



Santa Clara Valley Water District

File No.: 18-0464

Agenda Date: 7/10/2018

Item No.: 5.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Notice of Completion of Contract and Acceptance of Work for the Penitencia Delivery Main and Penitencia Force Main Seismic Retrofit Project, Ranger Pipelines, Inc., Contractor, Project Nos. 94384002 and 92224001, Contract No. C0611 (San Jose) (District 3).

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, Ranger Pipelines, Inc., has completed the Penitencia Delivery Main and Penitencia Force Main Seismic Retrofit Project (Project). The construction contract was awarded in the amount of \$21,535,025 and the final contract amount is \$22,833,950.70. Subject to any withholds required by law or the contract, acceptance of the work by the Board will allow for the release of \$1,141,698 in retention to the contractor.

Project Background

The objective of the Project was to reduce the potential damage to, and post-earthquake recovery time of, the pipelines and the associated vault structures. The site is located on a slow-moving landslide known as the Penitencia Creek Landslide. Furthermore, the Hayward Fault runs in a northwest to southeast direction approximately 1.2 miles to the east of the site. During the past 40 years of operation, the slow creep of the landslide has impacted the structural integrity of the three pipelines.

The Project included replacement of approximately 865 lineal feet of each of three pipelines - the 66-inch diameter Penitencia Force Main, the 60-inch diameter Penitencia Delivery Main, and the 72-inch diameter South Bay Aqueduct, currently conveying raw and treated water to and from the Penitencia Water Treatment Plant with earthquake-resistant pipes. The Project also included installation of a new flowmeter, a new control building, and several pipeline vaults.

Physical construction and testing of the pipeline, appurtenances and control building are complete

and the system is in operation.

Previous Board Actions

On January 26, 2016, the Board approved the plans and specifications and authorized advertisement for bids for the construction of the Project. Additionally, the Board found that the Project was substantially complex and, therefore, required construction contract retention of ten percent (10%).

On March 22, 2016, the Board awarded the subject contract to Ranger Pipelines, Inc. in the amount of \$21,535,025 and approved a contingency fund of \$2,153,500. 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 changes up to \$100,000 and \$250,000, respectively.

On January 9, 2018, the Board authorized a reduction in the construction contract retention of ten percent (10%) to five percent (5%), consistent with the minimum amount required by the California Public Contract Code.

Contract Change Orders

A total of eighteen (18) contract change orders totaling \$1,298,925.70 were executed for this contract to address various issues, including unforeseen site conditions, unforeseen utility conflicts, post-design clarifications, District-requested changes, and the deletion of unused Supplemental Bid Items.

These changes included:

- A. \$559,178.48 for additional work required to address unforeseen site conditions and unforeseen utility conflicts.
- B. \$874,772.22 for additional work required to address post-design clarifications and District-requested changes.
- C. A credit of \$135,025.00 for the deletion of unused Supplemental Bid Items.

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	\$21,535,025.00	\$2,153,500.00
Change Order No. 1 (staff approved)	\$15,363.17	<\$15,363.17>
Change Order No. 2 (staff approved)	\$82,944.81	<\$82,944.81>

Change Order No. 3 (staff approved)	\$68,872.08	<\$68,872.08>
Change Order No. 4 (staff approved)	\$168,642.72	<\$168,642.72>
Change Order No. 5 (staff approved)	\$94,257.94	<\$94,257.94>
Change Order No. 6 (staff approved)	\$44,296.21	<\$44,296.21>
Change Order No. 7 (staff approved)	\$140,483.96	<\$140,483.96>
Change Order No. 8 (staff approved)	\$70,515.98	<\$70,515.98>
Change Order No. 9 (staff approved)	\$54,908.44	<\$54,908.44>
Change Order No. 10 (staff approved)	\$68,954.41	<\$68,954.41>
Change Order No. 11 (staff approved)	\$98,509.65	<\$98,509.65>
Change Order No. 12 (staff approved)	\$97,632.62	<\$97,632.62>
Change Order No. 13 (staff approved)	\$119,058.84	<\$119,058.84>
Change Order No. 14 (staff approved)	\$3,337.50	<\$3,337.50>
Change Order No. 15 (staff approved)	<\$135,025.00>	\$0.00
Change Order No. 16 (staff approved)	\$15,762.70	<\$15,762.70>
Change Order No. 17 (staff approved)	\$235,000.00	<\$235,000.00>
Change Order No. 18 (staff approved)	\$55,409.67	<\$55,409.67>
Final Contract Amount and Remaining Contingency	\$22,833,950.70	\$719,549.30

Acceptance of the Work and Recording Notice of Completion of Contract

The California Civil Code allows an owner or agent to execute a Notice of Completion of Contract after acceptance of the work by the Board. The Notice of Completion of Contract and Acceptance of Work is included in Attachment 1. The Designated Engineer has determined that the work has been completed, to the best of her 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. The Project Delivery Process Chart is included in Attachment 5.

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 (\$1,141,698) 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.

Project Expenditures

As indicated in the Summary of Construction Contract and Contingency Amounts (Table 1), the original contract amount of \$21,535,025 has been increased by \$1,298,925.70 to \$22,833,950.70, an increase of approximately 6 percent (6%). There were sufficient funds in the Board-approved contingency amount to pay these additional costs.

FINANCIAL IMPACT:

Total financial costs were detailed in previous sections of the agenda memorandum. The Project has been completed and 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 and Acceptance of Work
- Attachment 2: Construction Contract Acceptance
- Attachment 3: Project Completion Letter
- Attachment 4: PowerPoint
- Attachment 5: Project Delivery Process Chart

UNCLASSIFIED MANAGER:

Katherine Oven, 408-630-3126