



Legislation Details (With Text)

File #: 17-0730 **Version:** 2

Type: Agenda Item **Status:** Approved

File created: 6/27/2017 **In control:** Board of Supervisors

On agenda: 9/12/2017 **Final action:** 9/12/2017

Title: Community Development Services, Administration and Finance Division, recommending the Board take the following actions pertaining to the Crack Seal, Joint Seal & Mark Runway, Taxiways, Aprons & T-Hangar Taxilanes; Change Runway End ID Project at the Georgetown Airport, PW 17-31164, CIP 93527:

- 1) Award the Construction Contract to Maxwell Asphalt, Inc., the lowest responsive, responsible bidder, in the amount of \$243,362.60, subject to Federal Aviation Administration review and approval;
- 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;
- 3) Authorize the Chief Administrative Officer, or designee, to sign an Escrow Agreement, if requested by the Contractor, in accordance with Public Contract Code Section 22300, for the purpose of holding Contract retention funds; and
- 4) Provide award acceptance and approval of the following Grants and authorize the Chief Administrative Officer or designee to execute all associated documents, subject to review and approval by County Counsel:
 - a) The Federal Aviation Administration Grant Agreement and Terms and Conditions of Accepting Airport Improvement Program Grants in an estimated amount of \$276,528 from the United States Department of Transportation, Federal Aviation Administration, and
 - b) A State of California, Department of Transportation, Aeronautics Division, Airport Improvement Program Matching Grant in an estimated amount of \$13,826, if successful.

FUNDING: Federal Aviation Administration Grant Funds (Federal - 90%) and Local/State Funds following the adoption of the final Fiscal Year 2017/18 Budget (10%).

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2A - Bid Summary 9-12-17, 2. Executed Agreement 17-31164 (FENIX 3133), 3. A - Draft Contract Routing Sheet 7-25-17, 4. A - FINAL Contract Routing Sheet 7-25-17, 5. B - Draft Specs 7-25-17, 6. B - FINAL Specs 7-25-17, 7. C - Draft Plans 7-25-17, 8. C - FINAL Plans 7-25-17 (1), 9. D - Vicinity Map 7-25-17

Date	Ver.	Action By	Action	Result
9/12/2017	2	Board of Supervisors	Approved	Pass
7/25/2017	1	Board of Supervisors	Approved	Pass

Community Development Services, Administration and Finance Division, recommending the Board take the following actions pertaining to the Crack Seal, Joint Seal & Mark Runway, Taxiways, Aprons & T-Hangar Taxilanes; Change Runway End ID Project at the Georgetown Airport, PW 17-31164, CIP 93527:

- 1) Award the Construction Contract to Maxwell Asphalt, Inc., the lowest responsive, responsible bidder, in the amount of \$243,362.60, subject to Federal Aviation Administration review and approval;
- 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;
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by the Contractor, in accordance with Public Contract Code Section 22300, for the purpose of holding Contract retention funds; and

4) Provide award acceptance and approval of the following Grants and authorize the Chief Administrative Officer or designee to execute all associated documents, subject to review and approval by County Counsel:

- a) The Federal Aviation Administration Grant Agreement and Terms and Conditions of Accepting Airport Improvement Program Grants in an estimated amount of \$276,528 from the United States Department of Transportation, Federal Aviation Administration, and
- b) A State of California, Department of Transportation, Aeronautics Division, Airport Improvement Program Matching Grant in an estimated amount of \$13,826, if successful.

FUNDING: Federal Aviation Administration Grant Funds (Federal - 90%) and Local/State Funds following the adoption of the final Fiscal Year 2017/18 Budget (10%).

DEPARTMENT RECOMMENDATION

Community Development Services (CDS), Administration and Finance Division, recommending the Board take the following actions pertaining to the Crack Seal, Joint Seal & Mark Runway, Taxiways, Aprons & T-Hangar Taxilanes; Change Runway End ID Project at the Georgetown Airport (Project), PW 17-31164, CIP 93527:

- 1) Award the Construction Contract to Maxwell Asphalt, Inc., the lowest responsive, responsible bidder, in the amount of \$243,362.60, subject to Federal Aviation Administration (FAA) review and approval;
- 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;
- 3) Authorize the Chief Administrative Officer or designee to sign an Escrow Agreement, if requested by the Contractor, in accordance with Public Contract Code Section 22300, for the purpose of holding Contract retention funds; and
- 4) Provide award acceptance and approval of the following Grants and authorize the Chief Administrative Officer or designee to execute all associated documents, subject to review and approval by County Counsel:
 - a) The Federal Aviation Administration Grant Agreement and Terms and Conditions of Accepting Airport Improvement Program Grants in an estimated amount of \$276,528 from the United States Department of Transportation, Federal Aviation Administration, and
 - b) A State of California, Department of Transportation, Aeronautics Division, Airport Improvement Program Matching Grant in an estimated amount of \$13,826, if successful.

DISCUSSION / BACKGROUND

Project Description

The Project will include a crack seal, joint seal, sealcoat and re-striping of the runway, parallel and connector taxiways, apron areas, and T-hangar taxilanes. In addition, based on the Georgetown Airport Layout Plan Narrative Update, the magnetic declination of the runway has changed so the runway number identifiers will be changed accordingly. The construction of the crack seal and paint striping improvements will address and mitigate existing asphalt cracks and slow further pavement deterioration, while updating the airfield markings will improve pilot wayfinding and airfield safety. On July 25, 2017 (Item 15), the Board adopted and approved the Plans and Specifications and authorized advertisement for construction bids for the Project.

