



COMMUNITY DEVELOPMENT AGENCY

ADMINISTRATION AND FINANCE DIVISION

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August 31, 2015

Board of Supervisors
330 Fair Lane
Placerville, CA 95667

Agenda Title: 9/1/2015 Crack Seal and Remark Runway 5-23, Taxiways, Aprons and Taxilanes Project at the Placerville Airport Award of Bid, Legistar #15-0695

Meeting Date: September 1, 2015

Dear Members of the Board:

Community Development Agency, Administration and Finance Division, recommending the Board take the following actions pertaining to the Crack Seal and Remark Runway 5-23, Taxiways, Aprons and Taxilanes Project at the Placerville Airport, Contract No. PW 15-31096, CIP No. 93129:

- 1) Award the Construction Contract to Maxwell Asphalt, Inc., the lowest responsive, responsible bidder, in the amount of \$225,121.26, subject to Federal Aviation Administration review and approval;
- 2) Approve and authorize the Chair to sign the Construction Contract (P&C No. 044-C1699), subject to review and approval of the final Contract Documents by County Counsel and Risk Management;
- 3) Authorize the Community Development Agency Director or his designee to sign an Escrow Agreement, if requested by the Contractor and in accordance with Public Contract Code Section 22300, for the purpose of holding Contract retention funds;
- 4) Provide grant award acceptance and approval of the Federal Aviation Administration Grant Agreement and Terms and Conditions of Accepting Airport Improvement Program Grants in an estimated amount of \$248,061 from the United States Department of Transportation, Federal Aviation Administration, and authorize the Community Development Agency Director or his designee to execute all associated documents (P&C No. 138-F1611), subject to review and approval by County Counsel; and
- 5) Provide grant award acceptance and approval for a State of California, Department of Transportation, Aeronautics Division Airport Improvement Program (AIP) Matching Grant in an estimated amount of \$12,403, if successful, and authorize the Community Development Agency Director or his designee to execute all associated documents (P&C No. 144-F1611), subject to review and approval by County Counsel.

Funding

Funding for the Crack Seal and Remark Runway 5-23, Taxiways, Aprons and Taxilanes Project (Project) will be provided by Federal Aviation Administration (FAA) Grant funds (90%) and the Accumulated Capital Outlay (ACO) Fund (10%). (Federal Funds)

Department Recommendation

Award and Sign Construction Contract with Lowest Responsive, Responsible Bidder:

On August 10, 2015, the Community Development Agency (CDA) opened bids for the Project. One bid was received in the amount of \$251,462.75. Maxwell Asphalt, Inc. submitted the bid, which included a bid price of \$35,000 for Item No. M-200, Mobilization. In accordance with Item M-200, Mobilization, Section 200-5.1, Basis of Payment, in Division IV, Technical Provisions, of the Contract Documents, the amount bid for mobilization for the base bid shall not exceed four percent (4%) of the base bid price, excluding the bid price for mobilization. Therefore, based on the bid from Maxwell Asphalt, Inc., the maximum amount allowed for mobilization is \$8,658.51.

Section 200-5.1, Basis of Payment, in Item M-200, Mobilization, states, in part: "Should the bidder exceed the foregoing four percent (4%), the Engineer will make the necessary adjustment to determine the total amount bid based on the arithmetically correct proposal." Maxwell Asphalt, Inc. submitted a letter consenting to the County utilizing this bid provision and the company agreed not to contest the County's application of this bid provision to reduce the amount bid for Item M-200, Mobilization, from \$35,000 to \$8,658.51, a reduction of \$26,341.49, and to revise the total bid for Maxwell Asphalt, Inc. to \$225,121.26 to comply with this bid provision.

The Engineer's Estimate for the Project's direct construction cost was \$257,000; the bid received, as revised, is approximately 12% below the Engineer's Estimate.

The CDA issued the All Bidders Letter on Friday, August 14, 2015, notifying Bidders of the recommendation to the Board for award to Maxwell Asphalt, Inc. and initiating the five-day bid protest period. The bid protest period ended at 2:00 p.m. on Friday, August 21, 2015, with no protests filed.

Maxwell Asphalt, Inc. submitted the lowest bid in the amount of \$225,121.26. The CDA recommends awarding the Construction Contract, subject to FAA review and approval, to Maxwell Asphalt, Inc., as the company which submitted the lowest responsive, responsible bid.

