



# Santa Clara Valley Water District

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**File No.:** 17-0859

**Agenda Date:** 8/14/2018

**Item No.:** \*6.1

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Report of Bids Received and Award of Construction Contract to Granite Rock Company in the sum of \$3,977,700.00, for Construction of the Uvas Creek Levee Rehabilitation Project Phase 1, Project No. 62084001, Task No. 5175, Contract No. C0643, (Gilroy) (District 1).

### **RECOMMENDATION:**

- A. Ratify Addenda No. 1 and No. 2 to the Contract Documents for the Uvas Creek Levee Rehabilitation Project Phase 1;
- B. Award the Construction Contract to Granite Rock Company in the sum of \$3,977,700.00; and
- C. Approve a contingency sum of \$397,770.00 and authorize the Chief Executive Officer (CEO) or designee to approve individual change orders up to the designated amount.

### **SUMMARY:**

Staff has identified a need to proceed with approximately 30 erosion repair and animal damage repair projects from FY2018 through FY2022. One of the higher priority projects is the U.S. Army Corps of Engineers (USACE) levee at Uvas Creek, downstream of Miller Avenue to end of the levee (Attachment 1) within the City of Gilroy (City).

Annually, USACE staff inspects the Uvas Creek Levee to assess the condition of the levee 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 "Unacceptable" with a request 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's landside and riverside slopes along the entire length of the creek. If left unabated, the current condition may induce levee failure by sloughing, slumping, and/or piping through the levee during high storm events. To maintain this certified levee within the "Acceptable" ranking from the USACE inspection, construction of this Project Phase 1 work is proposed this year - Project Phase 1 is to address the levee's outboard conditions. Pending California Department of Fish and Wildlife Regulatory Permit approval, staff plans to construction Project Phase 2 work next calendar year -Project Phase 2 is to address the levee's inboard conditions.

The Project Phase 1 scope of work (SOW) includes:

A) Repair damage to approximately 4,200 feet of the outboard face of the levee, due to burrowing animals along the most critical areas where a substantial number of holes have emerged within the levee immediately downstream of Miller Avenue towards the end of the levee, downstream of West Luchessa Avenue, adjacent the City of Gilroy Sports Park;

B) Reduce frequent maintenance costs associated with the routine bank erosion repair projects; and

C) Reduce the risk of levee/bank slope failure due to damage caused by burrowing animals.

The Main Project, including Project Phase 1 (outboard) and Project Phase 2 (inboard), is a covered activity included in the Santa Clara Valley Habitat Plan (VHP). The District plans to utilize the VHP permits to comply with the federal and state endangered species laws, and as such the District will be required to make payment of VHP fees based on acreage impacts from the Project. Once VHP fees are paid, future levee maintenance and rehabilitation work within the same area can be conducted within the limit of 50 years.

### **Addendum Ratification**

Two Addenda (Attachment 2 and Attachment 3) were issued during the bid period to clarify the Project Contract Documents and answer bidders' questions. To formally incorporate the addenda into the Project Phase 1 Contract Documents, staff recommends that the Board ratify these addendums.

### **Contract Award**

Four (4) bid proposals were received and opened on August 8, 2018. The bid proposal is summarized in Table 1 - Bid Results.

Staff has reviewed the bid proposals and recommends that the construction contract for the Project Phase 1 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 a Good Faith Effort that complies with the requirements of the contract.

### **Table 1 - Bid Results**

Company	Bid Amount	Award Amount
Granite Rock Company	\$3,977,700.00	\$3,977,700.00
Gordon N. Ball, Inc.	\$4,176,900.00	
D-Line Constructors, Inc.	\$4,463,000.00	
Monterey Peninsula Engineering	\$4,806,500.00	
<b>Engineer's Estimate: \$3,897,400.00</b>		

### Contingency Funds

If the Board awards the contract, staff recommends approval of \$397,770.00 (10% of the contract price) in contingency funds for the Project Phase 1 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 Phase 1.

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 shut down by utility companies.

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

Engineering Unit Manager: \$50,000.00

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

### Public Outreach

District staff has been diligently coordinating with City of Gilroy (City) staff on the development of the Project. On March 6, 2018, District staff met with City staff and presented the proposed project to them in the field. Additionally, on June 18, 2018, District staff along with Board of Director John Varela, made a presentation to the City Council on the overview of the project. The City has been very receptive to the Project and the benefits of the Project to the community.

During construction, steps will be taken to minimize impacts associated with Project Phase 1, such

as noise and construction traffic. Before beginning the construction, staff will present Project Phase 1 to the community via a public meeting, develop a project information link in the District's website, and mailout a Project Phase 1 flyer to the neighborhood community, informing them of potential issues, as appropriate. Project Phase 1 Contract Documents include requirements and measures to minimize impacts during 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 Phase 1 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.

## **Agreement with City of Gilroy**

The District and the City of Gilroy have entered into an agreement, which includes a cost-sharing element and mitigation for native trees removed as part of Project Phase 1.

### *Cost-Sharing Agreement*

For the cost-sharing item, the City of Gilroy (City) will reimburse the District for a maximum amount of \$270,000.00 for specific construction elements pertinent to trail pavement restoration work. The existing trail condition is subpar with various minor and major asphalt pavement cracks, and the City is requesting the District to improve and repair the trail's asphalt pavement condition after completion of the Main Project work. This pavement repair of the trail would occur towards the end of Project Phase 2 construction work in 2019.

### *Mitigation for Removed Trees*

As part of Project Phase 1, eight (8) to twelve (12) trees within City's right of way (City trees) and twenty-three (23) trees within District's right of way (District trees) are planned to be removed. The species to be removed are native Valley Oak and Coast Live Oak trees. As part of the City's tree removal permit condition, City is requesting the District to replant the City trees with same type of species at one-to-one ratio with 15-gallon container plants close to where they were originally removed or replanted close to within the existing tree corridor adjacent to the outboard side of the levee. To address the U.S. Army Corps of Engineers' (USACE) fifteen-foot setback for woody growth from the outboard toe hinge of the levee, the District will direct the Contractor to perform the replanting of the trees to comply with the USACE requirements. For the twenty-three (23) District trees, the City is not requiring tree-replacement mitigation, but instead is requiring the District to pay the City directly an in-lieu-fee of \$31,600.00, so that the City will plant trees at the desired and appropriate locations within its jurisdiction.

## **Next Steps**

If the Board awards the contract, staff will proceed with administering the Project Phase 1

construction.

**FINANCIAL IMPACT:**

The cost of construction for Project Phase 1 is \$4,375,470.00, including the recommended contingency funds, which is consistent with the FY 2019-23 Capital Improvement Program. There are sufficient funds available in the FY2018-19 Watersheds Asset Rehabilitation Program (WARP) budget to cover this cost. The funding source for the WARP is the Watersheds Stream Stewardship Fund 12.

For Project Phase 1, the District's payment to the City of \$31,600.00, as a fee in lieu of replacing the twenty-three (23) trees, shall be a separate payment via Agreement with the City, and this payment is not a part of the cost of construction. The funding source for this item will also be from the WARP, which is part of the Watersheds Stream Stewardship Fund 12.

**CEQA:**

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

The Final Initial Study/Negative Declaration was adopted by the Board on July 10, 2018.

**ATTACHMENTS:**

Attachment 1: Project Location Map

Attachment 2: Addendum No. 1

Attachment 3: Addendum No. 2

Attachment 4: Project Delivery Process Chart

**UNCLASSIFIED MANAGER:**

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