



Santa Clara Valley Water District

File No.: 17-0370

Agenda Date: 6/27/2017

Item No.: 3.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Notice of Completion of Contract and Acceptance of Work for the Canoas Creek Rodent Damage Repair Project (Construction Phase - Stage 1), Granite Construction Company, Contractor, Project No. 30114002, Contract No. C0612 (San Jose) (District 6).

RECOMMENDATION:

- A. Accept the work 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, Granite Construction Company, has completed the Construction Phase (Stage 1) for the Canoas Creek Rodent Damage Repair Project (Project). The construction contract was awarded May 10, 2016 in the amount of \$5,448,300.00 and the contract amount through the completion of Stage 1 is \$5,425,053.15. Subject to any withholds required by law or the contract, acceptance of the work by the Board will allow for the release of \$267,415.00 in retention to the contractor.

Project Background

The objective of the Canoas Creek Rodent Damage Repair Project is to repair approximately one mile of damaged creek levee and embankment from Nightingale Drive to Hillsdale Avenue, reduce frequent maintenance costs associated with routine bank erosion repair, and reduce the risk of levee and embankment slope failure due to damage caused from burrowing animals.

The Project was originally identified as an Operations and Maintenance project by Watersheds Operations & Maintenance staff after completing annual facility inspections over multiple years. However, due to the increased scope of work and available staff time, the Project was proposed as a Small Capital Improvement Project. At its regular meeting on February 24, 2015, the Board added this Project to the 2016-2020 Capital Improvement Program as the highest priority operations and maintenance project to be performed during Fiscal Year 2016.

The Contractor has completed the *Construction Phase (Stage 1)* of the contract.

The three-year *Establishment Maintenance Phase (Stage 2)* of the contract is in progress and is scheduled for completion in June 2020.

This Board action is for the acceptance of the *Construction Phase (Stage 1)*. A separate Board action to accept the work as complete will be recommended once the three-year *Establishment Maintenance Phase (Stage 2)* of the contract is completed.

Previous Board Actions

On February 23, 2016, the Board adopted the plans and specifications and authorized advertisement for bids for the construction of the Canoas Creek Rodent Damage Repair Project.

On May 10, 2016, the Board awarded the subject contract to Granite Construction Company, in the amount of \$5,448,300.00 and approved a contingency fund of \$544,830. 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 \$30,000 and \$50,000 respectively.

Contract Change Orders

A total of two contract change orders totaling the net credit amount of \$23,246.85 were executed for this contract to address various unforeseen site conditions, unknown buried utilities, delay impacts, quantity adjustments, District requested changes to benefit the Project, and credits to the contract.

These changes included:

- A. \$140,780.53 for additional work required to address unforeseen site conditions. (Change Order No. 1 - Item E, Change Order No. 2 - Items J, L, N, O, Q, and T)
- B. \$27,431.71 for additional work required to address unknown buried utilities. (Change Order No. 1 - Items B and C, Change Order No. 2 - Item M)
- C. \$176,863.98 for delay impacts due to nesting birds and a large fallen eucalyptus tree. (Change Order No. 2 - Items I, L, R, and S)
- D. <\$383,661.00> credit for quantity adjustments. (Change Order No. 2)
- E. \$43,750.32 for additional District-requested changes to benefit the Project. (Change Order No. 1 - Items A, D and F, Change Order No. 2 - Items H, K, and P)
- F. <\$28,412.39> in credits to the District for permit cost reimbursement and reduction in scope. (Change Order No. 1 - Item No. 3, Change Order No. 2 - Item G)

The contract amount through completion of Stage 1 results in a credit amount of \$23,246.85, which includes all contract change orders to date.

Table 1 presents a summary of the construction contract and contingency amounts.

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

	Contract Amount	Contingency Amount
Original Contract	\$5,448,300.00	\$544,830.00
Change Order No. 1 (Staff Approved)	\$32,587.30	<\$32,587.30>
Change Order No. 2 (CEO Approved)	<\$55,834.15>	\$0.00
Current Contract Amount and Remaining Contingency	\$5,425,053.15	\$512,242.70

Acceptance of the Work and Recording Notice of Completion Contract

The California Civil Code allows an owner or its agent to execute a Notice of Completion of Contract Acceptance of the work by the Board. The Notice of Completion of the Contract and Acceptance of all 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.

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 items associated with Stage 1 (\$267,415.00) 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. The District will withhold the required five percent (5%) retention of the contract items associated with Stage 2 for the remaining duration of the contract.

FINANCIAL IMPACT:

The construction contract was awarded in the amount of \$5,448,300.00 and the current contract amount is \$5,425,053.15, a decrease of approximately 0.4 percent. 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 of Contract/Acceptance of Work

Attachment 2: Recommendation of Contract

Attachment 3: Project Completion Letter

Attachment 4: PowerPoint

Attachment 5: Project Delivery Process Chart

UNCLASSIFIED MANAGER:

Ngoc Nguyen, 408-630-2632