Award of Contract

On August 16, 2017, CDS Administration and Finance Division opened bids for the Project. Two bids were received: Maxwell Asphalt, Inc. (Maxwell), submitted a bid in the amount of \$243,362.60, and

American Road Maintenance, Inc., submitted a bid in the amount of \$271,163.50.

The Engineer's Estimate (Estimate) for the Project's direct construction cost was \$400,630.40. The bid received from Maxwell is approximately 39% below the Estimate; and the bid received from American Road Maintenance, Inc., is approximately 32% below.

CDS issued the All Bidders Letter on Thursday, August 17, 2017, notifying Bidders of the recommendation to the Board for award to Maxwell and initiating the five-day bid protest period. The bid protest period ended at 5:00 p.m., on Thursday, August 24, 2017, with no protests filed.

Maxwell has submitted the lowest bid in the amount of \$243,362.60. CDS recommends awarding the Construction Contract, subject to FAA review and approval, to Maxwell as the company which submitted the lowest responsive, responsible bid.

Escrow Agreement:

Pursuant to Article 19 of the Instructions to Bidders, "Withholding," of the Contract Documents, CDS will retain five percent 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, CDS requests that the Board authorize the Chief Administrative Officer or designee to execute the Escrow Agreement. Upon satisfactory completion of portions of the Contract and upon written notification from the Chief Administrative Officer or designee, the Contractor will receive incremental releases from the Escrow Agent of retention paid into the escrow account and any interest earned thereon. A portion of the retention and interest will be retained in the escrow account until thirty-five days after the recordation of the Notice of Acceptance of the Contract at which time, upon written notification from the Chief Administrative Officer or designee, these funds will be released to the Contractor.

Grant Award Acceptance and Approvals

On December 28, 2016, CDS 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 25, 2017, CDS 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 \$276,528. On August 31, 2017, the FAA provided written approval to CDS to award the Construction Contract to Maxwell, in the amount of \$243,362.60. The FAA has also provided verbal approval of the requested grant amount, with CDS awaiting the official grant offer.

In accordance with Board Policy A-6 (Grant Applications), CDS intends to apply for a State AIP Matching Grant, which, if received, would fund five percent of the FAA grant amount; however, State matching funds were not programmed in the CDS 2017 Capital Improvement Program (CIP) or the Fiscal Year 2017/18 budget, as these funds have become unreliable. Accumulated Capital Outlay (ACO) funds were included instead. If CDS is awarded a State AIP Matching Grant, a portion of the ACO funds will be replaced with the State matching funds.

CDS 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, CDS requests the Board authorize the Chief Administrative Officer or designee to execute the documents for the State AIP Matching Grant, currently estimated at \$13,826.

ALTERNATIVES

- 1) Do not award the Construction Contract to Maxwell.
- 2) Cancel the Project. Note: The Board has previously approved the Project in the annual CIP Book and annual budget processes.

Should the Board choose either of the above alternatives, it will result in the loss of \$150,000 in FAA grant funds which expire at the end of the Federal Fiscal Year on September 30, 2017. Additionally, Caltrans conducts annual State permit compliance inspections at both County Airports (the Georgetown and Placerville Airports), and for the past couple of years has noted in its inspection report that in accordance with FAA Advisory Circular 150/5340-1L, *Standards for Airport Markings*, the runway and taxiway airfield markings at the Georgetown Airport are faded and are in need of repainting, so it is critical to advance this Project to the construction phase.

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 CDS is successful in obtaining State matching funds, County Counsel will review and approve the State AIP Matching Grant.

CAO RECOMMENDATION

It is recommended that the Board approve this item if it wants to follow the Caltrans recommendation for the Georgetown Airport.

FINANCIAL IMPACT

This Project is included in the CDS 2017 CIP with a construction phase budget of \$650,000. The current estimate for the construction phase of the Project is \$307,254, which includes a bid of \$243,362.60, construction administration and observation costs of \$54,365, and miscellaneous County administrative costs of \$9,527. The FAA grant covers ninety percent of the Project (\$276,528) and the ACO fund covers the remaining ten percent (\$30,726). The local matching funds will be included in the FY 2017-18 Final Budget which will be considered by the Board on September 19, 2017.

CDS FOLLOW UP ACTIONS

- 1) Upon approval by the FAA, County Counsel, and Risk Management, CDS will forward two (2) original copies of the Construction Contract, together with the required bonds and insurance, and the approved Contract Routing Sheet, to the Clerk of the Board for obtaining the Chair's signature.
- 2) Upon receipt of one (1) fully executed original Construction Contract from the Clerk of the Board, CDS will forward this original to Maxwell for its records.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) The Clerk of the Board will obtain the Chair's signature on two (2) original copies of the Construction Contract.

2) The Clerk of the Board will forward one (1) fully executed original copy of the Construction Contract to CDS Administration and Finance, attention of Sherrie Busby, for further processing.

STRATEGIC PLAN COMPONENT

Infrastructure and Public Safety.

CONTACT

Creighton Avila, Deputy Chief Administrative Officer
Community Development Services, Administration and Finance Division