

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: May 8, 2012

Report

Date: May 2, 2012

Subject: Approval of Contract with JMB Construction for Repair of El Granada Pipeline

Recommendation:

Authorize staff to execute a contract with JMB Construction, Inc. for repair of the El Granada Pipeline leak, at a cost not to exceed \$69,500.

Background:

District staff has been working since January 2012 on a plan to pinpoint the location of a leak on the El Granada Pipeline near Medio Avenue and to repair the leak. We discovered the leak in early January at the northern end of the jack-and-bore crossing of Arroyo de en Medio Creek. After our initial investigation failed to locate the leak in the readily accessible portion of the pipe, staff and contractor Andreini Brothers closed off the leaking section and installed a temporary bypass around it.

After an investigation that included soliciting proposals from two engineering firms to evaluate the leak and prepare bid documents for a repair project, as well as soliciting a proposal for repairs from JMB Construction, the original contractor, staff believes that contracting with JMB would serve the best interests of the District. Reasons for this recommendation include the following:

- JMB has proposed to perform the repairs for a cost that staff believes will be lower than any alternative approach to the repair project.
- JMB has committed to complete repairs at no cost to the District if the leak is due to defective workmanship in their construction of the pipeline.
- JMB specializes in the shoring, excavation, and pipeline construction practices necessary for the project.
- JMB owns the key equipment and materials to perform the shoring component of the work, allowing them to start quickly and perform the work faster and at a lower cost than would be possible using subcontractors.
- As the original contractor, JMB is intimately familiar with the pipeline and the work site.

STAFF REPORT

Agenda: May 8, 2012

Subject: Approval of Contract with JMB Construction

Page Two

Under the terms of the contract, the cost of fixing the leak would be \$69,500 if the repair requires shoring and excavation to the level of the jack-and-bore casing, or \$24,400 if the leak is near the surface. The work can be completed by mid-June if JMB receives a notice to proceed by mid-May.

The attached copy of the proposed JMB contract does not include Exhibit 3 (General Conditions) and Exhibit 4 (Payment Bond and Performance Bond). The full contract is available at the District's office.

Fiscal Impact:

Maximum cost of \$69,500, funded from District reserves as an unscheduled repair project.

CONTRACT

THIS CONTRACT ("Contract") is entered into this ____ day of _____, 2012, by and between the **Coastside County Water District** ("District") and **JMB Construction, Inc.** ("Contractor").

WHEREAS on December 21, 2007, the District and Contractor entered into an agreement for the construction of the Phase 3 El Granada Transmission Pipeline Replacement Project.

WHEREAS, as part of the Phase 3 El Granada Transmission Pipeline Replacement Project, the Contractor constructed a new pipeline under the Arroyo de en Medio Creek by a jack and bore method.

WHEREAS, in January 2012, the District discovered water flowing from the ground above the pipeline near the jacking pit for the Arroyo de en Medio jack and bore crossing, and the parties believe there is a leak in the El Granada Pipeline water system facilities.

WHEREAS, District and Contractor desire to enter into an agreement for the repair of the leak under which District will compensate Contractor for the repair work, unless it is determined that the cause of the leak was attributable to defective workmanship by the Contractor under the Phase 3 El Granada Transmission Pipeline Replacement Project. In such case, Contractor will perform the repair work at its own cost.

NOW, THEREFORE, the parties agree as follows:

A. Scope of Work. Contractor will perform all work and furnish all labor and equipment to repair the leak at and near Arroyo de en Medio Creek, in accordance with the terms and conditions of this Contract.

B. Terms and Conditions. The terms and conditions of this Contract are as set forth herein and in the attached exhibits:

1. Exhibit 1 – Contractor Scope Letter and Bid Proposal.
2. Exhibit 2 – Special Conditions for the repair of the leak.
3. Exhibit 3 – General Conditions from Phase 3 El Granada Transmission Pipeline Replacement Project, excluding Sections 2 and 3 that pertain to bidding/proposal requirements and award/execution of contract.

4. Exhibit 4 – Payment Bond and Performance Bond, each in the amount of \$69,500, on the form attached to this Contract.

In the event of a conflict, this Contract will govern over the exhibits, Exhibit 2 will govern over Exhibits 1 and 3, and Exhibit 3 will govern over Exhibit 1.

C. Governing Law. The Contract is executed and shall be performed in San Mateo County, California. This Contract shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Contract as of the date first written above by their duly authorized representatives.

