



Office of the City Manager

CONSENT CALENDAR
March 18, 2025

To: Honorable Mayor and Members of the City Council
 From: Paul Buddenhagen, City Manager
 Submitted by: Terrance Davis, Director, Department of Public Works
 Subject: Contract: SubTerra Construction, Inc. for Adeline St, Shattuck Ave, Oxford St., Fulton St., University Ave, Kala Bagai Way and Woolsey St. Sewer Rehabilitation Project

RECOMMENDATION

Adopt a Resolution:

- 1) Approving plans and specifications for the Sanitary Sewer Project, located on Adeline St., Shattuck Ave., Oxford St., Fulton St., University Ave., Kala Bagai Way, and Woolsey St.;
- 2) Accepting the bid of the lowest responsive and responsible bidder, SubTerra Construction, Inc.;
- 3) Authorizing the City Manager to execute a contract and any amendments, extensions, or other change orders until completion of the project in accordance with the approved plans and specifications, in an amount not to exceed \$8,962,808.80, which includes a 10% contingency of \$814,800.80; and
- 4) Authorizing the City Manager to execute reimbursement contracts with the University of California (\$210,000.00), Addison Labs Foundation (a 501.c.3 organization, \$120,000.00), and Core Spaces (\$120,000.00).

SUMMARY

The base work of this project is required in order for the City to remain in compliance with the September 22, 2014, Consent Decree (CD) issued by the California Regional Water Quality Control Board. Planned work includes the rehabilitation of approximately 7,261 linear feet sanitary sewer mains varying in size from 15-inch to 45-inch diameter. A significant portion of the work is located on Oxford Street fronting the University of California main campus. The low bid for this base work is \$8,550,308.80, which includes a 10% construction contingency.

Additionally, this project coincides with developments by UC Berkeley, Addison Labs Foundation (ALF), and Core Spaces (CS) along Oxford Street fronting the University of

California main campus. This presents a rare opportunity to consolidate pedestrian, bus, bicycle and traffic disruptions, and sewage bypasses into a single coordinated project that is cost-neutral to the City. Eliminating multiple disruptions and consolidating construction operations into a single project requires the City enter into reimbursement contracts with UC, ALF, and CS. UC and ALF have expressed willingness to enter into reimbursement contracts with the City. Staff is negotiating these contracts with UC and ALF. The CS project is currently experiencing delays. However, Staff believes it is prudent to have the ability to negotiate and enter into a contract with CS within the time constraints of the City’s project with SubTerra Construction Inc, should CS overcome their delays.

The recommended Resolution authorizes the City Manager to execute four contracts:

- **SubTerra Construction Inc Contract:** will enable the City to comply with the consent decree requirements for a base cost of \$8,550,308.80 which includes 10% construction contingency, plus the additional construction costs and construction contingencies as executed below;
- **University of California Contract:** will enable the City and UC to minimize public disruptions on Oxford Street for additional reimbursed construction cost of \$210,000 which includes 10% construction contingency and 10% for the City’s expenses;
- **Addison Labs Foundation Contract:** will enable the City and ALF to minimize public disruptions on Oxford Street for additional reimbursed construction cost of \$120,000 which includes 10% construction contingency and 10% for the City’s expenses; and
- **Core Spaces Contract:** will enable the City and CS to minimize public disruptions on Oxford Street for additional reimbursed construction cost of \$120,000 which includes 10% construction contingency and 10% for the City’s expenses.

The total construction value for the SubTerra Construction Inc. Contract, including the base cost, UC, ALF, CS, and 10% construction contingency is \$8,962,808.80. These contracts will enable the City to comply with the requirements of the Consent Decree, while minimizing public disruptions on Oxford Street fronting the University of California main campus. Further, the City will be fully reimbursed for its expenses pertaining to UC, ALF, and CS.

