



# Santa Clara Valley Water District

File No.: 17-0826

Agenda Date: 6/12/2018

Item No.: \*6.5.

---

## BOARD AGENDA MEMORANDUM

### SUBJECT:

Report of Bids Received and Award of Construction Contract to PMK Contractors, LLC in the sum of \$1,110,300.00, for Construction of the Stevens Creek Bank and Access/Trail Road Repair Project, Downstream of El Camino Real (SR 82), Project No. 62062003, Task No. 1062, Contract No. C0638, (Mountain View) (District 7).

### RECOMMENDATION:

- A. Ratify Addenda No.1 and No. 2 to the Contract Documents for the Stevens Creek Bank and Access/Trail Road Repair Project, Downstream of El Camino Real (SR82) (Project);
- B. Waive a minor irregularity in PMK Contractors' bid;
- C. Award the Construction Contract to PMK Contractors, LLC in the sum of \$1,110,300.00 subject to approval of the Notice of Proposed Work under the Stream Maintenance Program 2; and
- D. Approve a contingency sum of \$111,030.00 and authorize the Chief Executive Officer (CEO) or designee to approve individual change orders up to the designated amount.

### SUMMARY:

Due to the heavy rainfall events during January and February of 2017, including the President's Day storm, several locations along Stevens Creek (Creek) experienced moderate to severe bank erosion caused by sustained high flows in the Creek. A severe bank failure occurred along the reach from El Camino Real to Yuba Drive in the City of Mountain View (City), which undermined the safety and stability of the adjacent Stevens Creek Trail (Trail), causing the City to shut the Trail down and establish a temporarily detour (Attachment 1). Once flows subsided, staff assessed the scope of the damage and determined an erosion repair project should be undertaken. The District applied for the FEMA's Public Assistance Grant under the Disaster Declaration, on February 14, 2017 (DR-4301).

In August of 2017, additional erosion within the previously identified area escalated the immediacy of the bank failure threat to the adjacent private property and Trail, which prompted the District CEO to declare an emergency pursuant to California Public Contract Code §22050. After site visits to Stevens Creek by FEMA and California Governor's Office of Emergency Services (Cal OES) representatives in August 2017, the District was allowed to add the emergency repair project cost with previously

identified permanent repair costs in the FEMA application. The District's application is being reviewed by FEMA.

The District secured a contractor to make emergency repairs to prevent further erosion of the bank and to allow for safe passage along the temporary trail, which was reopened in November of 2017. Specifications for this Project included FEMA's Public Assistance Program procurement of services requirements under the Disaster Relief and Emergency Assistance Act.

This Project will: A) complete the repair and re-build the creek embankment that was shored up by the emergency project; B) re-establish and re-align the existing pedestrian and bicycle trail adjacent to the bank erosion repair project; and C) re-establish the fence line/boundary to address any existing encroachment onto District right-of-way.

This Project will be implemented under the District's existing Stream Maintenance Program 2 (SMP-2) Permits.

If the construction contract is awarded, it will create or sustain approximately 20 jobs for the community.

### **Addendum Ratification**

Two Addenda (Attachments 2 and 3) were issued during the bid period to clarify the Project Contract Documents and answer bidders' questions. To formally incorporate the addenda into the Project Contract Documents, staff recommends that the Board ratify these addendums.

### **Waiver of Minor Irregularities in PMK Contractors' Bid**

Per the Notice to Bidders, paragraph 14, the District reserves its right to reject any and all bid proposals and to waive minor defects or irregularities in any submitted Bid Form(s). PMK Contractors' Bid contained an immaterial error.

The Total Bid price was calculated incorrectly by PMK Contractors on Bid Form No. 1, Proposal and Bid Items. A math error was made in multiplying the unit price by the quantity on three Bid Items resulting in incorrect extensions being summed for the Total Bid. The Instructions to Bidders clearly states that "In case of discrepancy between the item unit price and the total price set forth for the item, the item unit price shall prevail." Correcting this math error reduced PMK Contractors' Bid by \$33,410. This math error and subsequent reduction in the total bid price was informed to PMK Contractors. The PMK Contractors acknowledged the error and reduction in the total bid price via email.

This minor irregularity is not material; it does not affect PMK Contractors' ability to fulfill the contract; or give the firm an unfair advantage in the competitive bidding process for the Project. Staff recommends that the Board waive the minor irregularity.

### **Contract Award**

Four (4) bid proposals were received and opened on June 6, 2018. The bid proposal is summarized in Table 1 - Bid Results. The apparent low bid was submitted by PMK Contractors, LLC and staff recommends the Board award the contract to PMK Contractors, LLC.

