



# Santa Clara Valley Water District

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**File No.:** 17-0828

**Agenda Date:** 5/22/2018

**Item No.:** \*3.10.

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## BOARD AGENDA MEMORANDUM

### SUBJECT:

Report of Bids Received and Award of Construction Contract to PMK Contractors, LLC in the sum of \$1,122,900.00 for Construction of the Coyote Creek Levee Rodent Damage Repair Project, Upstream of SR 237, Project No. 62084001, Task No. 5168, Contract No. C0639 (San Jose) (District 3)

### RECOMMENDATION:

- A. Ratify Addenda No. 1 to the Contract Documents for the Coyote Creek Levee Rodent Damage Repair Project, Upstream of SR 237 (Project);
- B. Award the Construction Contract to PMK Contractors, LLC in the sum of \$1,122,900.00 subject to approval of the Notice of Proposed Work under the Stream Maintenance Program 2; and
- C. Approve a contingency sum of \$113,000.00 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, upstream of SR 237, as shown on the Location Map, (Attachment 2) within the City of San Jose (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 1) was issued during the bid period to clarify the Project Contract Documents and

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answering bidders' questions. To formally incorporate the addendum into the Project Contract Documents, staff recommends that the Board ratify the addendum.

### ***Contract Award***

Three (3) bid proposals were received and opened on May 9, 2018. The bid proposal is summarized in Table 1 - Bid Results. The apparent low bid was submitted by PMK Contractors, LLC and staff recommends the Board award the contract to PMK Contractors, LLC.

Staff has reviewed the bid proposals and recommends that the construction contract for the Project be awarded to PMK Contractors, LLC for the following reasons:

1. All bid entries and requirements in the proposal submitted by PMK Contractors, LLC are in order;
2. PMK Contractors, LLC license is current, active and in good standing;
3. PMK Contractors, LLC is in compliance with the requirements of the California Labor Code section 1771.1. PMK Contractors, LLC 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. PMK Contractors, LLC has complied with the District's Small Business Enterprise (SBE) Outreach Program by subcontracting over 30% of the job to Department of General Services (DGS) certified subcontractors.

**Table 1 - Bid Results**

<b>Company, Location</b>	<b>Bid Amount</b>	<b>Award Amount</b>
PMK Contractors, LLC, Hayward, CA	\$1,122,900.00	\$1,122,900.00
Granite Rock Company, San Jose, CA	\$1,172,450.00	
Granite Construction Company, Santa Clara, CA	\$1,248,200.00	
<b>Engineer's Estimate: \$1,435,600.00</b>		

### ***Contingency Funds***

Staff is recommending approval of \$113,000.00 (approximately 10% of contract amount) 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

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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 web site were used to solicit interest in the Project work from prospective Contractors. 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 \$1,235,900.00 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 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

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(NPW) to the permitting regulatory agencies in February 2018 for this summer's SMP-2 work.

**ATTACHMENTS:**

Attachment 1: Addendum No. 1

Attachment 2: Project Location Map

Attachment 3: Project Delivery Process Chart

**UNCLASSIFIED MANAGER:**

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