



# Santa Clara Valley Water District

## CONFORMED COPY

File No.: 20-1057

Agenda Date: 11/10/2020

Item No.: \*3.1.

### BOARD AGENDA MEMORANDUM

#### SUBJECT:

Notice of Completion of Contract and Acceptance of Work for the Rinconada Water Treatment Plant Reliability Improvement Project, Balfour Beatty Infrastructure, Inc., Contractor, Project No. 93294057, Contract No. C0601 (Los Gatos) (District 7).

#### RECOMMENDATION:

- A. Accept the work on the Rinconada Water Treatment Plant Reliability Improvement Project, Project No. 93294057, Contract No. C0601 as complete; and
- B. Direct the Clerk of the Board to sign the Notice of Completion of Contract and Acceptance of Work and submit for recording to the Santa Clara County Clerk-Recorder.

#### SUMMARY:

The Construction Contractor, Balfour Beatty Infrastructure, Inc., has completed the Rinconada Water Treatment Plant Reliability Improvement Project (Project). The construction contract was awarded in the amount of \$179,850,000 and the final contract amount is \$152,803,135.72. Subject to any withholds required by law or the contract, acceptance of the work by the Board will allow for the release of \$7,640,156.78 in retention to the contractor.

#### *Project Background*

On May 26, 2015, the Board awarded a construction contract (Contract) in the amount of \$179,850,000 to Balfour Beatty Infrastructure, Inc. (BBII) for the Rinconada Water Treatment Plant Reliability Improvement Project (Project). The Contract provided for the Project to be constructed in five primary phases within a 5-year period, with a final sixth phase consisting of site restoration and contract closeout. The existing Rinconada Water Treatment Plant (RWTP) was to remain operational during the entire construction period, with the newly-constructed facilities and upgrades integrated with plant operations at the end of each phase.

Phase 1 of the work included activities to prepare the site for construction, including traffic control, installation of temporary construction facilities, vegetation removal, utility potholing, utility relocation, and stormwater pollution prevention requirements. Phase 2 of the work includes the construction of several new facilities for the upgraded treatment system at the RWTP such as: flocculation/sedimentation; ozone contactor building; washwater recovery facilities; an electrical

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control building and appurtenant wiring and control systems; significant underground piping; and installation of chemical feed systems.

In an effort to address delayed construction progress and other unresolved disputes, Valley Water and BBII commenced Executive Partnering in May 2019. This process resulted in a resolution of past and pending matters, as documented in Amendment One to Contract dated May 26, 2015, Rinconada Water Treatment Plant Reliability Improvement Project (Amendment One), approved by the Board on March 10, 2020.

Amendment One reduced the scope of work of the Contract, resulting in BBII only completing Phases 1 and 2 of the Project, thus eliminating most of Phases 3, 4, 5 and 6. Amendment One required BBII to perform startup and testing of the Phase 2 scope of work. BBII completed startup and testing of Phase 2 improvements in June 2020 and the newly constructed facilities and upgrades have been integrated with current plant operations.

Amendment One reduced the Contract amount from \$187,704,335 to \$147,926,900, but also allowed for up to an additional \$5,000,000 to compensate BBII for equipment and materials procured by BBII and transmitted to Valley Water for future phase construction. Amendment One also made provision for execution of subsequent contract change orders necessary to complete the remaining work.

Phases 3, 4, and 5 of the original Contract scope include construction of the liquid oxygen building, ozone generation building, new filters, fluoride facility, reservoir liner replacement, and demolition of the existing clarifiers and filters. The remaining work and project delivery methods are being evaluated to determine the best approach to effectively complete the remaining phases.

### ***Previous Board Actions***

On February 10, 2015, the Board approved the plans and specifications and authorized advertisement for bids for the construction of the Project.

On May 26, 2015, the Board awarded the subject contract to Balfour Beatty Infrastructure, Inc. in the amount of \$179,850,000 and approved a contingency fund of \$17,985,000.

On March 10, 2020, the Board approved Amendment One to the Contract which reduced the scope of work and the contract amount.

