SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-B**

FROM: Steve Mack, General Manager

Meeting Date : April 5, 2018

Subject: AWARD OF CIP 2018 CONSTRUCTION CONTRACT

RECOMMENDED ACTION: Approve Resolution 18-04 which conditionally awards the 2018 CIP construction contract to Piazza Construction for a not to exceed amount of $1,143,962.70, waives any and all non-conformance in the bid of Piazza Construction, and authorizes the General Manager to approve change orders for a total amount not to exceed $104,000.

FISCAL IMPACT: $1,039,962.70 plus up to $104,000 in possible change orders for a total amount of $1,142,962.70.

DISCUSSION:

Replacement of aging water main infrastructure is an important activity of the Sweetwater Springs Water District. Toward that end the District has developed a multiyear capital improvement program that has prioritized the capital infrastructure that needs to be replaced or improved. The District is currently working on the FY 2018 CIP, which replaces approximately 4,600 ft of existing main and 58 services on Old River Rd at Morningside east to the eastern section of Foothill Drive and includes Orchard Rd and Foothill Drive.

This construction project was advertised on February 1, 2018, and 3 bids were received and opened on February 27, 2018, at 2 pm, in accordance with bid instructions. The project had an Engineer's Estimate of Probable Cost of $1,323,139. The bidder and bid amounts are shown in Table 1 below. After careful review and analysis of the bid by Piazza Construction (Piazza), staff is recommending awarding the bid to Piazza. Piazza has done good work for the District in the past and the bid amount is below the Engineer's Estimate of Probably Cost.

Table 1. 2018 Capital Improvement Project Bid Summary

Bidder Name	Bid Amount
Piazza Construction	$1,039,962.70
W.R. Forde Associates, Inc.	$1,234,642.00
Team Ghilotti	$1,277,077.07

The work authorized under this contract is scheduled to start within 10 days of notice to proceed and, according to the contract, will be completed within 70 working days of the notice to proceed. The work involves repair, replacement and/or reconstruction of existing water main distribution lines, and the installation of water "services" and fire hydrants. The work is in the same general location as existing facilities and will result in no expansion of system capacity. The work is part of the District's Capital Improvement Program and will provide important and necessary improvements to the District's distribution system.

In summary, the total award amount for the construction contract is $1,142,962.70 which is approximately $180,000 below the Engineer's Estimate of probable cost of $1,323,139. The staff recommendation includes the bid amount of $1,039,962.70 by Piazza Construction, and authorization for the General Manager to approve up to $104,000 in total change order authority for work not anticipated by the contract. Construction management and inspection costs for the project are estimated at $110,000. This puts the entire project cost at $1,142,962.70 including the total change order amount.

This project will be funded by a USDA loan/bond. As such, the Project Award must be approved by USDA staff. District staff have been in communication with USDA and the District has received approval from USDA to award the contract (letter attached).

Staff recommends approval of Resolution 18-04 which conditionally awards the 2018 CIP construction contract to Piazza Construction for a not to exceed amount of $1,142,962.70 and authorizes the General Manager to approve change orders for an amount not to exceed $104,000. The conditions of the bid award include Piazza Construction's timely delivering a duly executed Project contract and submitting all required documents, including properly executed bonds, certificates of insurance and endorsements, pursuant to the Project bid documents.

Resolution No. 18-04

A Resolution of the Board of Directors of the Sweetwater Springs Water District Awarding the Contract for the FY 2018 Capital Improvement Project, to Piazza Construction in the Sum of $1,039,962.70, and Authorizing the General Manager Total Change Order Approval of $104,000

WHEREAS, District staff, including consulting engineering services employed by the District, prepared construction bid documents and advertised for construction of the FY 2018 Capital Improvement Project ("Project"); and

WHEREAS, District staff solicited bids for the Project on February 1, 2018; and

WHEREAS, on February 27, 2018, three bids were received and opened in accordance with the bid instructions; and

WHEREAS, the bid for the Project from Piazza Construction was in the amount of $1,040,462.70, and

WHEREAS, Coastland Engineering, the engineer for this Project, found math errors in the bid tabulation sheet that changed the allowable bid amount to $1,039,962.70, and

WHEREAS, Piazza Construction has the certifications required for potable water line installation and meets the requirements stated in the bidding instructions for experience and certification of employees with HDPE pipe and fittings installations, and

