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July 21, 2008

Board of Supervisors
330 Fair Lane
Placerville, CA 95667

Agenda Title: DOT 7/22/08 Sawmill 1B Bike Path Project Award of Bid, Legistar # 08-0546, Item # 20

Meeting Date: July 22, 2008

Dear Members of the Board:

Transportation Department recommending the following pertaining to the Sawmill 1B Bike Path Project, Contract No. 95148:

1. Reject the bid proposal from the apparent low bidder, Gold Valley Construction, Inc., in the amount of \$1,372,172.40 as being non-responsive;
2. Accept the second lowest bid proposal from Correa Construction in the amount of \$1,373,677.00 and award the Construction Contract to Correa Construction as being the lowest responsive, responsible bidder;
3. Chairman be authorized to sign Contract with Correa Construction, subject to review and approval of the final Contract Documents by County Counsel and Risk Management;
4. Authorize the Director of Transportation to execute Contract Change Orders with an individual value up to \$80,000 pursuant to the Public Contract Code (PCC) Section 20142 (b), provided the cumulative total of all change orders is within the contingency budget established for this project and does not exceed 10% of the original contract amount, in accordance with PCC Section 20137; and,
5. Authorize the Chairman to sign Budget Transfer 29001 increasing appropriations and revenues in the amount of \$945,000, which requires a 4/5 vote.

RECOMMENDED ACTION: Approve.

FUNDING: California Tahoe Conservancy (CTC) Grant Funds and Tahoe Regional Planning Agency (TRPA) Mitigation Funds.

BUDGET SUMMARY:		
Total Estimated Cost		\$2,033,627.00
Funding		
Budgeted	\$1,088,627.00	
New Funding	\$ 945,000.00	
Savings	\$	
Other	\$	
Total Funding Available	\$2,033,627.00	
Change To Net County Cost		\$0.00

Fiscal Impact/Change to Net County Cost:

The Construction Contract cost for the construction phase of the Sawmill 1B Bike Path Project (Project) is pursuant to the Correa Construction bid amount of \$1,373,677.00, with an estimated construction contingency within the approved budget of \$299,950, and estimated construction engineering and administration costs within approved budget of \$360,000. Funding for this Project will be provided by the California Tahoe Conservancy (CTC) and the Tahoe Regional Planning Agency (TRPA) Air Quality Mitigation Funds. There is no Net County Cost.

The Transportation Department's (Department) Five-Year Capital Improvement Program and the Fiscal Year (FY) 2008-09 budget include an appropriation amount to construct the subject Project, as well as the Apalachee Phase 3B and Angora 3 Erosion Control Projects. Due to the timing of the construction of these three projects, there is a need to carry over money from FY 2007-08. Therefore, the Department requests that the Board approve the Budget Transfer increasing appropriations and revenue by \$945,000.

Reason for Recommendation:

On June 3, 2008, the Board approved the Project's Plans and Specifications and authorized the Department to advertise for construction bids, with the bid opening scheduled for June 27, 2008. The bid opening was extended to July 8, 2008 to allow for a 30 day comment period per direction from County Counsel.

The Department received 9 bid proposals for the Project as follows:

<u>CONTRACTOR</u>	<u>TOTAL BID AMOUNT</u>
Gold Valley Construction, Inc.	\$1,372,172.40
Correa Construction	\$1,373,677.00
White Rock Construction, Inc.	\$1,592,265.00
Burdick Excavating Co., Inc.	\$1,660,385.00
Gordon N. Ball, Inc.	\$1,788,909.70
Granite Construction Company	\$1,795,795.00
Viking Construction, Inc.	\$1,851,280.00
JCP Bridge and Concrete, Inc.	\$1,928,459.00
Stewart Engineering, Inc.	\$2,110,937.00

After reviewing the bid proposal from Gold Valley Construction, Inc. (GVC), the Department determined that the bid was non-responsive for various reasons listed below.

- Contrary to the requirements of the County's bid documents, GVC listed in their bid proposal a currently unlicensed subcontractor, Statewide Hydroseeding and Revegetation (Statewide), as a hydroseeding subcontractor for a portion of the revegetation work. GVC has asserted that its listing of Statewide was a clerical error in that the actual value of Statewide's work is less than the monetary threshold for listing. However, GVC failed to give the County notice of the alleged clerical error within two working days of bid opening, as required by PCC Section 4107.5.
- Section 10-1.29 of the County's Special Provisions requires that each bidder identify its intended bridge supplier in its bid submittal. GVC, however, failed to identify its intended bridge supplier as required in the bid proposal.

The Department consulted with County Counsel with respect to these items and concluded that the aforementioned deviations from the County's bid documents are not minor irregularities that can be waived and, thus, GVC's bid proposal is non-responsive. The Department has thoroughly reviewed the bid proposal of the second lowest bidder, Correa Construction, and has found Correa Construction to be both responsive and responsible. Accordingly, the Department recommends that the Board award the Construction Contract to Correa Construction, as being the lowest responsive, responsible bidder.

The Engineer's construction cost estimate, excluding a construction contingency amount, for this Project is \$1,979,609.50. The bid from Correa Construction is \$1,373,677.00, which is 31% less than the Engineer's estimate.

Request for Additional Contract Change Order Authority:

PCC Section 20142 (b) allows a Board of Supervisors to authorize the County Engineer or other county officer to order changes in the work of a public contract. This ability to delegate is capped at a specified formula or \$150,000, whichever is less. The Board of Supervisors, by Resolution 106-93 has utilized this provision and delegated to the Directors of Transportation, Environmental Management and General Services, and the Chief Administrative Officer, change order authority not to exceed \$50,000.

However, given the importance of the subject Contract, the short construction season within Tahoe, and the exposure to the County should work be delayed due to a needed change, it is requested the change order limit for this Contract be increased up to the maximum allowed by the PCC Section 20142 (b) of \$80,000, which is consistent with the limits set forth within this PCC Section. This authority is requested provided the cumulative cost of all change orders is maintained within the contingency budget established for the Project and does not exceed 10% of the original contract amount, in accordance with PCC Section 20137.

Action to be taken following Board approval:

1. The Department will forward two (2) approved Construction Contracts to Correa Construction in duplicate form for its signatures.
2. Upon receipt of the two (2) Construction Contracts, in duplicate form from Correa Construction, the Department will submit the final Contract Documents, including the required bonds and insurance, to County Counsel and Risk Management for review and approval.
3. Upon approval by County Counsel and Risk Management, the Department will forward the Construction Contracts, together with the required bonds and insurance, and the approved Contract Routing Sheet to the Board Clerk for the Board Chairman's signature on each duplicate Construction Contract.
4. Upon receipt of the fully-executed duplicative Construction Contracts, the Department will forward one fully executed Construction Contract to Correa Construction, and will issue a Notice to Proceed thereafter. The second fully executed Construction Contract will be retained by the County Clerk of which a copy will be submitted to the Tahoe Engineering Division.
5. The Director of Transportation will execute change orders as approved and/or delegated by the Board.

Sincerely,



Robert S. Slater
Deputy Director, Engineering