



# Santa Clara Valley Water District

File No.: 19-0629

Agenda Date: 7/9/2019  
Item No.: \*5.2.

## BOARD AGENDA MEMORANDUM

### SUBJECT:

Report of Bids Received and Award of Construction Contract to Kiewit Infrastructure West Co., for the Cross Valley and Calero Pipelines Inspection and Rehabilitation Project, Project No. 95084002, Contract No. C0650 (San Jose, Morgan Hill, Unincorporated Santa Clara County), (Districts 1 and 7).

### RECOMMENDATION:

- A. Ratify Addenda No(s). 1, 2, 3, and 4 to the Contract Documents for the Cross Valley and Calero Pipelines Inspection and Rehabilitation Project;
- B. Award the Contract to Kiewit Infrastructure West Co., located in Fairfield, CA, in the sum of \$9,535,350; and
- C. Approve a contingency sum of \$1,430,300 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

### SUMMARY:

The objective of the Cross Valley and Calero Pipelines Inspection and Rehabilitation (Project) is to increase the reliability and useful life of these raw water pipelines.

The Project scope of work includes the dewatering and inspection of the pipelines; repair and rehabilitation of the appurtenances; replacement of approximately 80 lineal feet of 48-inch and 54-inch piping with 60-inch piping; replacement of line valves; installation of an Acoustic Fiber Optic (AFO) monitoring system; and installation of other miscellaneous pipeline vault appurtenances such as new ladders and hatches.

### *Project Background*

The Cross Valley and Calero Pipelines consist of 10.6 miles of 78-inch and 72-inch prestressed concrete cylinder pipe which was constructed in five different phases from 1980 through 1990. The pipeline begins as the Cross Valley Pipeline at the Coyote Pumping Plant in the City of Morgan Hill, runs northwest through Morgan Hill and unincorporated sections of Santa Clara County, continues northwest through the Coyote Valley Open Space Preserve and near Cinnabar Hills Golf Club where Cross Valley Pipeline ends and Calero Pipeline begins, continues along McKean Road, and ends north of the base of the Calero Reservoir in south San Jose at the Calero Modulating Valve Vault.

The Cross Valley and Calero Pipelines are included in the District's Pipeline Maintenance Program (PMP) and are an identified capital effort under the 10-Year Pipeline Inspection and Rehabilitation Program. The PMP defines the activities associated with maintenance and repair of water supply conveyance systems throughout the District's jurisdiction. The PMP serves as a comprehensive plan that defines how routine and preventative maintenance activities can be carried out. The primary objectives of the PMP are to maintain the District's water conveyance systems to their specifications and design; coordinate the various aspects of routine maintenance to achieve this goal; reduce environmental impacts associated with maintenance; and assist in obtaining multi-year permits for these activities.

The purpose of the 10-Year Pipeline Inspection and Rehabilitation Program is to maintain the integrity of the approximately 140 miles of large diameter raw and treated water transmission pipelines, extend their useful life, and address infrastructure reliability concerns. The Project is the third project to be undertaken for this Program after completion of the Almaden Valley Pipeline and the Pacheco Conduit inspection, repair, and rehabilitation.

In February and March of 2018, staff conducted a condition assessment of both Cross Valley and Calero Pipelines to evaluate and assess the overall condition of these raw water pipelines and their appurtenances. The results indicate that several appurtenances have to be repaired or replaced.

On May 28, 2017, Cochrane Line Valve suffered a catastrophic failure. Staff quickly removed the defective 48-inch motor operated butterfly valve and installed a 48-inch fusion-bonded, epoxy-lined welded steel spool. Based on a check of flow capacity calculations for the Cross Valley Pipeline and known raw water demands, it was determined that the Cross Valley Pipeline had been operated above the Cochrane Line Valve design capacity, which caused the failure. As part of the Project, approximately 80 lineal feet of 60-inch pipe will be installed to replace the existing 48-inch and 54-inch piping. The new piping will allow a new 60-inch line valve to be installed to replace the failed valve. The Cochrane Line Valve scope of work is included in the Contract Documents as a Supplemental Bid Item pending the final execution of a lease agreement with the County of Santa Clara for an adjacent staging area that is required to facilitate construction. The lease agreement with the County of Santa Clara is scheduled to be finalized by late July 2019.

The Anderson Force Main and Calero Line Valve replacement scope of work is included in this Construction Contract to provide safe and reliable isolation for the work to be performed during this Project and to facilitate the execution of future projects.

### ***Addenda Ratification***

Four (4) addenda (Attachment 1) were issued during the bid period to clarify the Project Contract Documents. To formally incorporate the addenda into the Project Contract Documents, staff recommends that the Board ratify the addenda.

### ***Contract Award***

A report of bids received at the bid opening for the Project on June 26, 2019 is summarized in Table

1. The Apparent Low Bid was submitted by Kiewit Infrastructure West Co.

The bid submitted by Kiewit Infrastructure West Co. is approximately 1.4% lower than the Engineer’s Estimate of \$9,666,800.00. The average bid amount of the four bidding firms is \$11,348,850.00.

