



Santa Clara Valley Water District

File No.: 20-0904

Agenda Date: 10/13/2020

Item No.: *5.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Report of Bids Received and Award of Construction Contract to Con-Quest Contractors, Inc., for the Central and Parallel East Pipelines Inspection and Rehabilitation Project, Project No. 95084002, Contract No. C0661 (San Jose and Unincorporated Santa Clara County), (Districts 1, 2, 4, 6, and 7).

RECOMMENDATION:

- A. Ratify Addenda Nos. 1 and 2 to the Contract Documents for the Central and Parallel East Pipelines Inspection and Rehabilitation Project; and
- B. Award the Construction Contract to Con-Quest Contractors, Inc. in the sum of \$7,905,580; and
- C. Approve a contingency sum of \$1,185,837 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

SUMMARY:

The objective of the Central and Parallel East Pipelines Inspection and Rehabilitation Project (Project) is to increase the reliability and useful life of these pipelines.

The Project scope of work includes the dewatering and inspection of Central Pipeline, repair and rehabilitation of the appurtenances, replacement of a line valve, installation of an Acoustic Fiber Optic (AFO) monitoring system on Central Pipeline which provides Valley Water with real-time monitoring, and installation of other miscellaneous pipeline appurtenances.

Project Background

The Central and Parallel East Pipelines are included in the Valley Water'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 Valley Water's jurisdiction. The PMP serves as a comprehensive plan that defines how routine and preventative maintenance activities are to be carried out. The primary objectives of the PMP are to maintain the Valley Water's water conveyance systems to their specifications and design, coordinate the various aspects of 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 Project 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 fourth project to be undertaken, following Almaden Valley Pipeline, Pacheco Conduit, and Cross Valley and Calero Pipelines.

Central Pipeline

Central Pipeline consists of approximately 12.7 linear miles of primarily 66-inch prestressed concrete cylinder pipe (PCCP) that conveys raw water between the Piedmont Valve Yard and the Vasona Pumping Plant. The critical large diameter pipeline runs from northeast San Jose, through the urban streets of San Jose and Campbell, and then ends in Los Gatos. Central Pipeline was constructed in eight phases and was completed in 1966. It is typically used to convey untreated water from the South Bay Aqueduct to the Los Gatos Recharge System and the Rinconada Water Treatment plant.

In May and June of 2018, staff conducted a condition assessment of the Central Pipeline to evaluate and assess the overall condition of the pipeline and its appurtenances. The results indicated that replacement and renewal of the pipeline appurtenances must be performed at 63 sites which include air valves, guard valves, blowoff valves, two flowmeters, three energy dissipation valves, one 66-inch in-line isolation valve, ladders, and manholes.

An external third party, pursuant to a separate contract, will install an AFO monitoring system to allow for live monitoring of the structural condition of the pipeline.

Parallel East Pipeline

Parallel East Pipeline (PEP) consists of 2.3 miles of 54-inch welded steel pipe. It begins as a branch off the East Pipeline (EPL) on White Road and Ocala Road, runs south along White Road and ends by connecting back to the EPL near the intersection of White Road and Aborn Road in East San Jose.

The Parallel East Pipeline Rehabilitation Project was originally scheduled to be completed in 2021. In 2018, the project was split into two phases. The first phase was completed in the Spring of 2019 and included the refurbishment of the reducing spools, guard valves, air release valves (ARV), and removal of all failing 2-inch threaded branch connections in 14 underground vaults. This Phase II will include modifying air release valve vent piping from within underground vaults to above ground enclosures to comply with CA Waterworks Standard 64576(a) which requires vent openings to be above grade and above the calculated 100-year flood water level. This work requires traffic control and trenching along White Road and Ocala Road.

As part of Phase I, Valley Water staff requested a temporary waiver of compliance with the above CA Waterworks Standard from the State Water Resources Control Board - Division of Drinking Water (DDW). One of the conditions of granting the waiver is to install the air vents by the end of 2020 which has been defined as a milestone within the construction contract.

Addenda Ratification

Two addenda (Attachment 1) were issued during the bid period to clarify the Project Contract Documents. Staff recommends that the Board ratify the addenda to formally incorporate the changes into the Project Contract Documents.

