



# Santa Clara Valley Water District

File No.: 19-0393

Agenda Date: 4/9/2019

Item No.: \*3.10.

## BOARD AGENDA MEMORANDUM

### SUBJECT:

Report of Bids Received, Award of Construction Contract to Silicon Valley Paving, Inc. for the Construction of Gold Street Median Removal Project, Project No. 00761023, Contract No. C0646 (San Jose), (District 3).

### RECOMMENDATION:

- A. Ratify Addendum Nos.1 and 2 to the Contract documents for the Gold Street Median Removal Project;
- B. Waive minor irregularities in Silicon Valley Paving, Inc.'s Bid;
- C. Award the Contract to Silicon Valley Paving, Inc, in the sum of \$74,993; and
- D. Approve a contingency sum of \$7,500 and authorize the Operations & Maintenance Engineering Support Unit Manager to approve individual change orders up to the designated amount.

### SUMMARY:

A 200-linear-foot median on Gold Street, a high-density roadway in San Jose, is proposed to be removed to provide improved access to Pond A8. Pond A8, a U.S. Fish and Wildlife Service facility, is one of the sites used by the District to transport and place excavated sediment from creek sites. Removing the median will improve District operations by allowing trucks to make a left turn directly into the existing access point.

During the District's Stream Maintenance Program construction season, current practice is for a significant number of trucks to make a U-turn near the existing access point, disrupting traffic flow along Gold Street. An estimated 80 trucks per day can use this access point when sediment is being transported to Pond A8. This number can more than double when multiple and/or large-scale sediment removal projects are underway. Removal of the median is expected to make the District's sediment transport trucking operations more efficient and improve traffic flow along Gold Street and the surrounding community.

### *Addendum Ratification*

Two addenda were issued during the bid period (Attachment 1), to respond to potential bidders' requests for Bid Document clarifications. To formally incorporate these addenda into the Contract

documents, staff recommends that the Board ratify Addendum No. 1 and Addendum No. 2 for this Project.

***Waiver of Minor Irregularities***

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). Silicon Valley Paving's Bid contained minor irregularities on Bid Form No. 4, Small Business Outreach Program: Instructions and Compliance Document. The contractor did not list any Small Business (SBE) subcontractors. They also indicated that they would be self-performing the Work without subcontractors, and therefore were exempt from providing a Good Faith Effort as established by the District's SBE program. On Bid Form No. 2, Designation of Subcontractors, the contractor listed a SBE subcontractor for 6.6% of the Work which triggers compliance with SBE requirements. Silicon Valley Paving complied with the SBE requirements by submitting timely documentation of their Good Faith Effort.

These two bid errors are not material; they do not affect Bid price, Silicon Valley Paving's ability to fulfill the Contract, nor give the firm an unfair advantage in the competitive bidding process for the Project. Staff recommends the Board waive these minor irregularities.

***Contract Award***

The results of the seven (7) bid proposals received and opened on March 27 2019, are summarized in Table 1. The lowest responsive bid was submitted by Silicon Valley Paving.

The Engineer's estimate is \$154,000. The average of the responsive bid proposals is \$78,070 which is 49.3% below the Engineer's estimate. The lowest responsive bid is 51.3% below the Engineer's estimate. The discrepancy in cost between the Engineer's estimate and bids received can be attributed to favorable market conditions and by the support of a competitive bid environment.

Staff has reviewed the bid proposals and, for the reasons stated below, recommends the Board award the contract to Silicon Valley Paving as the responsible bidder submitting the lowest responsive bid:

1. All bid entries and requirements in the proposal submitted by Silicon Valley Paving are in order;
2. Silicon Valley Paving's license is current, active and in good standing;
3. Silicon Valley Paving complied with the District's SBE program by providing timely documentation of a Good Faith Effort; and
4. Silicon Valley Paving is in compliance with the requirements of the California Labor Code §1771.1. Silicon Valley Paving 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.

---

**Table 1 - Bid Opening Results**

---

Company / Location	Bid Amount	Award Amount
George Bianchi Construction, San Jose, CA	Non-Responsive	
Silicon Valley Paving, Inc., San Jose, CA	\$74,993	\$74,993
Granite Rock Company, San Jose, CA	\$88,000	
Forticon, Inc., Oakland, CA	\$116,700	
GradeTech, Inc., San Ramon, CA	\$118,000	
Innovate Concrete, Inc., Santa Clara, CA	Non-Responsive	
Galeb Paving, Inc., Saratoga, CA	\$148,000	
<b>Engineer's Estimate: \$154,000</b>		

**Contingency Funds**

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, staff is requesting a total contingency amount of \$7,500 which amounts to 10% of the bid price.

The contingency amount is estimated due to known and unknown risks, such as concealed conditions and/or field conditions that may be different from the baseline or as-built information used in preparation of Project Contract Documents.

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

Operations & Maintenance Engineering Support Unit Manager: \$7,500

**Public Outreach**

During construction, measures will be taken to minimize impacts associated with the Project, such as noise and parking. Construction contract documents include requirements and measures to minimize impacts during the construction. Neighbors and businesses will be informed of potential impacts, as appropriate.

**Outreach to Bidders**

As part of the District's customary small and local business outreach, the following routine steps were taken: The Notice to Bidders was sent to 20 Minority business Chambers of Commerce and small business groups. In addition, the Notice was sent to certified small business contractors and local and regional firms that have the appropriate license for this type of work. The Notice was provided to the Santa Clara and San Benito Counties Building and Construction Trades Council, which maintains contacts with at least 500 contractors and 70 union representatives, for distribution to their members.

***Next Steps***

If the Board approves staff's recommendations, staff will proceed with administering construction of the Project. The construction work is anticipated to be completed by June 2019.

**FINANCIAL IMPACT:**

There are adequate funds in the Adopted FY 2018-19 Project No. 00761023 budget to encumber the construction cost of \$74,993 and the contingency sum of \$7,500.

**CEQA:**

As the lead agency under the California Environmental Quality Act (CEQA), District staff filed a notice of exemption with the County of Santa Clara, Office of the Clerk Recorder on March 4, 2019. The Project is categorically exempt under Sections 15301 and 15304 of the CEQA Guidelines.

**ATTACHMENTS:**

Attachment 1: Addenda

Attachment 2: Project Delivery Process Chart

**UNCLASSIFIED MANAGER:**

Sue Tippets, 408-630-2253