### ***Contract Change Orders***

Amendment One included provisions to execute future contract change orders as necessary to complete the remaining work. After the Board approved Amendment One, twenty-two (22) change orders and twenty-eight (28) directed change orders totaling \$1,138,208.54 were executed for this contract to address various issues, including unforeseen site conditions, Valley Water-requested changes necessary for plant operation, post-design clarifications, and credits to the contract. These changes included:

- A. \$8,765 for additional work required to address unforeseen site conditions. This includes work ranging from backfill and compaction of a sink hole for \$5,061 to revised allocation of I/O points for \$3,704.
- B. \$452,695 for Valley Water-requested changes necessary for plant operation. This includes work ranging from the addition of SCADA iFix alarm navigation buttons for \$12,897 to modifications to the raw water flow controls for \$7,526.
- C. \$791,785 for additional work required to address post-design clarifications. This includes work ranging from replacing parts of the flash mix injection quills to increase structural stability for \$9,673 to procuring permanent iFix and historian licenses for \$188,627.
- D. \$115,036.46 in credits to the contract for various items.

In addition to the change order amounts, the final contract amount includes a \$3,738,027.18 payment for contractor-procured equipment for future phase construction. As discussed above, Amendment One allowed for up to an additional \$5,000,000 to compensate BBII for equipment and materials procured by BBII and transmitted to Valley Water for future phase construction.

Table 1 presents a summary of the construction contract and contingency amounts.

**TABLE 1. SUMMARY OF CONSTRUCTION CONTRACT AND CONTINGENCY AMOUNTS**

	<b>Contract Amount</b>	<b>Contingency Amount</b>
<b>Original Contract</b>	<b>\$179,850,000</b>	<b>\$17,985,000</b>
<b>Amendment One</b>	<b>\$147,926,900</b>	
Change Orders after Amendment One	\$464,089.54	(\$464,089.54)
Directed Change Orders after Amendment One	\$674,119.00	(\$674,119.00)
Equipment for Future Phase Construction	\$3,738,027.18	
<b>Final Contract Amount and Remaining Contingency</b>	<b>\$152,803,135.72</b>	<b>\$16,846,791.46</b>

### ***Acceptance of the Work and Recording Notice of Completion Contract***

The California Civil Code allows an owner or its agent to execute a Notice of Completion of Contract after acceptance of the work by the Board. The Notice of Completion of the Contract and Acceptance of Work is included in Attachment 1. The Designated Engineer has determined that the work has been completed, to the best of his knowledge, in accordance with the plans and specifications, and recommends acceptance. The Designated Engineer's recommendation of construction acceptance and the Project Completion Letter will both be provided with a Supplemental Memorandum to be published on November 5, 2020. Photos of the completed Project are included in Attachment 2.

### ***Construction Contract Retention***

The California Public Contract Code requires public entities to withhold no less than five percent (5%) contract retention for public works construction contracts. Additionally, the code limits retention amounts to a maximum of 5% unless the governing body finds the proposed project is 'substantially complex' and requires contract retention greater than 5%. On February 10, 2015, the Board found that the Project was substantially complex and required construction contract retention of ten percent (10%). Amendment One included provisions to incrementally reduce the retention to five percent (5%) upon successful completion of the startup and testing of Phase 2 facilities.

Upon successful completion of the startup and testing of Phase 2 facilities in March 2020, Valley Water reduced retention to five percent (5%) of the contract amount and is currently withholding retention funds totaling \$7,640,156.78 in accordance with the Public Contract Code. Per the construction Contract Documents, Valley Water is required to release retention funds associated with the contract 35 days after recording the Notice of Completion of Contract and Acceptance of Work, subject to any withholds required by law or the contract.

Recording a Notice of Completion is recommended for the work.

### ***Project Expenditures***

As indicated in the Summary of Construction Contract and Contingency Amounts (Table 1), the original contract amount of \$179,850,000 has been decreased by \$27,046,864.28 to \$152,803,135.72, a decrease of approximately 15 percent, partially due to the reduction of scope as documented in Amendment One to the contract.

### **FINANCIAL IMPACT:**

Total financial costs were detailed in previous sections of the agenda memorandum. Funds are available in the FY2020-21 budget in the Rinconada Water Treatment Plant Reliability Improvement Project, Project No. 93294057 to cover final closeout of the contract. No additional funding is recommended.

