted funds.

## **BACKGROUND:**

The Magnolia Avenue sewer force main is a pressurized 24-inch cement mortar lined and coated (CML&C) steel pipe that has been in service since 1983. The 13,860 feet of pipe carries approximately 25% of the City's sewage from the Pierce Street sewer pump station along Magnolia Avenue to the outlet manhole located at the end of the cul-de-sac on Megginson Street. From there, the flow discharges to a gravity pipe and travels to the Riverside Water Quality Control

Plant (RWQCP). Recent inspection of the force main showed moderate to severe corrosion of the pipe wall and thinning of the cement mortar line. To prevent failure of the force main, a new liner will need to be installed inside of the existing pipe to enhance its structural integrity.

On February 2, 2023, Bid No. 7928 for the rehabilitation of the Magnolia Avenue Sewer Force Main was posted on PlanetBids to install cured in place pipe (CIPP) liner inside the existing pressurized pipe. On February 24, 2023, two bids were received for the construction of the Project. The bids were \$7,549,125 and \$7,885,387, which are 32% to 38% over the Engineer's Estimate.

On May 2, 2023, the City Council rejected all bids and released all bid bonds submitted for Bid No. 7928.

To reduce the cost and duration of the rehabilitation, staff explored different alternatives to the conventional CIPP and reviewed another method of lining the existing sewer force main—Flexible Fabric Reinforced Pipe (FRPP). Flexible Fabric Reinforced Pipe systems have been used for pressure pipeline rehabilitation in multiple applications such as water, sewer, oil, and gas for the past two decades. FFRP is a factory-manufactured round pipe that is modified into a “C” or “U” shape and coiled onto reels for ease of transportation and installation. The reels can be anywhere from 5 to 38 feet wide, and accommodate from a few hundred up to 18,000 ft, depending on the pipe diameter and project needs. The key advantages of the FFRP system include long installation lengths of over 8,000 feet while traversing multiple bends, its high-pressure capacity, the ability to store it at room temperature, and less labor-intensive installation.

### **DISCUSSION:**

On October 31, 2023, the Purchasing Division posted Bid No. 8015—Magnolia Avenue Sewer Force Main Rehabilitation (Project) on PlanetBids (the City's formal bidding platform), to install 1.9 miles of 24-inch FFRP inside an existing sewer force main along Magnolia Avenue from Pierce Street to Megginson Lane. Upon the release of Bid No. 8015, there were 727 potential vendors notified.

The City did not schedule a pre-bid job walk. Twenty-one questions (21) were submitted from the prospective bidders and three (3) addenda were issued by the City for this advertisement. On December 5, 2023, a responsive bid was received for the construction of the Project (Attachment 2). The responsive bid was from SAK Construction, LLC., in the amount of \$6,885,400, which is 20.4% over the Engineer's Estimate but \$663,725 less expensive than the previous low bid for traditional CIPP installation.

In researching the lack of bids received, it was discovered there are a limited number of prime contractors that are qualified to perform the work as described in the specifications. Additionally, through discovery, contractors are limited in the bonding capacity to perform as a prime contractor.

The Purchasing Manager concurs that the recommended action to award complies with Purchasing Resolution 23914.

### **STRATEGIC PLAN ALIGNMENT:**

This Project aligns with **Strategic Priority No. 6 – Infrastructure, Mobility, and Connectivity** and **Goal No. 6.2** – Maintain, protect, and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

The Project further aligns with each of the following Cross-Cutting Threads:

1. **Community Trust** – This Project proposes to rehabilitate sewer infrastructures on Magnolia Avenue between Pierce Street and Megginson Lane to serve the communities, residents, and businesses on the west side of the City to ensure reliable sewer services.
2. **Equity** – Riverside is supportive of the City's racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity and is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services to ensure every member of the community has equal access to share the benefits of community progress. The Project will provide a higher degree of sewer service reliability and lower the chance of pipe failure, which will benefit all residents and businesses on the west side of the City.
3. **Fiscal Responsibility** – Riverside is a prudent steward of public funds and ensures responsible management of the City's financial resources while providing quality public services to all. The City is being fiscally responsible by rejecting the previous Bid No. 7928, researching for a lower cost alternative, and publicly re-advertising the Project to solicit and award the Project to the lowest responsive bidder.
4. **Innovation** – Riverside is inventive and timely in meeting the community's changing needs and prepares for the future through collaborative partnerships and adaptive processes. This project exemplifies the City's willingness to adapt and explore alternative methods in construction and pipeline rehabilitation.
5. **Sustainability & Resiliency** – Riverside is committed to meeting the needs of the present without compromising the needs of the future and ensuring the City's capacity to persevere, adapt, and grow during good and difficult times alike. The construction materials specified for these projects are considered best practices in the industry. The use of FFRP greatly benefits the environment, reducing the cost of transportation and storage, providing protection to the existing force main, and adding longevity to our sewer infrastructures.

### **FISCAL IMPACT:**

The total fiscal impact of this action is \$7,573,940. The estimated total project cost including design engineering, construction, contingencies, and contract administration is itemized in Table 1. Sufficient funds are budgeted and available in the expenditure accounts shown in Table 2 to award the construction contract and complete the project.

Table 1 – Project Costs

<b>Task</b>	<b>Amount</b>
Public Works Engineering Staff (In House)	\$137,708
Construction Contract	\$6,885,400
Construction Contingencies (10%)	\$688,540
Construction Engineering, Inspection, and Survey (In House)	\$275,416
Construction Materials Testing (TBD from Approved Panel)	
<b>Total</b>	<b>\$7,987,064</b>

Table 2 – Project Funds

<b>Fund</b>	<b>Project/Program</b>	<b>Account</b>	<b>Amount</b>
Sewer	Magnolia Forcemain Rehab	9917623-440301	\$7,987,064

Prepared by: Thuy Nguyen, Principal Engineer  
Approved by: Gilbert Hernandez, Public Works Director  
Certified as to  
availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer  
Approved by: Kris Martinez, Assistant City Manager  
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Project Location Map
2. Bid Award Recommendation