FISCAL IMPACTS OF RECOMMENDATION

Revenue sufficient to fund this project is available in the FY 2025 Sanitary Sewer Fund

Low bid by SubTerra Construction, Inc.....\$8,148,008.00

10% Contingency.....\$814,800.80

Total construction cost **\$8,962,808.80**

CURRENT SITUATION AND ITS EFFECTS

An Invitation for Bids (Specification. No. 25-11688-C) was released on December 10, 2024, and bids were opened on January 28, 2025. Two non-local bids were received, with a low bid of \$8,962,808.80, and a high bid \$9,332,081 (Attachment 3, Bid Results). The engineer's estimate was \$6,946,775. SubTerra Construction, Inc. of San Francisco CA, was the lowest responsive and responsible bidder with a bid of \$8,962,808.80. References for SubTerra proved satisfactory, thus staff recommends award of the contract to SubTerra. While the bid from the lowest responsive and responsible bidder was above the engineer's estimate, staff continues to experience higher bid prices as a result of recent labor and material cost inflation across the construction industry, which is reflected in the accepted bid amount.

The sanitary sewer project is a Strategic Plan Priority Project, advancing our goal to provide state-of-the-art, well-maintained infrastructure, amenities, and facilities.

BACKGROUND

To remain compliant with the September 22, 2014 Consent Decree (CD), the City implemented a long-term Sanitary Sewer Capital Improvement Program to eliminate sanitary sewer overflows (SSOs) and reduce storm water infiltration and inflow into the sanitary sewer system. Under this program, the City utilizes a comprehensive asset management approach based on complex and evolving hydrologic and hydraulic modeling and condition assessments to repair, replace, or upgrade the City's portion of the sanitary sewer system. These actions will help the City and East Bay Municipal Utility District (EBMUD) to reach the goal of eliminating discharges from EBMUD's wet weather facilities by the end of 2035.

This is the eleventh year of the twenty-two-year CD program, which stipulates that the City shall perform collection system repair and rehabilitation to control infiltration and inflow. This work supports the ongoing work previously identified in the City's Sanitary Sewer Management Plan (SSMP) and Asset Management Implementation Plan (AMIP).

The project is located at various locations throughout the City as shown on the Location Map (Attachment 2). The terms of the CD require rehabilitation of the pipes to prevent pipe failures, sewer blockages, and leakage problems. Field investigations performed using a closed circuit television camera revealed deteriorated piping and pipe defects in the existing sanitary sewer mains. Additionally, this project coincides with developments by UC Berkeley, Addison Labs Foundation (ALF), and Core Spaces (CS) along Oxford Street, presenting the rare opportunity to consolidate much pedestrian, bus, bicycle and traffic disruptions, and sewage bypasses into a single event. Eliminating multiple disruptions requires the City to enter into cost-neutral reimbursement agreements with UC, ALF, and CS. The City would be reimbursed for all expenses through these agreements.

Planned work includes the rehabilitation of approximately 7,261 linear feet sanitary sewer mains varying in size from 15-inch to 45-inch diameter; replacement of 230 linear feet of 8-inch sanitary sewer force main; maintenance hole rehabilitation; replacement of 4-inch and 6-inch diameter sanitary sewer laterals, and other related work.

City staff proactively approached UC, ALF, and CS regarding installation of maintenance holes required for their developments on Oxford Street. As a result, the project includes provisions to reduce public disruptions by installing maintenance holes for developments while reimbursing the City for all expenses. To reduce traffic impacts, minimize inconvenience to the public, and reduce cost, a majority of the work will be performed using the pipe bursting and cured-in-place-pipe methods. These trenchless methods allow replacement of pipelines without the need for a traditional open trench construction and allow for cost savings and avoid street closures and traffic disruptions caused by open trenches.

The Living Wage Ordinance does not apply to this project as this contract is subject to State prevailing wage laws. SubTerra submitted a Certification of Compliance with the Equal Benefits Ordinance. The Community Workforce Agreement applies to this project because the estimated value of the project exceeds \$500,000. Given the CWA requirement, SubTerra and all subcontractors will be required to sign an agreement to be bound by the terms of the Agreement.

The City filed a Notice of Exemption declaring this work is exempt from the California Environmental Quality Act (CEQA). This notification was filed with Alameda County to fulfill the requirement for public notification. No comments, questions, or protests were received.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Improvements to the City's sanitary sewer system will help protect water quality by reducing the frequency of SSOs, and infiltration and inflow into the City's sanitary sewer system that can negatively affect the San Francisco Bay.

RATIONALE FOR RECOMMENDATION

Contracted services are required for the specialized services of this project, as the City lacks in-house resources needed to complete scheduled sanitary sewer rehabilitation and replacement projects. Further, the City must take timely action to address urgent/emergent sewer repairs without delay. Finally, subject to fines and stipulated penalties, the CD requires sewer main rehabilitation and replacement at an average annual rate of no less than 22,120 feet on a three-fiscal-year rolling average. The pipeline work in this project is essential for the City to maintain compliance with the three-year annual average.