### **CEQA:**

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

### **ATTACHMENTS:**

Attachment 1: Notice of Completion

Attachment 2: Construction Photos

Attachment 3: Project Delivery Process Chart

\*Supplemental Board Agenda Memo

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**File No.:** 20-1057

**Agenda Date:** 11/10/2020  
**Item No.:** \*3.1.

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\*Supplemental Attachment 1: Construction Contract Acceptance

\*Supplemental Attachment 2: Project Completion Letter

**UNCLASSIFIED MANAGER:**

Heath McMahon, 408-630-3126

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Recording Requested by: Michele L. King, Clerk, Board of Directors

When Recorded, Mail to:

Michele L. King, Clerk, Board of Directors  
Santa Clara Valley Water District  
5750 Almaden Expressway  
San Jose, CA 95118-3686

## NOTICE OF COMPLETION OF CONTRACT AND ACCEPTANCE OF WORK

NOTICE IS HEREBY GIVEN by order of the Board of Directors of Santa Clara Valley Water District, State of California, pursuant to law, that work to be performed under the contract heretofore made and executed by and between Santa Clara Valley Water District, as Owner therein, and **Balfour Beatty Infrastructure, Inc., 5050 Business Center Drive, Suite 250, Fairfield, CA 94534** as Contractor therein, bearing the date **May 26, 2015** for the construction of **Rinconada Water Treatment Plant Reliability Improvement Project, Contract No. C0601, Project No. 93294057** and appurtenant facilities upon lands of said District known as **Rinconada Water Treatment Plant**, situated in the County of Santa Clara, State of California, was completed as called for and in the manner designated by the plans and specifications, by the said Contractor, and the said work was accepted by the said District Board of Directors on behalf of said District on **November 10, 2020**.

That upon said contract, **Travelers Casualty and Surety Company of America, Fidelity and Deposit Company of Maryland, Liberty Mutual Insurance Company, and Federal Insurance Company (Bond Nos. 106260446, 09183665, 01604871, 82391211), P.O. Box 31817, Charlotte, NC 28231-1817** was surety on the bond given by said **Balfour Beatty Infrastructure, Inc.** the said Contractor, as required by law;

That the title of said District to the real property upon which said work and contract was performed is that of **Fee** and;

That the address of said District is 5750 Almaden Expressway, San Jose, California 95118.

IN WITNESS WHEREOF, pursuant to the order of the Board of Directors made and given on **November 10, 2020** authorizing and directing the execution of this instrument, the said District has caused these presents to be executed in its name, authenticated by the signature of the Clerk of the said Board of Directors on **November 10, 2020**.

\_\_\_\_\_  
Clerk, Board of Directors  
Santa Clara Valley Water District

I, the undersigned, say that I am Clerk of the Board of Directors of the Santa Clara Valley Water District; that I make this declaration on its behalf; that said District is the owner of the real property interest described in the foregoing Notice; that declarant has read the foregoing Notice and knows the contents thereof, and the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on **November 10, 2020**, at San Jose, California.

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Clerk, Board of Directors  
Santa Clara Valley Water District

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# Rinconada Water Treatment Plant Reliability Improvement Project

Contract No. C0601, Project No. 93294057

## Construction Photos

# Construction Photos

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valleywater.org

## Raw Water Flow Control & Metering Facility

Attachment 2  
Page 2 of 11

# Construction Photos

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## Raw Water Flow Control & Metering Facility

Attachment 2  
Page 3 of 11



# Construction Photos

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## Ozone Contactor Structure

Attachment 2  
Page 4 of 11



# Construction Photos

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Ozone Contactor Structure



# Construction Photos

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## Flocculation and Sedimentation Basins

Attachment 2  
Page 6 of 11

# Construction Photos

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## Flocculation and Sedimentation Basins

Attachment 2  
Page 7 of 11



# Construction Photos

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## Washwater Recovery Facility

Attachment 2  
Page 8 of 11



# Construction Photos

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## Washwater Recovery Facility

Attachment 2  
Page 9 of 11



# Construction Photos

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## Electrical Equipment Pad

Attachment 2  
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# Construction Photos

