

# **THREE RIVERS LEVEE IMPROVEMENT AUTHORITY**

**Yuba County Government Center, Board Chambers**

**915 Eighth Street, Suite 109A**

**Marysville, California**

**AUGUST 14, 2007 – 2:00 P.M.**

**SPECIAL MEETING**

**No other business shall be conducted at this meeting. The public shall have an opportunity to address the Authority only with respect to items set forth in this agenda. Each individual or group will be limited to no more than five minutes. Prior to this time, speakers must fill out a “Request to Speak” card and submit it to the Clerk of the Board of Supervisors.**

**I CALL TO ORDER**

**II ROLL CALL – Directors Rick Brown, Jerry Crippen, Mary Jane Griego, Dan Logue, Richard Webb**

**III ACTION ITEMS**

- A.** Delegate authority to Executive Director to award contracts to Nordic Industries, Inc. for Segment 1 in an amount not to exceed \$6,123,581 and Site 7 in an amount not to exceed \$1,977,670 for all/or portion of Feather River Levee Repair Project with Notices to Proceed subject to funding and authorize the Executive Director to execute same upon submittal and review and approval of Counsel.
- B.** Authorize request for bids document for the Feather River Set Back Levee Project Segment 2 and authorize Executive Director to issue bid documents upon review and approval of Counsel.

**IV BOARD AND STAFF MEMBERS’ REPORTS**

**V ADJOURN**



# THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

1114 Yuba Street, Suite 218  
Marysville, CA 95901  
(530) 749-7841 Fax (530) 749-6990

August 14, 2007

TO: Three Rivers Levee Improvement Authority Board  
FROM: Paul Brunner, Executive Director *PB*  
Doug Handen, Construction Manager  
SUBJECT: Contract No. PH4-2007-08-01  
Phase 4 Feather River Levee Repair Project  
**Segment 1 and Site 7 contract award**

### **Recommended Action:**

Delegate to the Executive Director the authority to award and execute a contract to Nordic Industries, Inc for all or a portion of the Feather River Levee Repair Project (FRLRP), Segment 1 and Site 7, with Notice to Proceeds subject to funding, and also subject to review by General Counsel. The value of this contract shall not exceed **\$6,123,581 for Segment 1 and \$1,977,670 for Site 7.**

### **Background:**

At the August 7, 2007 TRLIA Board meeting Segment 3 of the FRLRP was awarded to Nordic, Inc. as the low bidder for that portion of work. During the discussion of the Segment 3 award the Board requested TRLIA staff to bring opened bid for Segment 1 and Site 7 to the next TRLIA Board meeting for the Board to consider awarding those portions of work also in a similar method as was done for FRLRP Segment 3.

### **Discussion:**

TRLIA accepted bids for the Feather River Levee Repair Project, Segments 1 and 3, on 6/21/07. The bid documents for this project included two bid schedules. Bid Schedule "A" was priced to reflect an award of both Segment 1 and 3 with Site 7 as a TRLIA option. Bid Schedule "B" was priced to include only Segment 3 with Segment 1 and Site 7 as TRLIA options. Nordic Industries and Envirocon (second bidder) each provided identical pricing for both Schedule "A" and "B". A summary of the bid results, including the Engineer's Estimate is attached.

The bidding process incorporated a value-engineering opportunity for contractors to propose improvements to the project. Neither of the bids submitted included value-engineering proposals.

This recommendation action is for the award of Schedule "B" Segment 1, and Site 7.

The bid documents for this project include Addendum No. 1 in which it states that TRLIA reserves the right to award any or all of the un-awarded TRLIA Options within 60 days of the bid

opening. TRLIA will have until August 21, 2007 to award this project or portions thereof. Addendums 1 and 3 of the bid documents include provisions for TRLIA to negotiate a contract amendment for any options that remain un-awarded beyond this date. The contract amendment shall be based on the bid schedule provided and allows for consideration for substantial contract delays if applicable. TRLIA recently authorized work in the amount of \$200,000 to perform "long lead items of work" included in this bid amount. If this project is awarded, costs related to this work shall be applied to the total contract amount.