Coastside County Water District

JMB Construction, Inc.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT 1

CONTRACTOR SCOPE LETTER AND BID PROPOSAL

JMB CONSTRUCTION INC.
General
Engineering Contractor
CCL 715324

February 29, 2012

Coastside County Water District
766 Main Street
Half Moon Bay
CA 94019

Attn: David R. Dickson

Re: Arroyo De En Medio - Pipe Work

David,

SCOPE LETTER & BID PROPOSAL

JMB Construction is pleased to offer a proposal for the above referenced project. This proposal is based upon:

1. Project Site Visit & Meeting

Bid Item

1. Mobilization	\$ 2,300.00
2. Leak Repair (Upper Elbow)	\$ 22,100.00
3. Leak Repair* (Lower Elbow)	\$ 45,100.00*

*Bid Item 3 will only be performed at the direction of CCWD if no leak is found at the Upper Elbow

SCOPE OF WORK:

1. Mobilization - Transportation of equipment to & from Project
2. Leak Repair (Upper Elbow) - Included, Excavation, Shoring, Removal of Existing Kicker, Repair of Piping, Pressure Testing, Placing of (N) Kicker, Backfilling
3. Leak Repair (Lower Elbow) - Includes, Excavation & Shoring to 20 Feet deep approximately, Removal of Existing Kicker, Repair of Piping (lower piping repair only - Upper piping repair will be performed under BI # 2), Pressure Testing, Placing of (N) Kicker, Backfilling to grade

132 South Maple Avenue • South San Francisco, California 94080
(650) 267-5300 • Fax (650) 267-5301
www.jmbconstruction.com

Clarifications

1. JMB is a union contractor signatory to the Operating Engineers and the Laborers.
2. JMB carries \$5,000,000 excess GL insurance and \$5,000,000 pollution. Any limits or coverages required beyond the above will be provided at additional cost to the GC.
3. One mobilization has been included for this proposal.
4. JMB is a Union Company. Prevailing Wages have been included.
5. Bedding sand will be imported for pipe zone backfilling
6. Excavated spoils will be reused for structural zone backfilling
7. Pipe Material required for repair is to be provided by CCWD

Exclusions

1. Encroachment & building permits and fees
2. Builders Risk insurance
3. Survey
4. Paving Restoration
5. Flushing & Chlorinating
6. Pipe material & Fittings
7. All testing & inspection services
8. Contaminated or hazardous soil or water handling and disposal
9. Any work not specifically addressed in above scope item
10. City or County permits or fees.
11. Imported Structural Backfill Material
12. SWPPP
13. Landscaping Restoration

This proposal shall remain valid for 45 calendar days, and work will not proceed until a mutually acceptable subcontract agreement is executed. Please do not hesitate to contact me at (650) 267-5300, if you should have any questions regarding this proposal.

Sincerely,



Aidan O' Sullivan
Operations Manager

EXHIBIT 2

SPECIAL CONDITIONS

1. Contract Price. Subject to the conditions set forth in Section 3 of these Special Conditions regarding cause of the leak, the District will pay Contractor a lump sum of \$24,400 to fix the leak if the leak is found at the upper elbow. If the leak is not found in the upper elbow, the District will pay Contractor a lump sum of \$69,500 to fix the leak at the lower elbow. If the leak is not found at the upper or lower elbows, at the option of the District, the Contractor will proceed to fix the leak on a time and materials basis. All payments to Contractor are subject to the conditions set forth in Section 3 of these Special Conditions regarding cause of the leak.
2. Manner of Payment. The District's lump sum payment to Contractor is contingent upon Contractor actually fixing the leak. The District will run a pressure test of the entire system to verify that the leak has been fixed prior to payment. The District will pay Contractor in one lump sum payment within thirty (30) days from the date the pressure test has been completed satisfactorily.
3. Cause of Leak. If, during the course of Contractor's work, it is determined that Contractor's original contract work was defective and had caused the leak, Contractor waives its right to payment for the repair work. If the Contractor and District do not agree as to whether the leak was caused by Contractor's original construction work, the District or the Contractor may demand that a neutral third party consultant with experience in determining the cause of pipeline leaks inspect the facilities to determine if the leak was caused by Contractor's original construction work. If the third party inspector determines the leak was caused by Contractor's original work, the Contractor will pay the third party inspector's fees. If the third party inspector determines the leak was not caused by Contractor's original work, the District will pay the third party inspector's fees.
4. Warranty. Contractor's repair of the leak is subject to a 2-year warranty.
5. Schedule. The Contractor will start work within ten (10) days from the date the Contract is executed by both parties. Contractor will complete all work to fix the leak within thirty (30) days from the date construction begins, provided that the leak is at the upper or lower elbow.
6. Contractor's Exclusions. In terms of Contractor's exclusions set forth in Exhibit 1, the District accepts the exclusions concerning: encroachment and building permit fees; builder's risk insurance; survey; paving restoration; pipe materials and fittings; flushing and chlorinating; all testing and inspection services; pre-existing contaminated or hazardous soils or water handling and disposal; county and city permits or fees; imported structural backfill material; SWPPP; and landscape restoration. The District will be responsible for all costs relating to these exclusions.

EXHIBIT 3

GENERAL CONDITIONS
[Excluding Sections 2 and 3]

EXHIBIT 4

PAYMENT BOND AND PERFORMANCE BOND