ALTERNATIVE ACTIONS CONSIDERED

Taking no action will result in the City violating the CD and becoming subject to fines and penalties. No reasonable alternative exists as the City's sanitary sewer pipelines

are in poor condition and in need of timely rehabilitation to prevent an increased probability of infiltration and inflows, sanitary sewer leakages, and backup problems in the sanitary sewer system.

CONTACT PERSON

Wahid Amiri, Deputy Director, Public Works, (510) 919-4502

Ronald Nevels, Manager of Engineering, Public Works, (510) 981-6439

Daniel Akagi, Supervising Civil Engineer, Public Works, (510) 981-6394

Attachments:

1: Resolution

2: Location Map

3: Abstract of Bid Worksheet

RESOLUTION NO. ##,###-N.S.

CONTRACT: SUBTERRA CONSTRUCTION, INC. FOR SANITARY SEWER REHABILITATION – ADELINE STREET, SHATTUCK AVENUE, OXFORD STREET, FULTON STREET, UNIVERSITY AVENUE, KALA BAGAI WAY, AND WOOLSEY STREET

WHEREAS, the Sanitary Sewer Project is part of the City's on-going Sanitary Sewer Capital Improvement Program to rehabilitate or replace the aging and deteriorated sanitary sewer system; and;

WHEREAS, the project can reduce repetitive disruptions to pedestrian, bus, bicycle, and transportation by the City including maintenance hole and service connection work in the project for UC Berkeley, Addison Labs Foundation, and Core Spaces through individual agreements with each entity that will reimburse the City for all costs associated with the work for these entities; and

WHEREAS, the Capital Improvement Program is a requirement of compliance with the National Pollution Discharge Elimination System Permit (NPDES) and California Regional Water Quality Control Board Consent Decree; and

WHEREAS, the City has neither the Staff nor the equipment necessary to undertake this Sanitary Sewer Rehabilitation Project and other urgent/emergent sewer repairs; and

WHEREAS, on December 10, 2024 the City released an Invitation for Bids (Specification No. 25-11688-C) for sanitary sewer rehabilitation and replacement; and

WHEREAS, on January 28, 2025 the City received two bids, and SubTerra Construction, Inc. was found to be the lowest responsive and responsible bidder.

WHEREAS, funds are available in the FY 2025 budget Sanitary Sewer Fund 611; and

WHEREAS, the City filed a Notice of Exemption on May 24, 2024 declaring this work is exempt from the California Environmental Quality Act.; and

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Plans and Specifications No. 25-11688-C for the Sanitary Sewer Rehabilitation FY 2025 Project are approved.

BE IT FURTHER RESOLVED that the Council of the City of Berkeley authorizes the City Manager to execute a contract and any amendments with SubTerra Construction, Inc., until completion of the project in accordance with the approved plans and specifications for the Sanitary Sewer Rehabilitation Project located on Adeline Street, Shattuck Avenue, Oxford Street, Fulton Street, University Avenue, Kala Bagai Way, and Woolsey Street, in

March 18, 2025

an amount not to exceed \$8,962,808.80 which includes a 10% contingency for unforeseen circumstances. A record signature copy of said agreement and any amendments will be on file in the Office of the City Clerk.