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valleywater.org

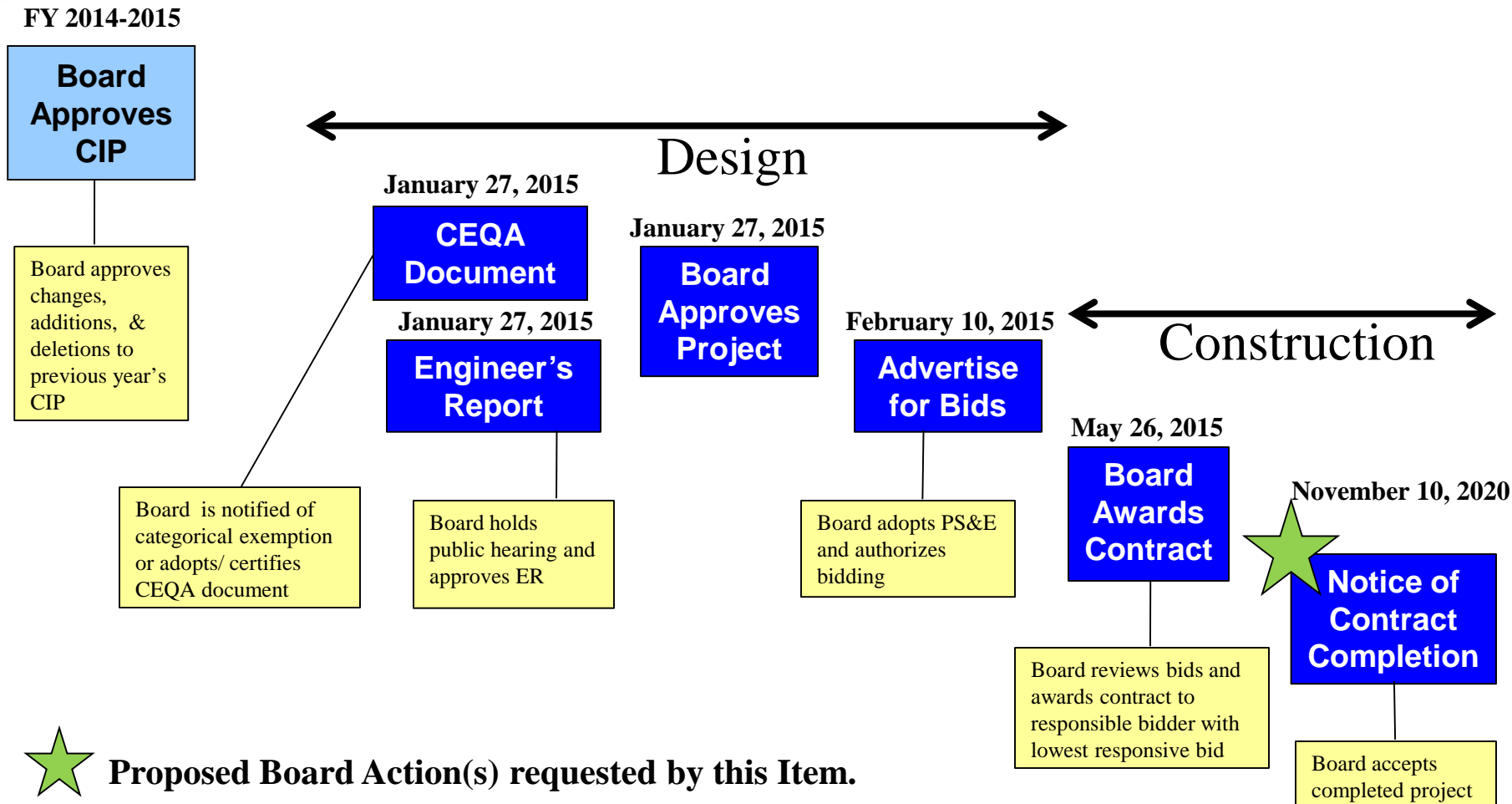
## Electrical Equipment Pad

Attachment 2  
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# Project Delivery Process

## Rinconada Water Treatment Plant Reliability Improvement Project, C0601, Project No. 93294057



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# Santa Clara Valley Water District

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**File No.:** 20-1035

**Agenda Date:** 11/10/2020

**Item No.:** \*3.1.

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## SUPPLEMENTAL BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Notice of Completion of Contract and Acceptance of Work for the Rinconada Water Treatment Plant Reliability Improvement Project, Balfour Beatty Infrastructure, Inc., Contractor, Project No. 93294057, Contract No. C0601 (Los Gatos) (District 7).

### **REASON FOR SUPPLEMENTAL MEMORANDUM:**

This update conveys additional information received after the initial agenda memo was released, consistent with Executive Limitations Policy EL-7.10.5.

### **RECOMMENDATION:**

- A. Accept the work on the Rinconada Water Treatment Plant Reliability Improvement Project, Project No. 93294057, Contract No. C0601 as complete; and
- B. Direct the Clerk of the Board to sign the Notice of Completion of Contract and Acceptance of Work and submit for recording to the Santa Clara County Clerk-Recorder.

### **SUMMARY:**

This Supplemental Board Agenda Memorandum updates the item to include Supplemental Attachment 1, Construction Contract Acceptance, and Supplemental Attachment 2, Project Completion Letter.

