



# Santa Clara Valley Water District

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**File No.:** 21-0097

**Agenda Date:** 1/26/2021  
**Item No.:** \*3.3.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Adopt Plans and Specifications and Authorize Advertisement for Bids for the Anderson Dam Tunnel Project, Project No. 91864005, Contract No. C0663 (Morgan Hill) (District 1).

### **RECOMMENDATION:**

- A. Adopt the plans and specifications and authorize advertisement for bids for the construction of the Anderson Dam Tunnel Project (Project), per the Notice to Bidders, exclusively to the list of Valley Water pre-qualified bidders; and
- B. Authorize the Designated Engineer to issue addenda, as necessary, during bidding.

### **SUMMARY:**

Santa Clara Valley Water District (Valley Water) is undertaking the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project (FOCP) as a result of the February 20, 2020 directive from the Federal Energy Regulatory Commission (FERC) to implement interim risk reduction measures at Anderson Dam. One of those measures is the Anderson Dam Tunnel Project (ADTP).

The ADTP will construct a diversion system to augment the existing outlet, which will consist of a new diversion tunnel, an outlet structure, a micro-tunnel lake tap, and modifications to Coyote Creek just downstream of the base of the dam. The Project also includes reservoir bank and rim stability improvements and existing intake structure modification.

The diversion system will consist of a 23-ft diameter approximately 1,450-ft long tunnel, will be able to pass releases from the reservoir at flow rates up to 2,000 cubic feet per second (cfs). The new outlet structure will be used to control flows through the tunnel which will go through dissipation chambers and will be discharged into a rip-rap lined channel, before entering the Coyote Creek. Modifications to Coyote Creek just downstream of the base of the dam will be made to accommodate the higher flows from the tunnel.

Staff is recommending the Board approve the Project's final plans and specifications and authorize staff to advertise for construction bids.

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

On June 23, 2020 the Board approved the CEQA emergency exemption determination for the FOCP; adopted the Resolution approving the Engineer's Report for the FOCP; and approved the Project.

On August 25, 2020 the Board approved implementing a best value construction contractor selection method for the ADTP.

On December 8, 2020, the Board approved a budget adjustment in the amount of \$21 million from the Capital Warranty Services Project No. 95074001 to the Anderson Dam Seismic Retrofit Project No. 91864005.

### ***Rights of Way***

Staff anticipates acquiring a permanent easement from the County of Santa Clara which is required to construct the Coyote Creek modifications portion of the Project.

Staff will not recommend Board award of a construction contract until all required permanent rights of way are secured.

### ***Permits***

Staff anticipates receiving all permits necessary for construction prior to recommending award of the construction contract to the Board.

### ***Public Outreach***

Valley Water will utilize a variety of outreach strategies to keep the community informed of the Project progress and important milestones. During the Project's design phase, outreach strategies included numerous public meetings and mailed notices to collect input, a Project website (<https://www.valleywater.org/anderson-dam-project>), Project fact sheets, and media relations.

During construction, outreach will be targeted to the surrounding neighborhoods and include pre-construction and post-construction public meetings. In addition to the outreach tactics used during the design phase, construction phase outreach will include regular email updates and construction site signage.

### ***Outreach to Bidders for Pre-Qualification Process***

Because of the size and complexity of the ADTP, staff prequalified contractors, using the California State Department of Industrial Relations sample prequalification application questionnaires and approach as a guide. The prequalification questionnaire required contractors wishing to bid on this Project to demonstrate they have successfully completed projects of a similar size and scope.

The District did extensive outreach to potential contractors seeking to prequalify to bid by advertising in the San Jose Post-Record and notifying 27 plan rooms. The District also notified all

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450 contractors listed in the District's contractor database. The Notice of Request for Prequalification was issued on August 18, 2020 and a mandatory prequalification conference for contractors was held via Zoom on August 27, 2020. Ten (10) contractors submitted the prequalification questionnaire by the September 25, 2020 deadline. The information in the prequalification questionnaires was reviewed by staff and external consultants (the Project design firm and the Project program management firm).

The list of final prequalified contractors was posted on the District's website on November 25, 2020. The following six contractors met the prequalification requirements and will be the only contractors eligible to bid on the Project.

- 1) Guy F. Atkinson Construction, LLC d.b.a. Guy F. Atkinson
- 2) Dragados USA, Inc. / Obayashi Corporation Joint Venture
- 3) Flatiron West, Inc.
- 4) Granite Construction Company
- 5) Kiewit Infrastructure West Co.
- 6) Traylor Brothers, Inc. / Michels Pipeline Joint Venture

The Notice to Bidders will be posted on the District's website and sent only to the prequalified contractors for the Anderson Dam Tunnel Project. On August 25, 2020 the Board approved implementing a best value construction contractor selection method for the ADTP. A combination of price and non-price items will be considered in choosing the contractor.

### ***Next Steps***

If the Board approves the recommendations, staff will proceed to advertise for bids for Project construction. Staff anticipates recommending the Board award a construction contract on April 27, 2021.

### **FINANCIAL IMPACT:**

The estimated construction contract cost for the Project is between \$175 million and \$225 million. The Project is included in the Five-Year FY 2021-2025 Capital Improvement Program. There is sufficient funding in the Fiscal Year 2020-21 Budget to encumber a portion of the construction contract.

Staff anticipates scheduling another Board agenda item to be considered for an additional budget adjustment which will fund the anticipated construction costs relating to the construction contract for the ADTP project. The increase in the Project Plan cost was presented to the CIP Committee on November 9, 2020 as part of the significant Project Plan updates since adoption of the adopted Fiscal Year 2021-25 CIP and will be incorporated into the Five-Year 2022-26 CIP.

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The Project is funded by a combination of Safe Clean Water (Fund 26) and Water Utility (Fund 61).

**CEQA:**

CEQA provides a statutory exemption for emergency projects, which include specific actions necessary to prevent or mitigate an emergency (Public Resources Code §21080(b)(4) and CEQA Guidelines §15269(c)). After analysis of the facts and applicable law, on June 23, 2020 following a public hearing, the Board determined that the FOCP, inclusive of the ADTP measure, qualifies for this emergency exemption. Valley Water filed a Notice of Exemption with the County of Santa Clara Clerk/Recorder on June 26, 2020.

**ATTACHMENTS:**

Attachment 1: Notice to Bidders

Attachment 2: Project Delivery Process Chart

\*Supplemental Agenda Memorandum

\*Supplemental Attachment 1: Notice to Bidders

\*Supplemental Attachment 2: Non-Disclosure Agreement

**UNCLASSIFIED MANAGER:**

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