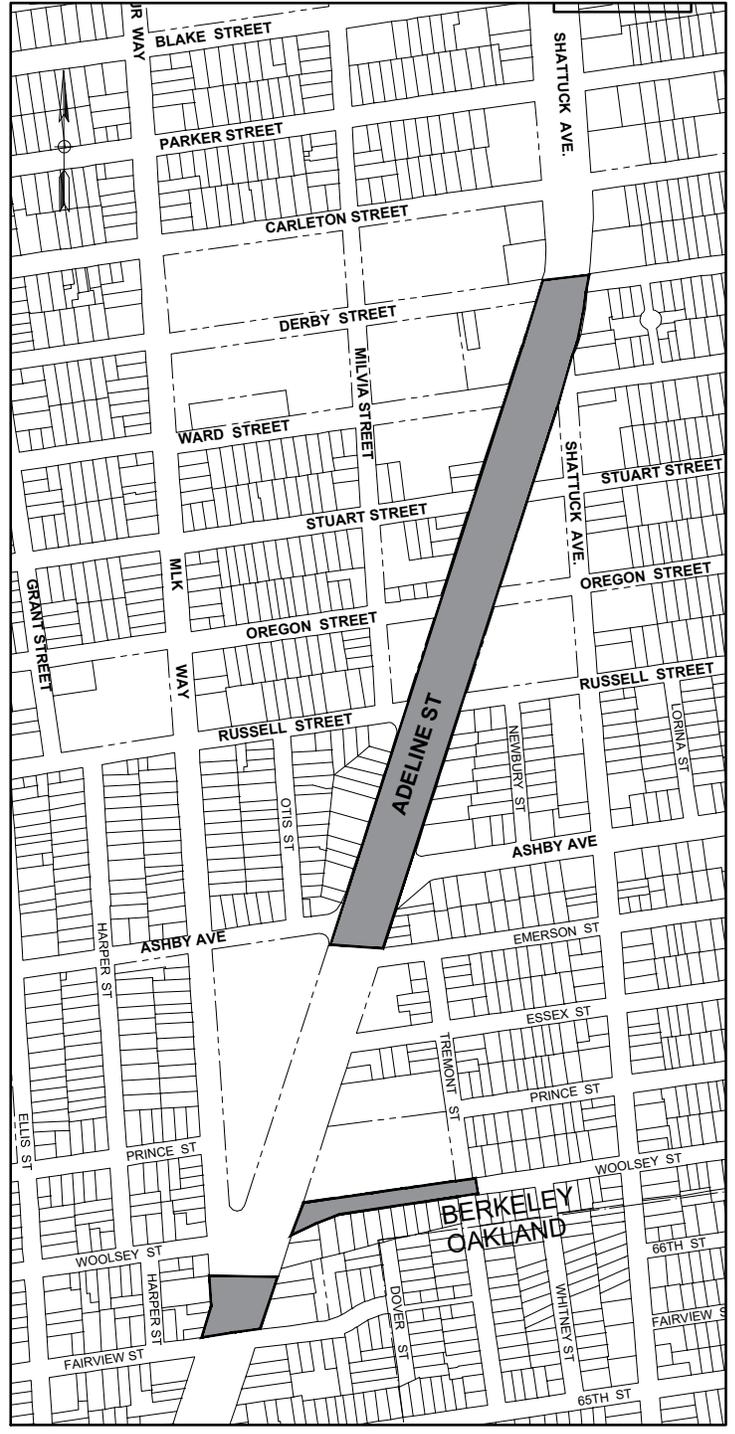
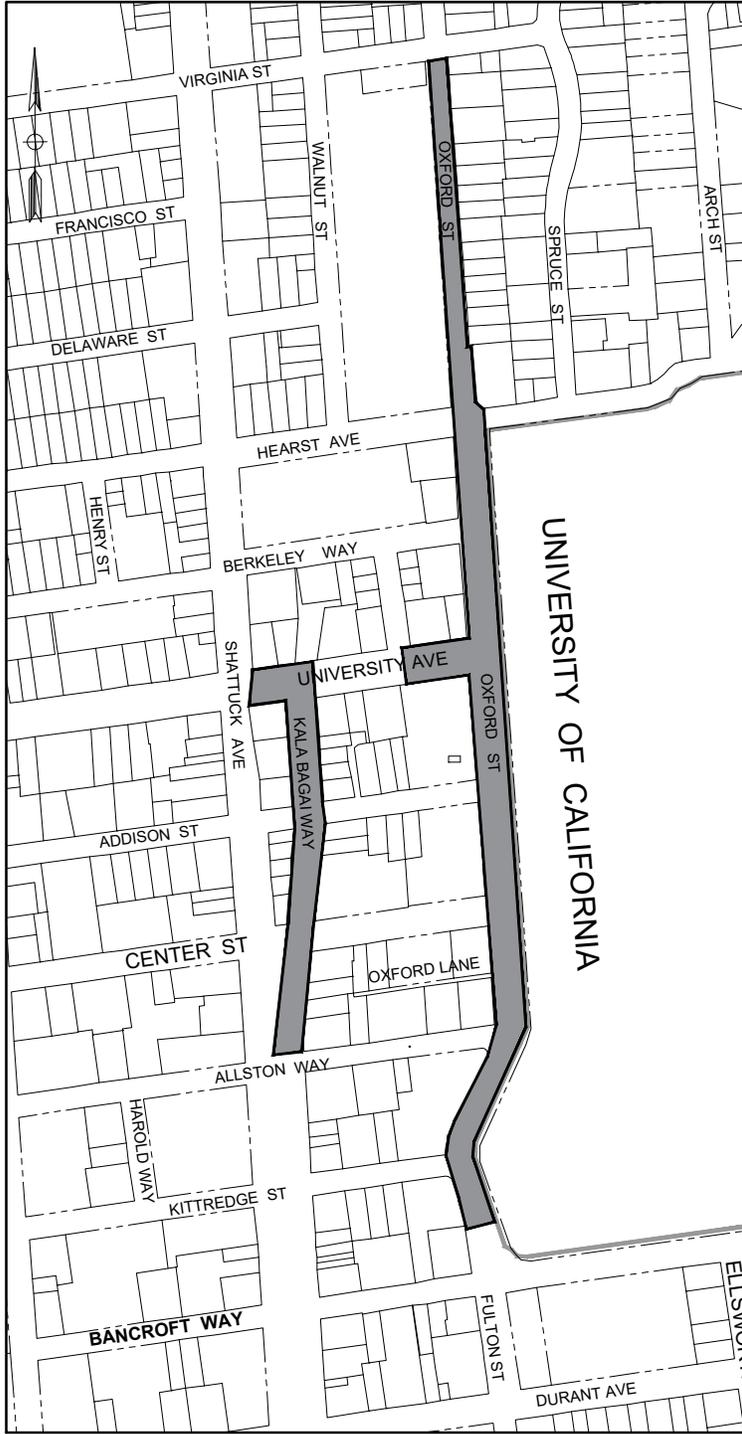
BE IT FURTHER RESOLVED that the Council of the City of Berkeley authorizes the City Manager to execute a reimbursement contract not to exceed \$210,000.00 with the University of California for work on Oxford Street, and execute a reimbursement contract not to exceed \$120,000.00 with Addison Labs Foundation for work on Oxford Street, and execute a reimbursement contract not to exceed \$120,000.00 with Core Spaces for work on Oxford Street. A record signature copy of said contracts and any amendments will be on file in the Office of the City Clerk.