Authorize the Community Development Agency Director or His Designee to Sign Escrow Agreement:

Pursuant to Article 19 of the Instructions to Bidders, "Withholding," of the Contract Documents, the CDA will retain five percent (5%) of the value of work done from each Contractor payment (excluding mobilization payments) as security for the fulfillment of the Contract. Alternatively, Public Contract Code Section 22300 provides that the

Contractor may request that payment of retentions earned be made directly to an Escrow Agent. The Contractor will receive the interest earned on the investment.

In accordance with these provisions, the Contractor may request in writing that the County make payment of retention funds directly into an escrow account, which would necessitate an Escrow Agreement. To help expedite this process, if requested by the Contractor, the CDA requests that the Board authorize the CDA Director or his designee to execute the Escrow Agreement. Upon satisfactory completion of portions of the Contract and upon written notification from the CDA Director, the Contractor will receive incremental releases from the Escrow Agent of retention paid into the account and any interest earned thereon. A portion of the retention and interest will be retained in the escrow account until thirty-five (35) days after the recordation of the Notice of Acceptance of the Contract at which time, upon written notification from the CDA Director, these funds will be released to the Contractor.

Provide Grant Award Acceptance and Approval of the Federal Aviation Administration Grant Agreement and Terms and Conditions of Accepting Airport Improvement Program Grants from the United States Department of Transportation, Federal Aviation Administration, and Authorize the Community Development Agency Director or His Designee to Execute All Associated Documents:

On May 1, 2015, the CDA applied for a FAA grant for Project construction. The FAA's process requires that actual bids be opened and the bid summary submitted to the FAA prior to award of a construction phase grant. On August 14, 2015, the CDA forwarded the bid summary package to the FAA for review and approval to award the Construction Contract and for a grant offer for the construction phase of the Project, currently estimated at \$248,061. On August 26, 2015, the CDA received a letter from the FAA stating that the FAA is agreeable to consideration of approximately the requested grant amount. The CDA is awaiting the official grant offer.

Provide Grant Award Acceptance and Approval for a State of California, Department of Transportation, Aeronautics Division Airport Improvement Program (AIP) Matching Grant, if Successful, and Authorize the Community Development Agency Director or His Designee to Execute All Associated Documents:

In accordance with Board Policy A-6 (Grant Applications), the CDA intends to apply for a State AIP Matching Grant, which, if received, would fund five percent (5%) of the FAA grant amount; however, State matching funds were not programmed in the CDA's 2015 Capital Improvement Program (CIP) as these funds have become unreliable. ACO funds were included instead. If the CDA is awarded a State AIP Matching Grant, a portion of the ACO funds will be replaced with the State matching funds.

The CDA cannot apply for the State AIP Matching Grant until the FAA grant is executed, which compresses the time frames for issuing the Notice to Proceed and beginning Project construction. To expedite this process and keep the Project on schedule, the CDA requests the Board authorize the CDA Director or his designee to execute the documents for the State AIP Matching Grant, currently estimated at \$12,403.

Discussion / Background

The Project provides crack seal in the asphalt concrete pavement cracks of Runway 5-23, the parallel taxiway, taxiway connectors, aprons, and taxilanes at the Placerville Airport to mitigate existing asphalt cracks and slow further deterioration, as well as paint striping to update airfield markings to improve pilot wayfinding and airfield safety.

On June 23, 2015, the Board adopted and approved the Plans and Specifications and authorized advertisement for construction bids for the Project.

Other Department / Agency Involvement

County Counsel will review and approve the FAA Grant Agreement. County Counsel and Risk Management will review and approve the final Construction Contract. If the CDA is successful in obtaining State matching funds, County Counsel will review and approve the State AIP Matching Grant.

Financial Impact

The Project is included in the CDA's 2015 CIP with a construction phase budget of \$290,000. The current estimate for the construction phase of the Project is \$275,623.26, which includes a bid of \$225,121.26; construction administration and observation costs of \$43,502.00; and miscellaneous County administrative costs of \$7,000.00.

Clerk of the Board Follow Up Actions

- 1) Upon approval by the FAA, County Counsel, and Risk Management, the CDA will forward the Construction Contract, together with the required bonds and insurance, and the approved Contract Routing Sheet to the Clerk of the Board to obtain the Chair's signature.
- 2) The Clerk of the Board will forward the fully executed Construction Contract to the CDA for further processing.

Sincerely,



Kate Sampson, Assistant Director
Administration and Finance Division
Community Development Agency