



# Santa Clara Valley Water District

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**File No.:** 21-1230

**Agenda Date:** 11/9/2021

**Item No.:** \*7.3.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Report of Bids Received and Award of Construction Contract to Garney Pacific, Inc., in the Sum of \$12,867,059, for the Cross Valley Pipeline Extension Project, as Part of the Anderson Dam Seismic Retrofit Project, Project No. 91864005, Contract No. C0676 (Morgan Hill, Santa Clara County) (District 1).

### **RECOMMENDATION:**

- A. Ratify Addenda No. 1, 2, 3, 4 and 5 to the Contract Documents for the Cross Valley Pipeline Extension Project;
- B. Award the Contract to Garney Pacific Construction, Inc in the sum of \$12,867,059; and
- C. Approve a contingency sum of \$1,930,059 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

### **SUMMARY:**

#### ***Background and Project Description***

Santa Clara Valley Water District (Valley Water) is undertaking the Anderson Dam Seismic Retrofit Project (ADSRP) 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 Cross Valley Pipeline Extension Project (CVPEP).

The CVPEP entails constructing a new pipeline to convey imported water from the Cross Valley Pipeline to Coyote Creek to supplement flows during the construction of the ADSRP downstream of Ogier Ponds. The Project scope includes constructing an outfall, which will include an energy dissipator, and making creek bank improvements.

The completed improvements will consist of a 36-inch diameter, approximately 7,100-foot-long pipeline, which will release average flows of 30 cubic feet per second (CFS) during the dry season to ensure the continued recharge of the groundwater. The outfall will include an energy dissipation structure to reduce flow velocities and convey water onto a rock slope protection apron (cascade). The cascade will encourage flow-spreading and further reduce water velocity while also stabilizing the banks and inhibiting fish from entering the energy dissipation structure. Lastly, the outfall will also include a bank rehabilitation zone downstream of the cascade.

**Addenda Ratification**

Five addenda (Attachment 1) were issued during the bid period to clarify the Project Contract Documents. To formally incorporate the addenda into the Project Contract Documents, staff recommends that the Board ratify the addenda.

**Contract Award**

A report of bids received at the bid opening for the Project on September 22, 2021 is summarized in Table 1. The Apparent Low Bid was submitted by Garney Pacific, Inc.

The bid submitted by Garney Pacific, Inc. is approximately 8.6% lower than the Engineer's Estimate of \$14,083,190. Industry publications of cost data that design engineers rely on to develop construction cost estimates are based on very stable economic environment, but the current COVID-19 environment has made cost estimating very difficult and unpredictable.

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

Staff reviewed the bid proposals and recommends that the construction contract for the Project be awarded to Garney Pacific, Inc. for the following reasons:

1. All bid entries and requirements in the proposal submitted by Garney Pacific, Inc. are in order;
2. Garney Pacific, Inc.'s license is current, active, and in good standing; and
3. Garney Pacific, Inc. is in compliance with the requirements of 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 §1725.5 of the Labor Code.

<b>Table 1 - Bid Opening Results</b>		
<b>Company, Location</b>	<b>Bid Amount</b>	<b>Award Amount</b>
Garney Pacific, Inc.	\$12,867,059	\$12,867,059
Mountain Cascade, Inc.	\$12,979,578	
Ranger Pipeline, Inc.	\$13,678,105	
Cratus, Inc	\$13,852,325	
Con-Quest Contractors, Inc.	\$13,949,225	
Steve P. Rados, Inc.	\$15,053,000	
JMB Construction, Inc.	\$16,894,430	
Kiewit Infrastructure West Co.	\$18,564,890	
Mitchell Engineering	\$25,180,834	
<b>Engineer's Estimate: \$14,083,190</b>		

### ***Contingency Funds***

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 \$1,930,059 (15% of the contract 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 Cross Valley Pipeline.
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 associated with various bid 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
Assistant Officer	\$250,000
Deputy Operating Officer:	\$500,000
Assistant CEO:	\$1,000,000
CEO:	Up to the Total Amount of the Contingency

### ***Previous Board Actions Related to this Project***

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 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.

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

### ***Outreach to Bidders***

The Notice to Bidders was sent to certified Small Business Contractors that have the appropriate license. Chambers of Commerce, plan rooms (Builder Exchanges), and Valley Water's own website were used to solicit interest in the Project work from prospective Contractors. Contractors were contacted through the Building and Construction Trades Council, and contractors were contacted using Valley Water's own Master Contractor Database.

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

Valley Water has completed the agreement with Santa Clara County Parks and Recreation Department (SCC) staff on the impacts of the Project to adjacent SCC property. On April 27, 2021, the Valley Water Board of Directors approved an Agreement for Possession and Use (PUA) with SCC affecting the Temporary Easement required for the Project. The PUA will enable Valley Water to take possession of the property for the CVPE.

Valley Water has obtained all necessary Right-of-Way necessary for award; such as a lease agreement with a single property owner, (Parcel No: APN 712-23-041), for temporary construction easement, which will serve as a staging area.

### ***Permits and Environmental Authorizations***

Valley Water has obtained all necessary permits and authorizations necessary for award as detailed below.

- Statewide National Pollutant Discharge Elimination System (NPDES) Permit for Drinking Water System Discharges to waters of the U.S.
- United States Army Corps of Engineers (USACE) Individual Permit
- Valley Habitat Plan (a combination Habitat Conservation Plan/Natural Communities Conservation Plan)
- California Department of Fish and Wildlife (CDFW) 1602 Lake or Streambed Alteration Agreement
- State Water Resources Control Board (SWRCB) 401 Water Quality Certification
- County of Santa Clara Conditional Right of Way Clearance
- City of San Jose Encroachment Permit
- Union Pacific Railroad (UPRR) Crossing Permit (3286-97)

The Contractor will be responsible for obtaining all additional permits required by the applicable authorities having jurisdiction for all work to be performed by the Contractor, its sub-subcontractors, material supplier, etc. The Contractor will be required to comply with regulatory requirements. The Contractor is responsible for determining the need for and obtaining the requisite permits.

### ***Next Steps***

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If the Board awards the contract as recommended, staff will proceed with administering the Project construction which is anticipated to begin in November 2021 and be completed by the end of August 2022.

**FINANCIAL IMPACT:**

The Anderson Dam Seismic Retrofit Project is included in the Five-Year 2022-26 Capital Improvement Program (CIP) and in the Board-adopted FY22 Budget. The total cost for the proposed Construction Contract, including the change order contingency sum of \$1,930,059, is \$14,797,118, which does not change the overall total project cost reflected in the FY 2022-26 CIP. There is sufficient funding in the FY 2021-22 Budget to encumber the construction contract.

The Project is funded by a combination of Safe, Clean Water & Natural Flood Protection Program (Fund 26) at roughly 10%, and Water Utility (Fund 61) at roughly 90%. The portion funded by the Water Utility is allocated 82.1% to Zone W-2 (North County), 9.8% to Zone W-7 (South County Coyote Valley), and 8.1% to Zone W-5 (South County Llagas Basin).

**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 FOCPP, inclusive of the CVPEP measure, qualifies for this emergency exemption. Valley Water filed a Notice of Exemption with the County of Santa Clara Office of the County Clerk-Recorder on June 26, 2020.

**ATTACHMENTS:**

Attachment 1: Addenda Nos. 1, 2, 3, 4, and 5  
Attachment 2: Project Delivery Process Chart  
Attachment 3: Map

**UNCLASSIFIED MANAGER:**

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