CITY OF BERKELEY, CALIFORNIA

LOCATION MAP

SANITARY SEWER REHABILITATION PROJECT

ADELINE ST, SHATTUCK AVE., OXFORD ST., FULTON ST., UNIVERSITY AVE., KALA BAGAI WAY,
WOOLSEY ST., FAIRVIEW ST.
SPECIFICATION NO. 25-11688-C



LEGEND

 PROJECT LOCATION

PROJECT LOCATION MAP



City of Berkeley
Abstract of Bid Worksheet

Finance Department

General Services Division

FOR: Sanitary Sewer Rehabilitation Project: FY2025 Adeline, Shattuck Rehab

Spec. # 25-11688-C

Bid Date: January 28, 2025

required w/ bid

Bidders	BASIS OF AWARD: Base Bid Package A + Bid Package D	Base Bid Package A	Bid Package B, Bid Alternate #1	Bid Package C, Bid Alternate #2	Bid Package D, Bid Alternate #3	Bid Package E, Bid Alternate #4		Bid Bond	Addenda	SC	LW	WF	EBC	OS
1 Cratus Inc	\$ 8,243,710.00	\$ 8,098,910.00	\$ 75,000.00	\$ 90,000.00	\$ 144,800.00	\$ 75,000.00		X	X	X			X	X
2 Subterra Construction	\$ 7,773,008.00	\$ 7,448,208.00	\$ 175,000.00	\$ 100,000.00	\$ 324,800.00	\$ 100,000.00		X	X	X			X	X
3	\$ -													
4	\$ -													
5	\$ -													
6	\$ -													
7	\$ -													
8	\$ -													
9	\$ -													
10	\$ -													

Bid Recorder: Nancy Melendez

Talia Stewart (on 29/2025 10:31 PST)

Date 01/29/2025

Bid Opener: Talia Stewart

Date 01/29/2025

Project Manager: Felix Meneau

Date 01/29/2025

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