These attachments were not available for inclusion in the original 10-day posting on October 30, 2020 due to final confirmation that all required contract closeout items required by the Contract Documents were received from Balfour Beatty Infrastructure, Inc. and acceptable to Valley Water. These attachments are being submitted for the Board's consideration pursuant to the recommended action.

### **FINANCIAL IMPACT:**

No change.

### **CEQA:**

No change.

**ATTACHMENTS:**

Supplemental Attachment 1: Construction Contract Acceptance

Supplemental Attachment 2: Project Completion Letter

**UNCLASSIFIED MANAGER:**

Heath McMahon, 408-630-3126



**SANTA CLARA VALLEY WATER DISTRICT**

**RECOMMENDATION OF CONSTRUCTION CONTRACT ACCEPTANCE**

In accordance with **Article 9.10 Final Inspection and Acceptance of Work** of the contract specifications, a final inspection was conducted on September 23, 2020 for the Rinconada Water Treatment Plant Reliability Improvement Project, Contract No. C0601, Project No. 93294057. The Project Completion Letter dated October 30, 2020 indicates that the work was completed in accordance with the requirements of the contract.

It is recommended that the work under this contract be accepted by the District.

Recommended By:

**ORIGINAL SIGNED BY**



Emmanuel Aryee, P.E.  
Interim Assistant Officer  
Designated Engineer's Representative

10/30/2020

Date

Concurrence:



**ORIGINAL SIGNED BY**

Heath McMahon, P.E.  
Deputy Operating Officer  
Water Utility Capital Division

10/30/2020

Date

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October 30, 2020

Mr. Crandall Bates  
Balfour Beatty Infrastructure, Inc.  
5050 Business Center Drive, Suite 250  
Fairfield, CA 94534

Subject: Rinconada Water Treatment Plant Reliability Improvement Project  
Contract No. C0601, Project No. 93294057  
**Project Completion**

Dear Mr. Bates:

Valley Water is in receipt of Balfour Beatty Infrastructure, Inc.'s project completion certification dated October 30, 2020. All work has been completed as attested to by the Cordoba Corporation and Valley Water staff and all documents required for contract closeout per **Section 21 Contract Closeout**, have been received by Valley Water from the Contractor.

This serves as the Project Completion letter per **Article 21.01.05 Project Completion and Final Inspection**. In accordance with **Article 21.01.06 Acceptance of the Work**, I will recommend that the Valley Water Board of Directors formally accept the work of this contract.

Should you have any questions or concerns regarding this letter, please feel free to contact me at 408-630-3074 or e-mail at [earryee@valleywater.org](mailto:earryee@valleywater.org).

Sincerely,



Emmanuel Aryee, P.E.  
Interim Assistant Officer  
Dam Safety & Capital Delivery Division

cc: E. Aryee, M. Mendez, M. Salib, Contract File

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## Michele King

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**From:** system-generated@valleywater.org on behalf of Santa Clara Valley Water <system-generated@valleywater.org>  
**Sent:** Monday, November 9, 2020 11:56 AM  
**To:** Clerk of the Board  
**Subject:** SCVWD Agenda Comment Form

Submitted on Mon, 11/09/2020 - 11:56 AM

Submitted values are:

**Name**

Ken Fredrickson

**Address**

10920 Hawthorne Boulevard  
Lennox, California. 90304

**Telephone**

(310) 781-0181

**Email**

ken.fredrickson@nealelectric.com

**Agency, Business or Group (if applicable)**

Neal Electric

**Board Meeting Date**

2020-11-10

**Agenda Item Number**

3.1

**I would like to**

Express Opposition

**Comment Form**

Neal Electric Corporation (NEC) is Minority Certified Business and a primary subcontractor to Balfour Beatty Infrastructure, Inc. (BBII) on the Rinconada Water Treatment Plant Reliability Improvement Project. We worked diligently to complete the work remaining per the revised contract scope negotiated with BBII on March 10, 2020. Regrettably, once this agreement was made between the District and BBII, BBII stopped making progress payments to NEC and we have received no payments from BBII since March. In turn, NEC has been unable to pay our vendors and subcontractors. NEC remained onsite to deal with any issues, but our vendors and subcontractors have been unable to cope with the financial impact of non-payment. This lack of payment resulted in a significant slow-down to our remaining but we remained on the job. NEC has filed stop notices to the District in excess of \$19 million, funds due to numerous small and medium sized businesses that worked on this project. These include companies that will be responsible to warranting any work at the facility in the future. We request that the District require that BBII settle with all of their subcontractors before you agree to close the project and pay their remaining contract amount.

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