



# Santa Clara Valley Water District

**File No.:** 18-0594

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

**Item No.:** 3.7.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Notice of Completion of Contract and Acceptance of Work for the Almaden Valley Pipeline Carbon Fiber Reinforced Polymer Structural Repair Project, Structural Group, Inc., Contractor, Project No. 95084002, Contract No. C0636 (San Jose, Los Gatos, Unincorporated Santa Clara County) (Districts 4 and 7).

### **RECOMMENDATION:**

- A. Accept the work on the Almaden Valley Pipeline Carbon Fiber Reinforced Polymer Structural Repair Project, Structural Group, Inc., Contractor, Project No. 95084002, Contract No. C0636 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, Structural Group, Inc., has completed the Almaden Valley Pipeline Carbon Fiber Reinforced Polymer Structural Repair Project (Project). The construction contract was awarded by the Chief Executive Officer (CEO) pursuant to an emergency declaration in accordance with Public Contract Code §22050, in the amount of \$8,989,732 and the final contract amount is \$9,239,731.48. Subject to any withholds required by law or the contract, acceptance of the work by the Board will allow for the release of \$461,986.57 in retention to the contractor.

### ***Project Background***

As part of the 10-Year Pipeline Inspection and Rehabilitation Program, Almaden Valley Pipeline (AVP) inspection activities were performed on November 21-22, 2017, when several significantly distressed Prestressed Concrete Cylinder Pipe (PCCP) sections were identified on AVP between Santa Teresa Force Main and Calero Reservoir. The District could not return AVP back into operation until the distressed pipe sections were repaired.

On December 5, 2017, the CEO declared that the condition of AVP constituted an emergency condition, pursuant to California Public Contract Code §22050, which enabled timely procurement of necessary construction contract services, and other public works and non-professional services, supplies and essential equipment, without a competitive procurement process, in order to attend to the emergency condition. According to Public Contract Code §22050, in order for the emergency

action to remain in place, the Board must determine, by four-fifths vote at every regularly scheduled Board meeting until the emergency action is terminated, that there is a need to continue the emergency action.

Starting on December 12, 2017, the Board subsequently voted to continue with the emergency action declared by the CEO until the pipeline was safely restored. The CEO terminated the emergency action on May 2, 2018 and advised the Board on May 8, 2018.

The objective of the Project was to repair distressed section of PCCP and restore the pipeline to a safe and reliable service to meet minimum water supply demands as part of the District's contractual obligations.

The Project included rehabilitation of eighty (80) pipe segments that are 78 inches in diameter, and that convey raw water to the District's water treatment plants and to groundwater recharge facilities. Pipe sections were repaired by applying multiple layers of reinforced carbon fiber to the inside surface of the distressed pipes. Rehabilitation of 80 pipe segments on the AVP is complete. The pipeline was returned to full operation in late March 2018.

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

On December 12, 2017, the Board voted to continue the emergency action declared by the CEO on December 5, 2017, pursuant to California Public Contract Code §22050, to repair the AVP.

Subsequently, the emergency action declaration was continued by the Board on the following Board meeting dates: January 9, 2018, January 23, 2018, February 13, 2018, February 27, 2018, March 13, 2018, March 27, 2018, April 10, 2018 and April 24, 2018.

On May 8, 2018, with the completion of emergency repair work, the Board received an update on the termination of the emergency action declared by the CEO on December 5, 2017.

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

A total of three (3) contract change orders totaling \$249,999.48 were executed for this contract to include District-requested changes and a credit to balance the not-to exceed amount issued for District-requested change order work.

These changes included:

- A. \$284,208.00 for additional work requested by District, including: confined space rescue service, guaranty bond, and exterior post-tensioned repair at one location.
- B. A credit of \$34,208.52 for balancing not-to exceed amounts issued for previous change order work items.

Table 1 presents a summary of the construction contract amounts.

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

	<b>Contract Amount</b>
<b>Original Contract</b>	<b>\$8,989,732.00</b>
Change Order No. 1 (staff approved)	\$276,708.00
Change Order No. 2 (staff approved)	\$0.00
Change Order No. 3 (staff approved)	<\$26,708.52>
<b>Final Contract Amount</b>	<b>\$9,239,731.48</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 his 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. Photos of the completed Project are included in Attachment 4. The Project Delivery Process Chart is included in Attachment 5.

***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 (\$461,986.57) 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.

***Project Expenditures***

As indicated in the Summary of Construction Contract and Contingency Amounts (Table 1), the original contract amount of \$8,989,732 has been increased by \$249,999.48 to \$9,239,731.48, an increase of approximately 3 percent (3%).

**FINANCIAL IMPACT:**

Total financial costs were detailed in previous sections of the agenda memorandum. The Project has been completed and 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 and Acceptance of Work

Attachment 2: Construction Contract Acceptance

Attachment 3: Project Completion Letter

Attachment 4: Construction Summary

Attachment 5: Project Delivery Process Chart

**UNCLASSIFIED MANAGER:**

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