Staff has reviewed the bid proposals and recommends that the construction contract for the Project be awarded to PMK Contractors, LLC for the following reasons:

1. All bid entries and requirements in the proposal submitted by PMK Contractors, LLC are in order;
2. PMK Contractors, LLC Company's license is current, active and in good standing;
3. PMK Contractors, LLC is in compliance with the requirements of the California Labor Code section 1771.1. PMK Contractors, LLC and its subcontractors are registered with the California Department of Industrial Relations and qualified to perform public works pursuant to section 1725.5 of the Labor Code; and
4. PMK Contractors, LLC has complied with the District's Small Business Enterprise (SBE) Outreach Program by submitting a Good Faith Effort that complies with the requirements of the contract.

**Table 1 - Bid Results**

| <b>Company, Location</b>                             | <b>Bid Amount</b> | <b>Award Amount</b> |
|--|-------------------|---------------------|
| PMK Contractors, LLC., Hayward, CA                   | \$1,110,300.00    | \$1,110,300.00      |
| <i>Granite Construction Company, Santa Clara, CA</i> | \$1,163,234.00    |                     |
| <i>Gordon N. Ball, Inc., Alamo, CA</i>               | \$1,353,500.00    |                     |
| <i>Integra Construction Services, Pleasanton, CA</i> | \$1,388,000.00    |                     |
| <b>Engineer's Estimate: \$1,390,200.00</b>           |                   |                     |

**Contingency Funds**

Staff is recommending approval of \$111,030.00 (approximately 10% of the lowest bid price) in contingency funds for the Project to allow staff to quickly address unforeseen or changed site conditions and other unanticipated occurrences, without causing unnecessary delays or consequential costs to the Project.

The contingency amount was estimated due to known and unknown risks, such as:

1. Unanticipated variances in quantities and cost of various lump sum items estimated in the Bid

Proposal;

2. Differing site conditions;
3. Concealed conditions and/or field conditions that may be different from the baseline or as-built information used in preparation of Project Contract Documents;
4. Coordination issues and risks associated with weather conditions and unplanned water releases in to the creek; and
5. Potential delays in utility relocations and shut down by utility companies.

Approval of individual change orders will be made up to the designated amounts as follows:

Engineering Unit Manager: \$50,000

Deputy Operating Officer: Up to the total amount of the contingency

### **Public Outreach**

During construction, steps will be taken to minimize impacts associated with the Project, such as noise and construction traffic. Before beginning the construction, a Project flyer will be mailed to the neighborhood community, informing them of potential issues, as appropriate. Project Contract Documents include requirements and measures to minimize impacts during the construction.

### **Outreach to Bidders**

The Notice to Bidders was sent to certified Small Business Contractors that have the appropriate license. Chambers of Commerce, and plan rooms (Builder Exchanges) and District's own web site were used to solicit interest in the Project work from prospective Contractors. Contractors were contacted through the Building Construction & Trades Council, and contractors were contacted using the District's own Master Contractor Database.

### **Next Steps**

If the Board approves the recommendations, staff will proceed with administering the Project construction.

### **FINANCIAL IMPACT:**

The cost of construction for the Project is \$1,110,300.00 including the recommended contingency funds. This Project will be funded as part of the El Nino Emergency Response Project No. 62062003, Task No. 1062. The funding source for the Project is the Watersheds Stream Stewardship Fund 12. The District's application for FEMA's reimbursement is under review and the District will pursue reimbursement of 93% of the project cost, including the emergency repair cost and permanent repair cost from FEMA (75%) and Cal OES (18%). The cost associated with the trail reconstruction

including asphalt paving, within this Project area will be reimbursed by the City of Mountain View per the Joint Use Agreement between District and City of Mountain View.

**CEQA:**

The District is the lead agency under the California Environmental Quality Act for this Project.

The Project is covered under the Stream Maintenance Program (SMP-2) Permit, 2014-2023. The Environmental Impact Report for the Stream Maintenance Program was certified by the Board on January 24, 2012.

The construction of this Project has been included in the early submittal of the Notice of Proposed Work (NPW) to the permitting regulatory agencies in February 2018 for this summer's SMP-2 work. Construction Contract Award is subject to approval of the Notice of Proposed Work under the Stream Maintenance Program 2.

**ATTACHMENTS:**

- Attachment 1: Project Location Map
- Attachment 2: Addendum No. 1
- Attachment 3: Addendum No. 2
- Attachment 4: Project Delivery Process Chart

**UNCLASSIFIED MANAGER:**

Ngoc Nguyen, 408-630-2632