WHEREAS, the Project will be funded, in part, by a loan/bond from the USDA, the bid process was approved by USDA and USDA has approved the award of bid to Piazza Construction, and

WHEREAS, the Project involves the replacement or reconstruction of existing facilities and will result in negligible or no expansion of capacity, thus the Project is exempt from environmental review, pursuant to the California Environmental Quality Act ("CEQA") and Title 14, the California Code of Regulations ("CEQA Guidelines"), section 15301(b) and 15302(c); and

WHEREAS, notwithstanding the above-referenced bid amount, it is anticipated that the Project will have a certain amount of unanticipated construction issues during construction necessitating change orders; and

WHEREAS, it is of importance to the contractor and District alike that construction not be unduly delayed; and

WHEREAS, the General Manager is familiar with the project and will be monitoring construction.

NOW, THEREFORE BE IT RESOLVED, that the District Board of Directors hereby:

1. Finds the bid in the amount of $1,039,962.70 by Piazza Construction to be the lowest responsive bid and further finds that Piazza Construction is a responsible bidder; and

3. Waives any and all non-conformance in the bid of Piazza Construction for the Project; and

4. Approves the Project construction contract in the amount of $1,039,962.70; and

5. Awards the contract for the 2018 Capital Improvement Project to Piazza Construction in the amount of $1,039,962.70, the amount of the lowest responsive bid, conditioned on Piazza Construction timely executing the Project contract and submitting all required documents, including, but not limited to, executed bonds, certificates of insurance, and endorsements, in accordance with the Project bid documents; and

6. Directs staff to issue a Notice of Award to Piazza Construction; and

7. Authorizes and directs the General Manager to execute the Project contract on behalf of the District upon timely submission by Piazza Construction of the signed Project contract and all other required contract documents, in accordance with the contract bid instructions; and

8. Authorizes the General Manager to approve change orders on the Project without Board approval with total change order approval not to exceed $104,000.

I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on April 5, 2018, by the following vote.

Director	**Aye**	**No**
Sukey Robb-Wilder	_____	_____
Tim Lipinski	_____	_____
Richard Holmer	_____	_____
Gaylord Schaap	_____	_____
Pip Marquez de la Plata	_____	_____

_____
Pip Marquez de la Plata
President of the Board of Directors

_____
Attest: Julie A. Kenny
Clerk of the Board of Directors

USDA
United States Department of Agriculture

Rural Development

Davis Office

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Davis, CA
95616-4169

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March 29, 2018

Mr. John Wanger
Coastland Engineers
1400 Neotomas Avenue
Santa Rosa, CA 95405

Dear Mr. Wanger:

Subject: Sweetwater Springs Water District
2018 Water System Improvements Project

USDA Rural Development has reviewed the bid information and concurs with your recommendation to award the contract to Piazza Construction in the amount of $1,039,962.70.

At this time, you will need to prepare the contract documents for execution by all parties following the format outlined in this letter. The "Attachment to Agreement" (page BB-52 in the contract documents) needs to be filled out and attached to the construction contract agreement. Four copies of the agreement then needs to be executed by the District and the contractor. The contractor must also obtain performance and payment bonds utilizing a surety company listed on the Treasury Department's most current revision of Circular 570. (The surety for the bid bond is acceptable.) The District's attorney must then review the contract documents and execute the "Certificate of Owner's Attorney" found on the contract agreement attachment. A submittal containing four copies of the following contract documents must then be prepared and submitted to this agency:

1. Contract- the "Attachment to Agreement" needs to be attached and the agreement needs to be signed by the contractor and the District prior to submission to this agency. The attorney's certificate also needs to be executed prior to submitting the contract documents to this agency.

2. Notice of Contract Award

3. Performance and Payment Bonds

4. Contractor's Certificate of Insurance

Please contact Quinn Donovan and myself when you schedule the preconstruction conference since a representative from this agency must attend the meeting. (Mr. Elze is approved to provide the resident inspection for this project.) You are

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If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

reminded that the Notice to Proceed cannot be issued until this agency has approved the construction contract agreement.

If you have any questions pertaining to this letter, please contact me at (530) 792-5814.

Sincerely,

Michael Starinsky
State Engineer

cc: Quinn Donovan, USDA Rural Development, Santa Rosa (with attachments)
Steve Mack, Sweetwater Springs Water District
Heidi Utterback, Coastland Engineers