



# Santa Clara Valley Water District

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**File No.:** 20-0499

**Agenda Date:** 7/28/2020  
**Item No.:** 3.2.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Approve Notice of Completion of Contract and Acceptance of Work for the Almaden Valley Pipeline Emergency Response Project, Kiewit Infrastructure West Co., Contractor, Project No. 95084002, Contract No. C0657 (San Jose) (District 7).

### **RECOMMENDATION:**

- A. Accept the work on the Almaden Valley Pipeline Emergency Response Project, Kiewit Infrastructure West Co., Contractor, Project No. 95084002, Contract No. C0657 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, Kiewit Infrastructure West Co., has completed the Almaden Valley Pipeline Emergency Response Project (Project). The construction contract was awarded by the Chief Executive Officer (CEO) on January 27, 2020 pursuant to an emergency declaration in accordance with Public Contract Code §22050. The contract was awarded in the amount of \$1,866,210 and the final contract amount is \$1,345,962.60. Subject to any withholds required by law or the contract, acceptance of the work by the Board will allow for the release of \$67,298.13 in retention to the contractor.

### ***Project Background***

As part of the 10-Year Pipeline Inspection and Rehabilitation Program, Almaden Valley Pipeline (AVP) inspection activities were performed in 2007, 2008, 2011 and 2017. In November 2017, several significantly distressed Prestressed Concrete Cylinder Pipe (PCCP) sections were identified on AVP between Santa Teresa Force Main and Calero Reservoir. On December 5, 2017 the CEO declared that the condition of AVP constituted an emergency condition as the pipeline could not be safely returned back into operation until the distressed pipe segments were repaired. Distressed pipe segments were repaired by applying multiple layers of carbon fiber to the inside surface of distressed pipes and AVP was returned to full operation in late March 2018.

An Acoustic Fiber Optic (AFO) monitoring system for AVP was installed and brought on-line in March 2018 in order to continuously monitor for events that correlate to additional distress of PCCP

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sections. The AFO system has detected numerous events since it was put into service. Staff reviewed this data in combination with other pipeline records to analyze changes in failure risk and remaining service life. Results of this analysis indicated a section of the AVP was significantly distressed and at risk of imminent structural failure. In December 2019, the affected portion of AVP was out of service as part of a rehabilitation project on the adjacent Cross Valley Pipeline. Based on the distressed section of PCCP, Valley Water could not return AVP to a safe and reliable service unless repairs were performed. Failure to return AVP to service posed a significant risk to Valley Water's contractual obligation for water delivery and ability to provide sufficient water to meet minimum water supply demands.

Consequently, on December 23, 2019, the CEO declared that the condition of the AVP pipeline segments constituted an emergency condition, pursuant to California Public Contract Code §22050, which enabled expedited procurement of necessary construction contract services, and other public works and non-professional services, supplies and essential equipment, without a competitive procurement process, in order to attend to the emergency condition. According to Public Contract Code §22050, in order for the emergency action to remain in place, the Board must determine, by four-fifths vote at every regularly scheduled Board meeting until the emergency action is terminated, that there is a need to continue the emergency action.

The objective of the Project was to repair the distressed section of PCCP and restore the pipeline to a safe and reliable service to meet minimum water supply demands as part of the Valley Water contractual obligations.

The Project included rehabilitation of five (5) pipe segments that are 78 inches in diameter that convey raw water to Valley Water's treatment plants and to groundwater recharge facilities. Pipe sections were repaired by applying multiple layers of reinforced carbon fiber to the inside surface of the distressed pipes. Rehabilitation of the five (5) pipe segments on the AVP are complete and the pipeline was returned to full operation.

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

On January 14, 2020, the Board voted to continue the emergency action declared by the CEO on December 23, 2019, pursuant to California Public Contract Code §22050, to repair the AVP. Subsequently, the emergency action declaration was continued by the Board on January 28, 2020, February 11, 2020, and February 25, 2020.

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

One (1) contract change order for a total reduction of <\$520,247.40> was executed for this contract to credit the balance of not-to exceed amounts from original bid items. The original contract amount anticipated the repair of six pipe segments, however only 5 pipe segments required repair after further internal inspection was performed. The reduced number of repairs required also affected other support work, resulting in a reduction in overall cost. Final costs were determined on a force account basis for actual work performed.

Table 1 presents a summary of the construction contract amounts.

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

	<b>Contract Amount</b>
<b>Original Contract</b>	<b>\$1,866,210.00</b>
Change Order No. 1 (staff approved)	<\$520,247.40>
<b>Final Contract Amount</b>	<b>\$1,345,962.60</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 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.

### ***Construction Contract Retention***

California law requires Valley Water 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.

Valley Water is currently withholding retention funds totaling five percent (5%) of the contract (\$67,298.13) in accordance with the Public Contract Code. Per the construction Contract Documents, Valley Water 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 Amounts (Table 1), the original contract amount of \$1,866,210.00 has been decreased by \$520,247.40 to \$1,345,962.60, a decrease of approximately 28 percent (28%).

### **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: Construction Summary

**UNCLASSIFIED MANAGER:**

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