Staff recommends the Board award the contract to Kiewit Infrastructure West Co. as the responsible bidder submitting the lowest responsive bid.

Staff reviewed the bid proposals and recommends that the Construction Contract for the Project be awarded to Kiewit Infrastructure West Co. for the following reasons:

1. All bid entries and requirements in the proposal submitted by Kiewit Infrastructure West Co. are in order;
2. Kiewit Infrastructure West Co. license is current, active and in good standing;
3. Kiewit Infrastructure West Co. has compiled with the District’s Small Business Enterprise (SBE) Outreach program; and
4. Kiewit Infrastructure West Co. is in compliance with the requirements of the California Labor Code §1771.1 because they and their subcontractors are registered with the California Department of Industrial Relations and quantified to perform public works pursuant to Section 1725.5 of the Labor Code.

<b>Company, Location</b>	<b>Bid Amount</b>	<b>Award Amount</b>
Kiewit Infrastructure West Co California	\$9,535,350	\$9,535,350
Con-Quest Contractors, Inc., California	\$10,047,750	
Ranger Pipelines, Inc., San F California	\$12,716,000	
Anvil Builders, Inc., San Fran	\$13,096,300	
<b>Engineer’s Estimate: \$9,666,800</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 recommends the Board approve encumbering a contingency amount of \$1,430,300 which amounts to 15% of the lowest bid price.

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

1. Unforeseen conditions that result in changes that will need to be resolved during the shutdown of the pipelines.
2. Concealed conditions and field conditions that may be different from the baseline and as-builts information used in preparation of the Project Contract Documents;
3. Differing site conditions;
4. Unanticipated variances in quantities and cost of various lump sum items estimated in the Bid Proposal;
5. Coordination issues and risks associated with weather conditions; and
6. Coordination issues with operations and maintenance activities.

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

Engineering Unit Manager:	\$100,000
Deputy Operating Officer:	\$250,000
CEO:	Up to the Total Amount of the Contingency

### ***Previous Board Actions Related to this Project***

On November 13, 2007, the Board certified the Pipeline Maintenance Program Environmental Impact Report (PMP EIR) and adopted the Mitigation Monitoring Plan.

On April 13, 2010, the Board held a public hearing and adopted Resolution 10-29 approving the PMP Engineer's Report and approving the PMP.

On January 8, 2019, the Board approved a sole source purchase of equipment and services from Pure Technologies U.S., Inc. to provide electromagnetic inspection, acoustic fiber optic (AFO) monitoring system, and AFO system services for the 10-Year Pipeline Inspection and Rehabilitation Program.

On May 14, 2019, the Board adopted plans and specifications and authorized advertisement for bids for the Project.

### ***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. The Project will utilize social media to update stakeholders about the project which includes notifications, progress reports,

and schedule updates. Santa Clara Valley Water District's (Valley Water) blog - Valley Water News - will also serve as a digital outreach tool to ensure the Project remains highly visible. Valley Water is developing a web page on the Project that will be consistently updated throughout the length of the Project.

### ***Outreach to Bidders***

The Notice to Bidders was sent to certified Small Business Contractors that have the appropriate license. Chambers of Commerce, plan rooms (Builder Exchanges), and the District's own website 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 awards the contract as recommended, staff will proceed with administering the Project construction which is anticipated to begin in July 2019 and be completed by the end of June 2020.

### **FINANCIAL IMPACT:**

The proposed construction contract for the Project is \$9,535,350. Combined with the contingency encumbrance of \$1,430,300, the total recommended for Board approval is \$10,965,650 This amount is consistent with the FY 2020-24 CIP budget for this Project. There are sufficient funds available in the Board-approved FY2019-20 Project budget to cover this cost. The funding source for the Project is the Water Utility Enterprise Fund (Fund 61).

### **CEQA:**

On November 13, 2007, the Board certified the Pipeline Maintenance Program Environmental Impact Report (PMP EIR) [Resolution 07-71]. The PMP provides for the maintenance of the District's 14 raw water pipelines and 9 treated water pipelines.

In November 2018, District environmental staff reviewed the Project and concluded that the PMP EIR can be relied on by the District for this Project, as documented in a CEQA Internal Decision Memorandum. Potential impacts related to all components of the Project have been evaluated and mitigation measures are specified in the PMP EIR. During Project implementation, the District and the contractor will comply with all BMPs and mitigation measures per the PMP EIR, California Department of Fish and Wildlife Lake-Stream Alteration Agreement, and Valley Habitat Plan's conditions.

### **ATTACHMENTS:**

- Attachment 1: Addenda Nos. 1, 2, 3 and 4
- Attachment 2: Process Delivery Process Chart
- Attachment 3: Map

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**UNCLASSIFIED MANAGER:**  
Katherine Oven, 408-630-3126