



Santa Clara Valley Water District

File No.: 21-0625

Agenda Date: 6/22/2021

Item No.: 5.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Report of Bids Received and Award of Construction Contract to NTK Construction, Inc. for the Rinconada Water Treatment Plant Interim Site Restoration Project, Project No. 93294057, Contract No. C0670 (Los Gatos), (District 7).

RECOMMENDATION:

- A. Ratify Addenda Nos. 1 and 2 to the Contract Documents for the Rinconada Water Treatment Plant Interim Site Restoration Project;
- B. Award the Construction Contract to NTK Construction, Inc. in the sum of \$2,271,660; and
- C. Approve a contingency sum of \$341,000 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

SUMMARY:

The Rinconada Water Treatment Plant (RWTP) Interim Site Restoration Project (Project) will complete work that is important to daily plant operations and which was not finished as part of Santa Clara Valley Water District's (Valley Water) previous RWTP Reliability Improvement Project (Reliability Project). This new Project scope was collaboratively developed by Valley Water staff in the Capital, Maintenance, and Operations Units.

The successful completion of this Project will support both the current and future phases of work. Major items of work include paving, grading, drainage, and stabilization of disturbed areas to restore road and slope surfaces which will prevent erosion and sediment transport. The work also includes installation of drainage infrastructure and removal of temporary sump pumps, and other miscellaneous mechanical work associated with process pumps and piping.

Project Background

The RWTP was completed in 1967 and is Valley Water's second largest plant. RWTP has the capacity to deliver up to 80 million gallons of water each day to retailers who then supply residential and commercial users. The RWTP draws water from the South Bay Aqueduct, the San Luis Reservoir, as well as the Anderson and Calero Reservoirs.

On May 26, 2015, the Board awarded a construction contract (Contract) to Balfour Beatty Infrastructure, Inc. (BBII) for the Reliability Project to upgrade the plant to improve reliability while meeting stringent standards for water quality, seismic stability, and safety issues. The work was divided into six phases to allow RWTP to remain online throughout construction.

An amendment to the Contract reduced the scope of work, resulting in BBII completing Phases 1 and 2 of the Reliability Project, and eliminating most of Phases 3, 4, 5, and 6. Completion of the remaining phases cannot immediately resume, as to do so will require repackaging of the plans and specifications to reflect the current status of the work. This Project was initiated to address select outstanding items that are important to the daily operations at RWTP.

Addenda Ratification

Two addenda (Attachment 1) were issued during the bid period to clarify the Project Contract Documents. Staff recommends that the Board ratify the addenda to formally incorporate the changes into the Project Contract Documents.

Contract Award

A report of bids received at the bid opening for the Project on May 19, 2021 is summarized in Table 1. The apparent low bid was submitted by NTK Construction, Inc. and is 29% below the Engineer's estimate of \$3,182,728.

Staff reviewed the bid proposal and recommends that the construction contract for the Project be awarded to NTK Construction, Inc. for the following reasons:

1. All bid entries and requirements in the proposal submitted by NTK Construction, Inc. are in order;
2. NTK Construction, Inc.'s license is current, active, and in good standing;
3. NTK Construction, 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 Summary		
Contractor, Location	Bid Price	Award Amount
NTK Construction, Inc., San Francisco	\$2,271,660	\$2,271,660
Ranger Pipelines, Inc., San Francisco	\$2,796,511	
JMB Construction, South San Francisco	\$3,186,700	

Anderson Pacific Engineering Santa Clara	\$3,298,186	
Teichert Construction, Sacra	\$3,528,560	
Engineer's Estimate: \$3,182,728		

Staff recommends the Board award the contract to NTK Construction, Inc. as the responsible bidder, submitting the lowest responsive bid.

Contingency Funds

The proposed Contract award sum for the Project is \$2,271,660. 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 recommends the Board approve encumbering a contingency amount of \$341,000, which amounts to 15% of the lowest bid price.

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

1. Unforeseen conditions that result in changes that will need to be resolved during the shutdown of Rinconada Water Treatment Plant unit processes;
2. Concealed conditions and field conditions that may be different from the baseline and as-built information used in preparation of the Project Contract Documents;
3. Differing site conditions;
4. Unanticipated variances in quantities and cost of various lump sum items estimated in the Bid Proposal;
5. Coordination issues and risks associated with weather conditions; and
6. Coordination issues with operations and maintenance activities.

Approval of individual change orders for the Project will be subject to approval at the following designated amounts:

Engineering Unit Manager:	\$100,000
Deputy Operating Officer:	\$250,000
CEO:	Up to the Total Amount of the Contingency

Previous Board Actions Related to this Project

On January 27, 2015, the Board certified the Rinconada Water Treatment Plant Reliability

Improvement Project Final Environmental Impact Report (EIR); adopted the Mitigation; Monitoring and Reporting Program, Findings of Fact, and Statement of Overriding Considerations; held a Public Hearing on the Engineer's Report; adopted a Resolution approving the Engineer's Report; and approved the Project.

On May 26, 2015, the Board approved the construction contract award to Balfour Beatty Infrastructure, Inc. as the responsible bidder submitting the lowest responsive bid.

On March 10, 2020, the Board approved Amendment No. One to the Reliability Project's Construction contract with Balfour Beatty Infrastructure, Inc., reducing their scope of work.

On January 12, 2021, the Board approved the Notice of Completion for the Reliability Project, thus accepting the work performed through Phase 2 on the Rinconada Water Treatment Plant Reliability Improvement Project, Project No. 93294057, Contract No. C0601, as complete.

On April 13, 2021, the Board adopted plans and specifications and authorized advertisement for bids for the Project.

Public Outreach

Various approaches will be utilized to notify the neighborhood adjacent to the Rinconada Water Treatment Plant about the RWTP Interim Site Restoration Project before construction begins. Social media channels such as Nextdoor and Facebook will update residents about the work. Mailers will also be developed for distribution before construction starts and ongoing updates will be posted on Valley Water's Rinconada Water Treatment Plant's web page. A public meeting in the neighborhood is being planned to take place prior to commencement of construction.

Permits

No additional permits are required for this Project.

Outreach to Bidders

As part of Valley Water's customary small and local business outreach, the Notice to Bidders was sent to certified Small Business Contractors, Chambers of Commerce, plan rooms/Builder Exchanges, the Building Construction & Trades Council and staff used Valley Water's own Master Contractor Database.

Next Steps

If the Board awards the contract as recommended, Staff will proceed with administering the Project construction, which is anticipated to begin in July 2021 and be completed by March 2022.

FINANCIAL IMPACT:

The Rinconada Water Treatment Plant Reliability Improvement Project is included in the Five-Year 2022-26 Capital Improvement Program (CIP) and in the Board-adopted FY 2020-21 Budget. The total cost for the proposed construction contract, including the change order contingency sum of \$341,000, is \$2,612,660, which does not change the overall total Project cost reflected in the Five-Year 2022-26 CIP. There is sufficient funding in the Fiscal Year 2020-21 Budget to encumber these funds. The Project is funded by the Water Utility Enterprise Fund (Fund 61).

CEQA:

On January 27, 2015, the Board made findings and certified the Final Environmental Impact Report (EIR) for the Rinconada Water Treatment Plant Reliability Improvement Project (Resolution 15-09). Staff's recommendation for today's Board item entails an activity that was included in the Final EIR's project description; there are no circumstances triggering the need for preparation of a subsequent environmental document.

ATTACHMENTS:

Attachment 1: Addenda Nos. 1 and 2
Attachment 2: Project Delivery Process Chart
Attachment 3: Location Map

UNCLASSIFIED MANAGER:

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