



# Santa Clara Valley Water District

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**File No.:** 18-0512

**Agenda Date:** 8/14/2018

**Item No.:** 3.6.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Notice of Completion of Contract and Acceptance of Work for the Installation of Cathodic Protection Rectifiers and Deep-Well Anodes on the Santa Clara Conduit, Alisto Engineering Group, Contractor, Project No. 95084002, Contract No. C0632 (Santa Clara County).

### **RECOMMENDATION:**

- A. Accept the work on the Installation of Cathodic Protection Rectifiers and Deep-Well Anodes on the Santa Clara Conduit, Alisto Engineering Group, Contractor, Project No. 95084002, Contract No. C0632 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, Alisto Engineering Group, has completed the Installation of Cathodic Protection Rectifiers and Deep-Well Anodes on the Santa Clara Conduit Project (Project). The construction contract was awarded in the amount of \$244,400 and the final contract amount is \$249,254.44. Subject to any withholds required by law or the contract, acceptance of the work by the Board will allow for the release of \$12,462.72 in retention to the contractor.

The San Felipe System transports raw water from San Luis Reservoir to Santa Clara and San Benito Counties. The District is responsible for the operation and maintenance of the system pursuant to an agreement with United States Bureau of Reclamation. The Santa Clara Conduit is an integral portion of the San Felipe System; it is comprised of 20 miles of 96-inch diameter pre-stressed concrete cylinder pipe (PCCP) known to be susceptible to corrosion.

Cathodic protection is an electrical means of corrosion control and is a proven method to protect and extend the useful life of pipelines and appurtenances. The Santa Clara Conduit was provided with a corrosion monitoring system when it was built in the 1980's, but not with a cathodic protection system. At that time, pre-construction resistivity testing indicated that the conduit was installed in a relatively non-corrosive environment. It has since been learned that corrosion of steel pre-stressed wires of PCCP can be arrested by application of cathodic protection to the pipeline to reduce the risk of failures.

The Project included the installation of three (3) cathodic protection impressed current facilities at three separate sites on the Santa Clara Conduit. This installation will protect the pre-stressing wire on the PCCP from further corrosion, extend the useful life of the pipeline, and minimize the potential for unexpected outages, leaks, and catastrophic failures. Completion of the Project improves the long-term reliable delivery of untreated water through the District’s water supply system.

***Previous Board Actions***

On September 26, 2017, the Board approved the plans and specifications and authorized advertisement for bids for the construction of the Project.

On November 28, 2017, the Board awarded the subject contract to Alisto Engineering Group in the amount of \$244,400 and approved a contingency fund of \$36,600. The Board authorized the Chief Executive Officer (CEO) or designee to approve individual change orders up to the total amount of the contingency, with the Engineering Unit Manager and Deputy Operating Officer to approve individual changes up to \$5,000 and \$10,000, respectively.

***Contract Change Orders***

Two contract change orders totaling \$4,854.44 have been executed for this contract, including:

- A. \$2,052.75 for standby time to allow for locating underground utilities.
- B. \$2,801.69 to adjust locations of appurtenances due to unforeseen conditions.

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>\$244,400.00</b>	<b>\$36,600.00</b>
Change Order No. 1 (Staff approved)	\$2,052.75	<\$2,052.75>
Change Order No. 2 (FINAL, Staff approved)	\$2,801.69	<\$2,801.69>
<b>Final Contract Amount and Remaining Contingency</b>	<b>\$249,254.44</b>	<b>&lt;\$31,745.56&gt;</b>

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

The California Civil Code allows an owner or agent to execute a Notice of Completion of Contract after acceptance of the work by the Board. The Notice of Completion of 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 her knowledge, in accordance with the plans and specifications, and recommends acceptance. The Designated Engineer's recommendation of construction acceptance is included in Attachment 2. The Project Completion Letter is included as Attachment 3.

***Construction Contract Retention***

California law requires the District to release contract retention in accordance with certain time frames, which will commence once the Notice of Completion is recorded. Interest payment on retention due to the contractor may be avoided by meeting the requisite deadlines.

The District is currently withholding retention funds totaling five percent (5%) of the contract amount (\$12,462.72) in accordance with the Public Contract Code. Per the construction contract documents, the District 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.

***Total Project Expenditures***

As indicated in the Summary of Construction Contract and Contingency Amounts (Table 1), the original contract amount of \$244,400 was increased by \$4,854.44 to \$249,254.44, an increase of approximately 2 percent.

**FINANCIAL IMPACT:**

Total financial costs were detailed in previous sections of the agenda memorandum.

**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 and Acceptance of Work
- Attachment 2: Construction Contract Acceptance
- Attachment 3: Project Completion Letter
- Attachment 4: Project Delivery Process Chart

**UNCLASSIFIED MANAGER:**

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