



COMMUNITY DEVELOPMENT AGENCY

TRANSPORTATION DIVISION

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July 8, 2015

Board of Supervisors
330 Fair Lane
Placerville, CA 95667

**Agenda Title: 7/14/2015 Transportation Tahoe Hills Erosion Control Project
Award of Bid, Legistar #15-0283**

Meeting Date: July 14, 2015

Dear Members of the Board:

Community Development Agency, Transportation Division, recommending the Board take the following actions pertaining to the Tahoe Hills Erosion Control Project Contract No. PW 14-31075, CIP No. 95171, P&C No. 403-C1599:

- 1) Award the Construction Contract to Thomas Haen Company, Inc., who submitted the lowest responsive, responsible bid of \$327,824.50;
- 2) Approve and authorize the Chair to sign the Construction Contract, subject to review and approval of the final Contract Documents by County Counsel and Risk Management; and
- 3) Authorize the Community Development Agency Director 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.

Discussion/Background

On June 2, 2015, the Board adopted and approved the Plans and Specifications and authorized advertisement for construction bids for the Tahoe Hills Erosion Control Project (Project) with the bid opening occurring on June 23, 2015.

Department Recommendation

On Tuesday, June 23, 2015, the Community Development Agency, Transportation Division (Transportation) opened bids for the Project. Three bids were received ranging from \$327,824.50 to \$374,745.00. The Engineers Estimate for this Project is \$346,398.50.

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

Transportation issued the All Bidders Letter on Wednesday, June 24, 2015, notifying bidders of the recommendation to the Board for award and initiating the five-day bid protest period. The bid protest period ended at 5:00 p.m. on Wednesday, July 1, 2015, with no protests filed.

Thomas Haen Company, Inc. (Haen) submitted the lowest bid in the amount of \$327,824.50. Transportation recommends award of the Construction Contract to Haen who submitted the lowest responsive, responsible bid.

The estimate for the construction phase of the Project is \$422,629, which includes a bid of \$327,824.50; supplemental items of work totaling \$5,000; construction management, surveying, materials testing, and design support during construction totaling approximately \$77,629; and a contingency of \$12,175.50.

Authorize Community Development Agency Director to Sign Escrow Agreement:

Pursuant to Special Provisions Section 9-1.16F, "Retentions," of the Contract Documents, Transportation 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, Transportation requests that the Board authorize the CDA Director 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 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.

Contract Change Orders (CCOs):

In any contract there is a need to be able to make changes and the CCO process facilitates the ability to make necessary changes when needed within a contract.

Supplemental CCOs:

Certain types of work are necessary to complete the Project which cannot be estimated accurately because they require a variable effort to complete. These items are referred to as Supplemental items and are identified in the Contract Documents as CCO work to be performed and paid for on a time and material basis, using Caltrans standard force

account billing procedures. The work is authorized by issuance of a CCO, which also encumbers the funds anticipated to be needed for each of the planned supplemental items of work and is billed against as the work progresses. The amount of each CCO is based on an evaluation by Transportation staff of the Project components, area, and time frame. Supplemental items in this contract include Rock Excavation estimated at \$3,400.00 and Remove Unsuitable Material estimated at \$1,600.00, totaling \$5,000.00. Because this work is anticipated and budgeted for separately, supplemental CCOs are not included in the 10% cap normally associated with contingency CCOs.

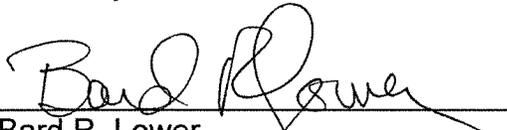
Contingency CCOs:

With construction contracts, there is an expectation that unanticipated changes will be encountered once construction begins. To prepare for this, a contingency budget is set aside. PCC Section 20142 and Resolution 102-2012 authorize the CDA Director to execute individual CCOs, the maximum value of which is based on the original contract amount with a not-to-exceed limit. For this contract the not to exceed limit for individual CCOs is \$28,891.23. This authority is also for a cumulative total of contingency CCOs not to exceed 10% of the original contract value.

Clerk of the Board Follow Up Actions

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

Sincerely,



Bard R. Lower
Transportation Division Director
Community Development Agency