

**700COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 1/6/2015	(3) CONTACT/PHONE Jeff Werst, Design Division Manager (805) 781-4480	
(4) SUBJECT Submittal of bid opening report for Nacimiento Water Project Nacimiento River Crossing Pipe Repair, to award the subject contract to V. Lopez Jr. and Sons G.E.C. Inc., the lowest responsible bidder, in the amount of \$841,417. All Districts.			
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District: 1. Award the subject contract to V. Lopez Jr. and Sons G.E.C., Inc., the lowest responsible bidder, at \$841,417, and 2. Authorize the Public Works Director or his designee to approve change orders for a contingency amount up to \$84,142 plus an additional amount of \$84,142 for supplemental work and early completion incentive for a total budget amount of \$1,009,701.			
(6) FUNDING SOURCE(S) Nacimiento Project Fund 2200001000	(7) CURRENT YEAR FINANCIAL IMPACT \$1,544,701.00	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001489		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 12/2/14, #2	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts			

Reference: 15JAN06-C-8

County of San Luis Obispo



TO: Additions, subtractions and corrections to the Board of Supervisors Agenda

FROM: Public Works
Jeff Werst, Design Division Manager
Scott Duffield, Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 1/6/2015

SUBJECT: Submittal of bid opening report for Nacimiento Water Project Nacimiento River Crossing Pipe Repair, to award the subject contract to V. Lopez Jr. and Sons G.E.C. Inc., the lowest responsible bidder, in the amount of \$841,417. All Districts.

RECOMMENDATION

In accordance with applicable State Law, it is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District:

1. Award the subject contract to V. Lopez Jr. and Sons G.E.C., Inc., the lowest responsible bidder, at \$841,417, and
2. Authorize the Public Works Director or his designee to approve change orders for a contingency amount up to \$84,142 plus an additional amount of \$84,142 for supplemental work and early completion incentive for a total budget amount of \$1,009,701.

DISCUSSION

In accordance with direction from your Board, bids for the subject contract were opened on Monday, December 22, 2014.

Four bids were received. They are as follows:

V. Lopez Jr. and Sons G.E.C., Inc.	\$841,417.00
Whitaker Construction Group, Inc.	935,400.00
Raminha Construction, Inc.	938,400.00
Specialty Construction, Inc.	1,850,900.00
Engineer's Estimate	\$1,050,000.00

The low bid came in approximately 20% below the Engineer's Estimate. We have reviewed the submittal from V. Lopez Jr. and Sons G.E.C., Inc. and verified that they are the lowest responsive, responsible bidder.

Project Background Information

Since June 2, 2014, the entire Nacimiento water pipeline has been shut down due to leaks along a portion of the pipeline in a remote section of Camp Roberts near the Nacimiento River. On July 8, 2014, your Board adopted a resolution which waived the requirement of a competitive bidding process to allow emergency work on the Nacimiento water pipeline, and authorized the Director of Public Works to execute sole source contracts for said emergency work. Similar resolutions have been adopted by your Board at intervals of no less than fourteen days or at the next regularly scheduled meeting, whichever is later, in accordance with Public Contract Code Section 22050 to assure that the actions are necessary.

After the initial leak was discovered in early June, numerous additional leaks were discovered. These failures in the pipe demonstrate that the condition of the pipe is not one that would be suitable for trying to do a "spot repair" for each separate leak. Therefore, the recommended repair method set forth in the plans and specifications is the slip lining of a smaller diameter pipe within the existing pipe. This slip lining approach will reduce the capacity of the pipeline, and a subsequent parallel stretch of pipeline will need to be constructed in the future to make up for the lost capacity over this approximate 1800 foot stretch of pipeline.

The drought conditions in San Luis Obispo County have stressed the primary sources of water and further emphasized the importance of having Nacimiento water available to the numerous participating agencies that have contracted for Nacimiento water. In addition, the City of Paso Robles has a new water treatment facility scheduled to be completed around April of 2015. The timely repair of the Nacimiento water pipeline and restoration of water deliveries to the participating agencies for distribution to their customers continues to be extremely urgent.

Based on the above discussion, time is of the essence for awarding the contract, and for completing construction of the Nacimiento River Crossing Pipe Repair Project in order to bring the Nacimiento facility back into service by the beginning of April, 2015. Pursuant to this, in addition to the typically specified liquidated damages assessed if contract working days are exceeded by the Contractor, the construction contract also includes provisions for incentive for construction completion ahead of the contract working days. Moreover, in order to minimize the time between award of the contract and issuance of the Notice to Proceed to the Contractor, the contract requires the successful bidder to submit the executed contract, bonds and insurance no later than the 5th business day after receipt of written notice of award, rather than the typical allowance of two weeks for submittal.

Concurrent with the advertisement of the contract for bids, the District worked to complete field investigation of the existing pipeline. Given the timing constraints described above for bringing the facility back into service, we had been forced to pursue the liner contract on a parallel track with completion of the field investigation. If the field investigations had suggested that a different remedial approach was better, public works staff was prepared to recommend not awarding this construction contract. However, the field investigations confirmed the appropriateness of pursuing the construction of the slip line pipe provided for in the construction contract documents, and it is therefore staff's recommendation that your Board award the construction contract.

OTHER AGENCY INVOLVEMENT/IMPACT

The Nacimiento participating agencies that receive Nacimiento water for distribution to their customers include the City of Paso Robles, Templeton Community Services District, Atascadero Mutual Water Company, the City of San Luis Obispo, and County Service Area 10A. The Nacimiento Commission and Nacimiento Technical Support Group support the forensic investigation, repairing the leaking locations, and restoring the pipeline to delivery service.

At their October 30, 2014 meeting, the Nacimiento Commission approved proceeding with the design for the slip lining of a smaller diameter pipe within the existing pipe. At their November 20, 2014 meeting, the Nacimiento Commission approved forwarding a recommendation to the Board of Supervisors that the District advertise for construction bids for the Nacimiento River Crossing Pipe Repair project.

The County Environmental Coordinator has reviewed the project and determined that it is exempt from the requirements of the California Environmental Quality Act.

FINANCIAL CONSIDERATIONS

The Nacimiento River Crossing Pipe Repair project is being paid for from construction fund savings and by participating agencies and is budgeted in the FY 2014-2015 Nacimiento Water Project Fund. Ultimately the District will be seeking full reimbursement of these costs from the original Pipeline Contractor, Teichert Construction, and will then credit the participating agencies when/if reimbursement is received. The total project costs (excluding investigatory costs related to these remedial efforts) are estimated at \$1,544,701.

Please see Exhibit "A" for an estimated cost breakdown of the project.

RESULTS

The immediate result of the recommended action will be the construction of this project, which will restore Nacimiento water deliveries to the participating agencies for distribution to their customers. This, in turn, will result in a safer, more livable community.

File: Contract No. 300529

c: Resident Engineer
Construction Engineer
V. Lopez Jr. and Sons G.E.C. Inc., Contractor

Reference: 15JAN06-C-8

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ATTACHMENTS

1. Vicinity Map
2. Exhibit A - Project Cost Estimates