



# Santa Clara Valley Water District

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**File No.:** 18-0338

**Agenda Date:** 6/12/2018

**Item No.:** \*6.4.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Report of Bids Received and Award of Construction Contract to Gordon N. Ball, Inc. for the Cunningham Flood Detention Facility Certification Project, Project No. 40264011 (San Jose) (District 1).

### **RECOMMENDATION:**

- A. Consider the Addendum to the Final Initial Study/Mitigated Negative Declaration for the Cunningham Flood Detention Certification Project (IS/MND);
- B. Ratify Addenda No(s). 1, 2 and 3 to the Contract Documents for the Cunningham Flood Detention Facility Certification Project;
- C. Award the Contract to Gordon N. Ball, Inc. located in Alamo, California, in the sum of \$3,748,000.00; and
- D. Approve a contingency sum of \$374,800.00 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

### **SUMMARY:**

#### ***Project Background***

The Cunningham Flood Detention Facility Certification Project (Project) is situated within Lake Cunningham Regional Park in the southeast section of San Jose and is just upstream of the District's Lower Silver Creek Flood Protection Project. The park was designed and constructed in accordance with the park's Master Plan originally developed in 1976 by the City of San Jose (City) to function dually as a recreational and flood detention facility. Lower Silver, Flint, and Ruby Creeks flow along the perimeter of the park. In 1978, the District entered into a Joint Use Agreement with the City to develop a joint recreational-flood detention facility at the park site.

The park area functions as a detention basin and attenuates the 100-year flood peak flow from upstream. However, the detention facility does not have sufficient freeboard for it to be certified by the Federal Emergency Management Agency (FEMA). In order to meet this objective, the District is proposing to raise the existing levee ranging from 0 to 4 feet high along Capitol Expressway and

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Cunningham Avenue and adjacent to Lower Silver Creek, and to construct a floodwall ranging from 2 to 4 feet in height along Cunningham Avenue and Flint Creek. These improvements are necessary to satisfy FEMA freeboard requirements for flood protection facilities. Other project elements include in-kind replacement of the existing chain-link fence along Cunningham Avenue park frontage, relocation of an existing trash compactor and greenwaste collection area; removal of concrete slabs at the existing trash compactor and greenwaste collection area, construction of a new pedestrian path, and regrading of approximately 70 feet of trails near the Lake Cunningham shoreline.

Once completed with these improvements, the District and the City will apply to FEMA to certify the levee and floodwall that would remove about 3,200 parcels from the flood hazard area, eliminating the requirement to purchase flood insurance.

After completion of the final design, staff received a request from the City of San Jose Parks and Recreation requesting that the District consider including a drainage feature at the new trash compactor and greenwaste collection area to collect rain water that is conveyed to the park's existing sanitary sewer.

### ***Addendum to the Final IS/MND***

Staff has prepared an Addendum to the project's IS/MND (Attachment 1) to evaluate the environmental impacts associated with adding the drainage feature to the Project. The Addendum concludes that incorporating the drainage feature would not create new significant environmental impacts or substantially increase the severity of significant impacts.

### ***Addenda Ratification***

Three (3) addenda (Attachment 2) were issued during the bid period to clarify the Project Contract Documents. To formally incorporate the addenda into the Project Contract Documents, staff recommends that the Board ratify the addenda.

### ***Contract Award***

#### **Analysis of Bids:**

A report of bids received at the bid opening for the Project on June 4, 2018 is summarized in Table 1. The Apparent Low Bid was submitted by Gordon N. Ball, Inc., Alamo, California.

The bid submitted by Gordon N. Ball, Inc. is approximately 27% lower than the Engineer's Estimate of \$5.16 million. Two bid items, Bid Items No. 4 (Quality Control) and No. 8 (Floodwall and Pile Cap), came in much lower than estimated and represented about 93 percent of the difference between the Engineer's Estimate and low bid. The three lowest bidders were within \$230,000 (or about 6 percent of the low bid) of each other. The current bidding climate for public works appears to be favoring the owner, as there were seven bidders. These factors likely resulted in the bids being lower than the Engineer's Estimate.

