



# Santa Clara Valley Water District

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**File No.:** 19-0991

**Agenda Date:** 1/14/2020

**Item No.:** 3.3.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Receive and Direct the Clerk to File the Notice of Completion of Contract and Acceptance of Work for the Main Avenue and Madrone Pipeline Restoration Project, Monterey Peninsula Engineering, Contractor, Project No. 26564001, Contract No. C0633 (Morgan Hill) (District 1).

### **RECOMMENDATION:**

- A. Accept the work on the Main Avenue and Madrone Pipeline Restoration Project, Monterey Peninsula Engineering, Contractor, Project No. 26564001, Contract No. C0633 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 County of Santa Clara Office of the Clerk-Recorder.

### **SUMMARY:**

The construction contractor, Monterey Peninsula, Inc., has completed the Main Avenue and Madrone Pipeline Restoration Project (Project). The construction contract was awarded in the amount of \$9,946,650 and the final contract amount is \$10,701,699.35. Subject to any withholds required by law or the contract, acceptance of the work by the Board will allow for the release of \$535,084.97 in retention to the contractor.

### ***Project Background***

The Project scope of work included installing approximately 14,000 linear feet of 24-inch, 30-inch, and 36-inch diameter raw water pipeline and appurtenances to replace existing and aging pipelines; restore the system to its full operational capacity; and meet current and future groundwater recharge demands in South County. Installation of the new pipes allows raw water from either Anderson Reservoir or the Santa Clara Conduit to be used for recharge at the Main Avenue Recharge Ponds and at the Madrone Channel along Highway 101.

### ***Previous Board Actions***

On June 13, 2017, the Board conducted a Public Hearing on the Final Initial Study/Mitigated Negative Declaration and Engineer's Report; adopted the resolution for the Final Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program; adopted the

resolution approving the Engineer's Report; and Approved the Project.

On June 27, 2017, the Board approved the Construction Management Agreement with The Hanna Group, LLC for construction management services for the Project.

On September 12, 2017, the Board adopted the plans and specifications and authorized advertisement for bids for construction of the Project; and authorized the Designated Engineer to issue addenda, as necessary, during the bidding process.

On October 24, 2017, the Board awarded the construction contract to Monterey Peninsula Engineering, Inc. in the amount of \$9,946,650 and approved a contingency encumbrance of \$994,665. 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 individual changes up to \$100,000 and \$250,000, respectively.

### ***Contract Change Orders***

A total of twenty-one (21) contract change orders totaling \$755,049.35 were executed for this contract to address unforeseen site conditions, District-requested changes, pavement restoration and night work requirements, post-design clarifications, and credit for deleted supplemental items of work and adjustments based on final quantity measurements.

These changes included:

- A. \$355,043 for additional work required to address unforeseen site conditions. This included work required for the relocation and repair of conflicting utility lines, night work, private road restoration, over-excavation due to unidentified soil conditions, and control of water.
- B. \$157,886 for additional District-requested changes. This included work required for additional potholing, installation of an appurtenance for future connection and service laterals for existing customers, the relocation of an existing turnout lateral, upgrade of appurtenance enclosures, replacement of an existing valve, additional process piping for the chemical injection station, and improvements to an existing maintenance road.
- C. \$698,873 for additional pavement restoration. The existing roadway exhibited advanced deterioration and construction activities further exacerbated the pre-existing conditions. The additional paving was required to allay community concerns and to fulfill Valley Water's commitment to restore the environment to a condition that is equal to or better than existing prior to construction. This work was cost-shared with the contractor.
- D. \$100,960 for additional work to address post-design clarifications. This included work required for abandonment of unidentified appurtenances, pipeline realignment due to utility conflicts, additional appurtenances, road base and painting/coating work.
- E. \$557,713 credit for deleted supplemental items of work and adjustments based on final

quantity measurements.

Table 1 presents a summary of the construction contract and contingency amounts.

**TABLE 1. SUMMARY OF CONSTRUCTION CONTRACT  
AND CONTINGENCY AMOUNTS**

	<b>Contract Amount</b>	<b>Contingency Amount</b>
<b>Original Contract</b>	<b>\$9,946,650.00</b>	<b>\$994,665.00</b>
Change Order No. 1 (staff approved)	\$43,200.00	<\$43,200.00>
Change Order No. 2 (staff approved)	\$61,003.00	<\$61,003.00>
Change Order No. 3 (staff approved)	\$37,746.00	<\$37,746.00>
Change Order No. 4 (staff approved)	\$7,156.00	<\$7,156.00>
Change Order No. 5 (staff approved)	\$35,963.00	<\$35,963.00>
Change Order No. 6 (staff approved)	\$62,503.00	<\$62,503.00>
Change Order No. 7 (staff approved)	\$2,709.00	<\$2,709.00>
Change Order No. 8 (DOO approved)	\$104,035.50	<\$104,035.50>
Change Order No. 9 (staff approved)	\$36,774.00	<\$36,774.00>
Change Order No. 10 (staff approved)	\$4,221.00	<\$4,221.00>
Change Order No. 11 (staff approved)	\$7,586.00	<\$7,586.00>
Change Order No. 12 (DOO approved)	\$136,009.39	<\$136,009.39>
Change Order No. 13 (staff approved)	\$44,508.75	<\$44,508.75>
Change Order No. 14 (staff approved)	\$96,019.02	<\$96,019.02>
Change Order No. 15 (staff approved)	\$70,834.69	<\$70,834.69>
Change Order No. 16 (staff approved)	\$31,506.00	<\$31,506.00>
Change Order No. 17 (CEO approved)	\$371,010.00	<\$371,010.00>
Change Order No. 18 (staff approved)	\$25,000.00	<\$25,000.00>
Change Order No. 19 (staff approved)	\$6,155.00	<\$6,155.00>
Change Order No. 20 (staff approved)	\$84,960.00	<\$84,960.00>
Change Order No. 21 (staff approved)	<\$513,850.00>	\$513,850.00
<b>Final Contract Amount and Remaining Contingency</b>	<b>\$10,701,699.35</b>	<b>\$239,615.65</b>

### ***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

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completed, to the best of his 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 (\$535,084.97) 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 \$9,946,650 has been increased by \$755,049.35 to \$10,701,699.35, an increase of approximately 8 percent. 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 of Contract/Acceptance of Work  
Attachment 2: Construction Contract Acceptance  
Attachment 3: Project Completion Letter  
Attachment 4: Construction Summary  
Attachment 5: Project Delivery Process Chart

### **UNCLASSIFIED MANAGER:**

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