Contract Award

A report of bids received at the bid opening for the Project on September 23, 2020 is summarized in Table 1. The apparent low bid was submitted by Con-Quest Contractors, Inc. and is within 15% of the Engineer’s estimate of \$9,258,700.

Staff reviewed the bid proposal and recommends that the construction contract for the Project be awarded to Con-Quest Contractors, Inc. for the following reasons:

1. All bid entries and requirements in the proposal submitted by Con-Quest Contractors, Inc. are in order;
2. Con-Quest Contractors, Inc. license is current, active, and in good standing;
3. Con-Quest Contractors, Inc. 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 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
Con-Quest Contractors, Inc. Francisco, CA	\$7,905,580	\$7,905,580
Teichert Construction of Plea	\$8,433,600	
Kiewit Infrastructure West Co CA	\$9,592,590	
Ranger Pipelines of San Fra	\$9,727,500	
Mountain Cascade Inc. of Liv	\$9,986,077	
Engineer’s Estimate: \$9,258,700		

Staff recommends the Board award the contract to Con-Quest Contractors, Inc. as the responsible bidder, submitting the lowest responsive bid.

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 \$1,185,837 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 Central Pipeline;
2. Concealed conditions and field conditions that may be different from the baseline and as-built 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 is delegated for 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 PMP Environmental Impact Report (PMP EIR) and adopted the Mitigation Monitoring Plan.

On March 9, 2010, the Board adopted Resolution 10-24 specifying intent to consider undertaking the Project and setting the time and date for a public hearing on the Engineer’s Report for the subject Project.

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, AFO monitoring system, and AFO system services for the 10-Year Pipeline Inspection and Rehabilitation Program. The construction contract scope provides for the contractor to support and provide physical access to Pure Technologies U.S. to install the monitoring system.

On August 11, 2020, 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. The Valley Water's 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 updated throughout the length of the Project.

Permits

Staff has received a Lake and Streambed Alteration Agreement from the California Department of Fish and Wildlife. Staff has also coordinated with the cities of San Jose and Campbell and the County of Santa Clara, and received conditional encroachment permits that will be finalized after contract award by the construction contractor and those public entities when its submittals for the encroachment permits are approved.

Outreach to Bidders

Staff performed outreach to advertise and solicit bids from the following: Chambers of Commerce, Builders Exchange/ Plan Rooms, Building Construction & Trade Council, The San Jose Post and Valley Water's Master Contractor Database. Staff also utilized Valley Water's website to solicit interest in the Project work.

Next Steps

If the Board awards the contract as recommended, Staff will proceed with administering the Project construction which is anticipated to begin in October 2020 and be completed by the end of August 2021.

FINANCIAL IMPACT:

The proposed construction contract for the Project is \$7,905,580. Combined with the contingency encumbrance of \$1,185,837, the total recommended for Board approval is \$9,091,417. The 10-year Pipeline Inspection and Rehabilitation Project (95084002) is included in the Five-Year 2021-25 Capital Improvement Program and in the Board-adopted FY 200-21 Budget. There is sufficient funding in the Project's budget to encumber the construction contract cost and contingency amount. The funding source for the Project is the Water Utility Enterprise Fund (Fund 61).

CEQA:

On November 13, 2007, the Board certified the PMP EIR [Resolution 07-71]. The PMP provides for the maintenance of the Valley Water's 14 raw water pipelines and 9 treated water pipelines.

In February 2019, Valley Water environmental staff reviewed the Project and concluded in a CEQA Internal Decision Memorandum that the PMP EIR can be relied on by Valley Water for this Project. Potential impacts related to all components of the Project have been evaluated and mitigation measures are specified in the PMP EIR. During Project implementation, Valley Water and the contractor will comply with all BMPs and mitigation measures per the PMP EIR, California Department of Fish and Wildlife Lake and Streambed Alteration Agreement, and Valley Habitat Plan's conditions.

ATTACHMENTS:

- Attachment 1: Addenda Nos. 1 and 2
- Attachment 2: Project Delivery Process Chart
- Attachment 3: Site Map

UNCLASSIFIED MANAGER:

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