TRLIA anticipates receiving full funding for this work once the State Budget is approved. Approval of the State budget will trigger the release of the State Proposition 1E/84 commitment letter for project funding, and also additional local (e.g. landowner) funding. ***TRLIA currently has no funding for either Segment 1 or Site 7.***

TRLIA proposes to award the total contract for ***Segment 1 and Site 7*** based on the following conditions:

- ***TRLIA considers the priority of work on the FRLRP to be in this order based on flood protection needs: Segment 2, 3, 1, and then Site 7. Available local funding will be allocated based on this priority. Since Segment 2 is dependent upon future State and local funding, the funding the completion of Segment 3 will be the first priority until the additional funding arrives.***
- ***Should funding not become available to issue Notices to Proceed for Segment 1 or Site 7, the contractor shall not be entitled to any compensation for these elements of work.***
- TRLIA's design and construction management team shall work in conjunction with the Contractor to identify and perform these portions of work within the budget of the funds available. Work shall not commence until TRLIA and the Contractor have reached agreement on; identifying these portions of work, the relevant bid proposal/contract line items for the work, and the phasing costs if applicable related to this work.
- TRLIA shall provide written direction via Notice to Proceed to the Contractor that only authorizes the identified portions of work. ***There is no guarantee that any Notice to Proceeds will be issued.***
- As additional funds become available TRLIA would issue Notice to Proceeds ***based on the funding priority identified above..***
- The contract documents for this project provide for a termination of the agreement in the event that additional funds to complete the project are not obtained.
- The completion of work on ***Segment 1 and site 7 most likely will*** extend into the 2008 construction season. ***The cost for extending the time period for this work shall be negotiated with the contractor. These costs may include and be limited to expenses related to overhead, mobilization, and increases to labor, equipment and materials.***

**Fiscal Impact:**

***TRLIA currently does not have funding for this contract (s) until additional State funding (e.g. Proposition 1E) and local funding (e.g. Capital Call) is available. Both of these items are anticipated to occur by the end of 2007 or early 2008.***

TRLIA Feather River Levee Improvements  
 Segments 1,3 Bid Results

<b>BID SCHEDULE "A"</b>				
<b>Contractor</b>	<b>Base Bid Segment 3</b>	<b>Base Bid Segment 1</b>	<b>Site 7 Extension (TRLIA option no. 1)</b>	<b>TOTAL seg. 3, seg. 1, + option</b>
<b>Envirocon</b>	<b>6,432,787</b>	<b>6,856,765</b>	<b>1,995,800</b>	<b>14,885,352</b>
<b>Nordic Industries</b>	<b>6,183,067</b>	<b>6,123,861</b>	<b>1,977,670</b>	<b>14,284,308</b>
<b>Engineer's Estimate</b>	<b>7,159,400</b>	<b>7,255,000</b>	<b>1,355,000</b>	<b>15,769,400</b>
<b>Engineer's Est. w/ 10% cont.</b>	<b>7,875,400</b>	<b>7,981,000</b>	<b>1,491,000</b>	<b>17,347,400</b>






# THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

1114 Yuba Street, Suite 218  
Marysville, CA 95901  
(530) 749-7841 Fax (530) 749-6990

August 14, 2007

TO: Three Rivers Levee Improvement Authority Board  
FROM: Paul Brunner, Executive Director   
Doug Handen, Construction Manager  
SUBJECT: Phase 4 Feather River Levee Improvement Project: Segment 2- Set Back Levee

### **Recommended Action:**

Approve "Request for Bids" document for the Feather River Set Back Levee project and authorize Executive Director to issue the Feather River Phase 4 Segment 2 levee improvement bid documents upon General Counsel review and approval.

### **Discussion:**

The following key events are important to this action:

- At its April 21, 2006 meeting, the State Reclamation Board adopted Resolution No. 2006-14, by which the State Reclamation Board expressed its intent to allow the building permit limitation for 2006 to be lifted under certain circumstances, thus allowing for the acceleration of certain Phase 4 work and the completion of the TRLIA levee improvement program to achieve 200 year protection for the lands within RD 784 by 2008.
- On May 16, 2007 the Second Implementation Agreement was signed by TRLIA, Yuba County, RD784, and the Reclamation Board that officially established the completion of the TRLIA phase 4 as the end of 2008.
- On February 6, 2007 the TRLIA Board adopted the Feather Setback levee alternative with understanding that significant funding for the project would need to come from the State via Prop 1E/84.
- On 1 May 2007 TRLIA submitted an application to the State for Prop 1E/84 funding that requested the State provide \$168 million for Phase 4 Feather River levee improvement work. State officials have indicated verbally that a significant portion of the TRLIA funding request will be granted but no formal commitment will be sent until the State Budget is passed. At this time it appears the State Budget impasse will not be resolved until at least September 2007 (could be later).

