SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

MEETING DATE: June 5, 2014

SUBJECT: DISCUSSION/ACTION RE RESOLUTION 14-12, AWARDING THE CONTRACT FOR THE 2015 CIP

RECOMMENDED ACTION: Approve Resolution 14-12 which conditionally awards the 2015 CIP construction contract to Piazza Construction for a not to exceed amount of $934,197 which includes the Piazza bid amount of $821,891.50, change order authority of $98,626 (12% of bid) $12,179 for the Sonoma County Encroachment Permit, and $1,500 for the CalTrans encroachment permit, 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 $89,200 with no single change order exceeding $25,000.

FISCAL IMPACT: The Engineer's Estimate for the 2014 CIP was $930,113, not including contingencies; bid amount is $821,891.

DISCUSSION:

The 2015 Capital Improvement Program (CIP) which includes replacement of 5,800 ft of existing main and appurtenances on Old Monte Rio Road commencing at the Handy Andy Booster and proceeding westerly with 50 services. This project was advertised on May 9 and May 16, 2014, and the bids were opened at 2 pm on May 27, 2014. Piazza Construction was the apparent low bidder at $821,891.50. There were two other bids submitted by the bid closure time – Ranger Pipelines who bid $1,197,030 and Ashlin Pacific Construction Inc. who bid $977,505. The Engineer's Estimate of Probable Cost was $930,113, not including contingencies; the cost estimate in the approved 2014-2019 CIP is $936,000 which includes engineering services costs (approximately $188,000).

Coastland Civil Engineering (Coastland), the firm providing design and construction management services for this project, has reviewed the bids and determined that Piazza Construction has the proper licenses to perform the 2015 CIP and otherwise is qualified to complete the 2015 CIP. Piazza Construction is based in Penngrove and has a good reputation, including successful installation of HDPE distribution systems which are included in this project, and has successfully done several capital projects for the District, including the 2013 CIP and 2014 CIP. Coastland's investigation has determined

that the bid of Piazza Construction substantially complies with the bid instructions and is responsive to the proposal requirements.

As of the date and time of the bids being due to be opened, the cost of the County of Sonoma Encroachment Permit was not known and thus the cost of this item is extra to the bid amount. We have since learned that the County permit cost is estimated to be $12,179. This cost is only billed against actual time spent by County inspectors and the actual cost should be less than the quoted amount. This cost needs to be added to the total cost awarded for this contract. We do not know the exact cost of the CalTrans encroachment permit – the engineer is estimating $1,500 and that too must be added to the total cost.

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 90 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 is $934,197 which is approximately $4,100 above the Engineer's Estimate of probable cost of $930,113. The staff recommendation includes the bid amount of $821,891.50 by Piazza Construction, authorization for the General Manager to approve up to $98,627 in total change order authority for work not anticipated by the contract with no single change order exceeding $25,000, and $12,179 to pay for the County Encroachment Permit and $1,500 for the CalTrans Encroachment Permit. The change order authority requested is 12% of the bid amount because of the possibility of uncertain conditions for the down-hill laterals that are a feature of this project. Design and construction management costs for the project are estimated at $188,000 with $128,030 yet to come for construction management and design. This puts the entire project cost at $1,122,197 including the total change order amount.

Staff recommends approval of Resolution 14-12 which conditionally awards the 2015 CIP construction contract to Piazza Construction for a not to exceed amount of $821,891.50, based on the Board's determination that Piazza Construction is a responsible bidder and the bid submitted by Piazza Construction is responsive, and authorizes the General Manager to approve change orders for an amount not to exceed $98,627, with no single change order exceeding $25,000 and $12,179 for County of Sonoma permit costs and $1,500 for CalTrans permit costs. 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. 14-12

A Resolution of the Board of Directors of the Sweetwater Springs Water District Approving the Construction Project Budget and Awarding the Contract for the FY 2015 Capital Improvement Project to Piazza Construction in the Sum of $821,891.50, and Authorizing the General Manager Total Change Order Approval of $98,626, County of Sonoma Permit Fees of $12,179, CalTrans Permit Fees of $1,500, and Single Change Order Approval up to $25,000

WHEREAS, District staff, including consulting engineering services employed by the District, prepared construction bid documents and advertised for construction of the FY 2015 Capital Improvement Project. ("Project"); and

WHEREAS, District staff solicited bids for the Project on May 9, 2014; and

WHEREAS, on May 27, 2014, 3 bids were received and opened in accordance with the bid instructions; and

WHEREAS, the lowest bid for the Project was from Piazza Construction in the amount of $821,891.50; and

WHEREAS, staff has determined that the Piazza Construction bid satisfies the bidding requirements for the Project; and

WHEREAS, staff has verified that Piazza Construction possesses the required licenses and is otherwise qualified to perform the Project; 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, the Project will have County of Sonoma Encroachment Permit Fees estimated by County staff of $12,179 and estimated CalTrans Permit fees of $1,500, and said fee amounts were not included in the bid documents and could not be included by contractors in their bid amounts; 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. Approves the Project construction contract in the amount of $821,891.50; and

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

3. Finds the bid in the amount of $821,891.50 to be the lowest responsive bid and further finds that Piazza Construction is a responsible bidder; and

4. Awards the contract for the 2015 Capital Improvement Project to Piazza Construction in the amount of $821,891.50, 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

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

6. 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

7. Authorizes the General Manager to approve change orders on the Project without Board approval up to $25,000 per change order, with total change order approval not to exceed $98,626; and

8. Authorizes the General Manager to approve County of Sonoma permit fee expenditures of up to $12,179, and CalTrans Permit fees of $1,500 for the Project.

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 June 5, 2014, by the following vote.

Director	Aye	No
Sukey Robb-Wilder	_____	_____
Tim Lipinski	_____	_____
Richard Holmer	_____	_____
Gaylord Schaap	_____	_____
Victoria Wikle	_____	_____

_____
Richard Holmer
President of the Board of Directors

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