Staff recommends the Board award the contract to Gordon N. Ball, Inc. as the responsible bidder submitting the lowest responsive bid.

Staff has reviewed the bid proposals and recommends that the Construction Contract for the Project be awarded to Gordon N. Ball, Inc. for the following reasons:

1. All bid entries and requirements in the proposal submitted by Gordon N. Ball, Inc. are in order;
2. Gordon N. Ball, Inc.'s license is current, active and in good standing;
3. Gordon N. Ball, Inc. has complied with the District's Small Business Enterprise (SBE) Outreach program; and
4. Gordon N. Ball, 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
Granite Rock Company, San Jose, CA	\$3,881,361.00	
Granite Construction Company, Watsonville, CA	\$4,250,600.00	
Kiewit Infrastructure West Co., Fairfield, CA	\$5,055,620.00	
Gordon N. Ball, Inc., Alamo, CA	\$3,748,000.00	\$3,748,000.00
Disney Construction, Burlingame, CA	\$5,213,000.00	
Brosamer & Wall, Walnut Creek, CA	\$3,974,740.00	
Bothman Construction, Santa Clara, CA	\$4,779,000.00	
<b>Engineer's Estimate:</b> \$5,160,210.00		

### **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 is requesting a total contingency amount of \$374,800.00 which amounts to 10% of the lowest bid price.

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

1. Concealed conditions and/or field conditions that may be different from the baseline or as-built information used in preparation of Project Contract Documents; and
2. Coordination issues with operation and maintenance activities and other concurrent work at

Lake Cunningham Park.

Approval of individual change orders for the Project will be made 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

***Relevant Prior Board Action(s)***

On January 9, 2018, the Board adopted the Final IS/MND and approved this Project.

On April 10, 2018, the Board adopted the plans and specs and authorized advertisement for bids for construction of the Project.

***Public Outreach***

During Project's Planning and Design Phase, staff held two neighborhood meetings on December 2, 2014 and February 8, 2017 at the East Valley YMCA to describe the Project and to gather and address public's concerns.

The next public meeting is planned in July 2018 to provide residents with information about the upcoming construction before work begins in August 2018. Engagement with the public will continue throughout construction via mailers, NextDoor postings, and additional meetings, as appropriate.

***Outreach to Bidders***

The notice to Bidders was sent to the 349 contractors, 20 Small Business Enterprise (SBE) Chambers of Commerce, and 23 plan rooms (Builder Exchanges). In addition, the Notice was sent to 479 certified Small Business Contractors that have the appropriate license. Because the Project is partially funded by a grant from NRCS, the notice was also sent to 276 bay area contractors that are Small Minority Business Enterprise (SMBE), Women's Business Enterprise (WBE), or Labor Area Surplus Firms. The District also placed an ad soliciting SBE/SMBE/WBE and Labor Area Surplus Firms to participate in the Project.

***Project Status and Next Steps***

The District has obtained all the necessary environmental permits for the Project including the 401 Water Quality Certification from the San Francisco Regional Water Quality Control Board and a Streambed Alteration Agreement from the California Department of Fish and Wildlife.

If the Board approves the recommendations, staff will proceed with administering construction of the

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Project. Substantial completion of the civil construction work is anticipated to be completed by June 2019.

**FINANCIAL IMPACT:**

The total cost for the proposed Construction Contract, including the change order contingency sum is \$4,122,800, which is consistent with the FY 2019-23 Capital Improvement Program.

If staff's recommendation is approved by the Board, there are adequate funds in Project's FY 2017-18 Board-approved Budget to encumber \$3,748,000.

**CEQA:**

An Addendum to the Final IS/MND included in Attachment 1 is before the Board for consideration.

The Final IS/MND can be accessed at

<https://www.valleywater.org/project-updates/creek-river-projects/lake-cunningham-flood-detention-certification-project%20> for the Board's information.

**ATTACHMENTS:**

Attachment 1: Addendum to the Final IS/MND

Attachment 2: Addenda Nos. 1, 2 and 3

Attachment 3: Project Delivery Process Chart

**UNCLASSIFIED MANAGER:**

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