To achieve the 2008 completion date TRLIA must begin construction of the setback levee foundation this fall (late September/early October) and work thru the winter months so that the levee embankment work could begin next spring.

To accomplish the 2008 objective TRLIA proposes to advertise the Segment 2 work on August 15<sup>th</sup> with bid opening on September 14<sup>th</sup>. The bid document includes "Notice to Contractors",

“Issued for Bid” plans, bid forms, specifications, bonding requirements, and the form of contract to be used for the Phase 4 Segment 2 project. The Issued for Bid Plans and Specifications are approximately 60% complete, which will allow for TRLIA to bring a contractor on board during the completion of the construction documents, permitting process, and land acquisition process to reduce overall project costs. The use of innovative contracting methods and the advertising of TRLIA levee improvement work with less than 100% plans and specifications were approved by the TRLIA Board on January 16, 2007.

The Request for Bids for Segment 2 is similar to the bid documents used on the recent Feather River Segment 1, 3, and site 7 construction projects. The bid documents include several unique aspects listed below:

- Pre-qualification and Project Advertising

This request for bid document includes a “pre-qualification process”. This process is open to contractors who have not previously bid on TRLIA projects. All bidders and potential bidders must attend a pre-bid to be held on August 28, 2007. Pre-Bid qualifications are due on August 31, 2007. Contractors that have been pre-approved for prior TRLIA project bidding shall be pre-qualified for this project.

TRLIA hopes to attract contractors that have not previously bid on TRLIA projects that specialize in large volumes of earthwork. The project shall be advertised in several construction publications previously used on County and TRLIA projects.

- Bid Schedules

The bid documents include the following bid schedules:

*Schedule A Contractor Compensation for Pre-construction Activities*

*Schedule B Levee Foundation*

*Schedule C Levee and Pump Station Construction*

*Schedule D\* Degradation of Existing Levee*

*Schedule E\* Indefinite Delivery/Indefinite Quantity Pricing (ID/IQ)*

The base bid shall consist of the total of Schedules A, B, and C. Schedules D and E shall be contract options to be exercised by TRLIA. The bid shall be awarded based on the lowest total price for the sum of the base bid price plus the bid prices of the options selected by TRLIA.

- Segmented Notice to Proceed

The bid documents include a provision to allow for TRLIA to provide separate “Notices to Proceed” (NTP) for each of the Schedules A through E. **This will allow TRLIA flexibility to perform portions of the work based on timing, funding, land acquisition, and permitting.**

TRLIA reserves the right to withhold a NTP for Schedules B-D listed above subject to the pricing based on the completed drawings and specifications. TRLIA reserves the right to re-bid this project in the event that final construction documents deviate substantially from the bid documents.

- Contractor Compensation for Pre-construction Activities

The bid documents include a provision for the Contractor to provide hourly rates to be paid to the Contractor for “pre-construction activities”. Hourly rates shall be applied to time durations as defined by TRLIA in the bid summary. The Special Provisions for the project include definitions of the key personnel to be furnished to the project by the Contractor.

TRLIA believes that the Contractor’s early involvement will greatly enhance the opportunity to draw upon the Contractor’s experience to provide for “value engineering” and corresponding cost savings. The Contractor’s early involvement should improve construction planning and scheduling.

- Indefinite Delivery/Indefinite Quantity Pricing (ID/IQ)

The bid documents for this project include a bid schedule for items not currently included in the design of the project, but could potentially be added during the completion of the design or via change order during the construction of the project. Quantities shall be developed for these items and shall be included in a separate portion of the bid schedule. These items shall be included in the bid to establish competitive bid unit pricing and minimize disputes over the final contract price for the project.

### **Fiscal Impact**

The preparation of the bids shall be made at the bidders sole expense. The preparation of bid documents, including project design, has been performed under existing contracts with BE-GEI and TRLIA staff.

The potential award of a contract for this project shall be conducted under a future staff report and Board action.