



Santa Clara Valley Water District

File No.: 17-0824

Agenda Date: 5/22/2018

Item No.: *3.9.

BOARD AGENDA MEMORANDUM

SUBJECT:

Report of Bids Received and Award of Construction Contract to Granite Rock Company in the sum of \$869,050.00 for Construction of the Coyote Creek Levee Rodent Damage Repair Project, Downstream of SR 237, Project No. 62084001, Task No. 5171, Contract No. C0637 (Milpitas) (District 3).

RECOMMENDATION:

- A. Ratify Addenda No. 1 to the Contract Documents for the Coyote Creek Levee Rodent Damage Repair Project, Downstream of SR 237 (Project);
- B. Waive minor irregularity in Granite Rock Company's Bid;
- C. Award the Construction Contract to Granite Rock Company in the sum of \$869,050.00 subject to approval of the Notice of Proposed Work under the Stream Maintenance Program 2; and
- D. Approve a contingency sum of \$87,000.00 and authorize the Chief Executive Officer (CEO) or designee to approve individual change orders up to the designated amount.

SUMMARY:

During FY2016, the Watersheds Operations and Maintenance Division (Watersheds O&M) requested Watersheds Design and Construction Division (Watersheds Capital) to design and construct approximately 30 erosion repair projects from FY2016 through FY2024. One of the higher priority projects is the U.S. Army Corps of Engineers (USACE) levee at Coyote Creek, downstream of SR 237 (Attachment 1) within the City of Milpitas (City). Board approval of the recommendations will allow the Coyote Creek Levee Rodent Damage Repair Project (Project) to be constructed in 2018. If the construction contract is awarded, it will create or sustain approximately 20 jobs for the community.

Annually, USACE staff inspects the Coyote Creek Levee to assess the condition of the levees to determine if corrective work is required to ensure the integrity of the levees. Based on inspections, USACE ranked this portion of the levee as "Minimally Acceptable" with a recommendation to address the burrowing animal damage to the levee. Despite implementation of a long-term burrowing animal

abatement program, animal burrows continue to persist throughout the levee, if left unabated, the current condition may induce levee failure by sloughing, slumping, and/or piping through the levee during high storm events. Once completed, this project will maintain this certified levee within the "Acceptable" ranking from the USACE inspection.

Addendum Ratification

One Addendum (Attachment 2) was issued during the bid period to clarify the Project Contract Documents and answer bidders' questions. To formally incorporate the addenda into the Project Contract Documents, staff recommends that the Board ratify the addendum.

Waiver of Minor Irregularities in Granite Rock Company's Bid

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). Granite Rock Company's Bid contained one minor error.

On the "Proposal Form and Bid Items" Bid Form 1, the stated time to complete work was inadvertently left blank by the District. Granite Rock Company filled in the blank with sixty (60) days which was based on their estimation of in-channel work. The time to complete the project, which includes a three-year plant establishment period, is 1,500 days as stated in the specifications, *Section 12.03.A*. Granite Rock Company was made aware of this minor irregularity. Granite Rock Company has signed the contract which correctly states the time to complete the project as 1,500 days.

This error does not affect the price of Granite Rock Company's Bid, their ability to perform the work or enter into a contract, therefore, it can be waived as a minor irregularity.

The District's waiver of the minor irregularity discussed above does not result in the bid process being unfair or give the firm an unfair advantage over the other bidders. The error also does not render Granite Rock Company's bid nonresponsive. The public's best interest is served by waiving this minor irregularity and awarding a contract to Granite Rock Company as the firm submitting the lowest responsive bid.

Contract Award

Three (3) bid proposals were received and opened on April 25, 2018. The bid proposal is summarized in Table 1 - Bid Results. The apparent low bid was submitted by Granite Rock Company and staff recommends the Board award the contract to Granite Rock Company.

Staff has reviewed the bid proposals and recommends that the construction contract for the Project be awarded to Granite Rock Company for the following reasons:

1. All bid entries and requirements in the proposal submitted by Granite Rock Company are in order;

2. Granite Rock Company's license is current, active and in good standing;
3. Granite Rock Company is in compliance with the requirements of the California Labor Code section 1771.1. Granite Rock Company 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; and
4. Granite Rock Company has complied with the District's Small Business Enterprise (SBE) Outreach Program by submitting documentation of their Good Faith Effort.

Table 1 - Bid Results

Company, Location	Bid Amount	Award Amount
Granite Rock Company, San Jose, CA	\$869,050.00	\$869,050.00
Granite Construction Company, Santa Clara, CA	\$1,014,650.00	
Gordon N. Ball, Inc., Alamo, CA	\$1,198,150.00	
Engineer's Estimate: \$1,194,430.00		

Contingency Funds

Staff is recommending approval of \$87,000.00 (approximately 10% of the lowest bid price) in contingency funds for the Project 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.

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

1. Unanticipated variances in quantities and cost of various lump sum items estimated in the Bid Proposal;
2. Differing site conditions;
3. Concealed conditions and/or field conditions that may be different from the baseline or as-built information used in preparation of Project Contract Documents;
4. Coordination issues and risks associated with weather conditions and unplanned water releases in to the creek; and
5. Potential delays in utility relocations and shutdown by utility companies.

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

Engineering Unit Manager: \$50,000

Deputy Operating Officer: Up to the total amount of the contingency

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. Project Contract Documents include requirements and measures to minimize impacts during the construction.

Outreach to Bidders

The Notice to Bidders was sent to certified Small Business Contractors that have the appropriate license. Chambers of Commerce, and plan rooms (Builder Exchanges) and District's own web site 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 approves the recommendations, staff will proceed with administering the Project construction.

FINANCIAL IMPACT:

The cost of construction for the Project is \$956,050.00 including the recommended contingency funds. There are adequate funds in the FY18 Project budget to implement construction of the proposed improvements. Funding for construction of this Project is included in the FY18-22 Five-Year CIP as part of the Watersheds Asset Rehabilitation Program (WARP), Project No. 62084001. The funding source for the WARP is from the Watershed Stream Stewardship Fund No. 12.

CEQA:

The District is the lead agency under the California Environmental Quality Act for this Project.

The Project is covered under the Stream Maintenance Program (SMP-2) Permit, 2014-2023. The Environmental Impact Report for the Stream Maintenance Program was certified by the Board on January 24, 2012.

The construction of this Project has been included in the early submittal of the Notice of Proposed Work (NPW) to the permitting regulatory agencies in February 2018 for this summer's SMP-2 work.

ATTACHMENTS:

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Attachment 1: Project Location Map

Attachment 2: Addendum No. 1

Attachment 3: Project Delivery Process Chart

UNCLASSIFIED MANAGER:

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