



## Legislation Text

**File #:** 18-1350, **Version:** 1

Community Development Services, Administration and Finance Division, recommending the Board take the following actions pertaining to the Taxiway Edge Lights Project at the Placerville Airport, Contract 3204, PW 17-31163, Project 93130 / 35401003:

- 1) Waive one minor bid irregularity and award the Construction Contract to KOBO Utility Construction Corp., the lowest responsive, responsible bidder, in the amount of \$496,055;
- 2) Approve and authorize the Chair to sign the Construction Contract, subject to review and approval by County Counsel and Risk Management;
- 3) Authorize the Chief Administrative Officer 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 Federal Aviation Administration Grant Agreement 3-06-0188-019-2018 and Terms and Conditions of Accepting Airport Improvement Program Grants in an amount of \$545,456.00 from the United States Department of Transportation, Federal Aviation Administration, and authorize the Chief Administrative Officer or his designee to execute all associated documents (P&C 348-F1811), 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 Matching Grant in an amount of \$27,272.00, if successful, and authorize the Chief Administrative Officer or his designee to execute all associated documents (P&C 349-F1811), subject to review and approval by County Counsel.

**FUNDING:** Federal Aviation Administration Grant Funds (90%) and Accumulated Capital Outlay Fund (10%). (Federal Funds)

### **DISCUSSION / BACKGROUND**

Waive One Minor Bid Irregularity and Award and Sign Construction Contract with Lowest Responsive, Responsible Bidder:

On August 8, 2018, Community Development Services (CDS), Administration and Finance Division opened bids for the Taxiway Edge Lights Project (Project) at the Placerville Airport. Three bids were received: KOBO Utility Construction Corp. submitted a bid in the amount of \$496,055.00; Vellutini Corporation dba Royal Electric Company submitted a bid in the amount of \$626,626.00; and St. Francis Electric, LLC submitted a bid in the amount of \$888,370.00.

The Engineer's Estimate for the Project's direct construction cost was \$518,700.00; the bid received from KOBO Utility Construction Corp. is approximately 4.4% below the Engineer's Estimate; the bid received from Vellutini Corporation dba Royal Electric Company is approximately 20% above the Engineer's Estimate; and the bid received from St. Francis Electric, LLC is approximately 71% above the Engineer's Estimate.

The bid proposal received from KOBO Utility Construction Corp., the apparent lowest responsive, responsible bidder, contained one minor, immaterial irregularity. KOBO Utility Construction Corp. did not complete one form in its proposal, which consists of a survey of the bidder's business information and its Disadvantaged Business Enterprise (DBE)/non-DBE status. CDS conferred with the County's

airport consultant and with County Counsel and both determined that the irregularity was minor, immaterial, and did not affect the bid prices or the construction work of the Project. County Counsel advised that pursuant to the *Award of Contract* section of the Notice to Bidders in the Contract Documents, the County may waive any irregularity in a bid, as it may best serve the interest of the County, and County Counsel concurred with the recommendation by CDS that the Board waive this irregularity and award the Construction Contract to KOBO Utility Construction Corp. The Disadvantaged Business Enterprise (DBE) Statement form also states that an incomplete form will be treated as an irregular proposal, not a non-responsive proposal. This distinction is significant because the County can waive irregularities and award to the lowest bidder, but cannot award to a non-responsive bid.

CDS issued the All Bidders Letter on Thursday, August 9, 2018, notifying Bidders of the recommendation to the Board for award to KOBO Utility Construction Corp. and initiating the five-day bid protest period. The bid protest period ended at 5:00 p.m. on Thursday, August 16, 2018, with no protests filed.

KOBO Utility Construction Corp. submitted the lowest bid in the amount of \$496,055.00 and has since submitted the completed survey form from the bid proposal documents. CDS recommends the Board waive the irregularity and award the Construction Contract to KOBO Utility Construction Corp., as the company which submitted the lowest responsive, responsible bid.

Authorize the Chief Administrative Officer or His Designee to Sign Escrow Agreement:

Pursuant to Article 19 of the Instructions to Bidders, "Withholding," of the Contract Documents, CDS 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, CDS requests that the Board authorize the Chief Administrative Officer or his designee to execute the Escrow Agreement. Upon satisfactory completion of portions of the Contract and upon written notification from the Chief Administrative Officer or his designee, 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 Chief Administrative Officer or his designee, these funds will be released to the Contractor.

Provide Grant Award Acceptance and Approval of Federal Aviation Administration (FAA) Grant Agreement 3-06-0188-019-2018 and Terms and Conditions of Accepting Airport Improvement Program (AIP) Grants from the United States Department of Transportation, FAA, and Authorize the Chief Administrative Officer or His Designee to Execute All Associated Documents:

On December 28, 2017, CDS submitted an application 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 17, 2018, CDS forwarded the bid summary package to the FAA for review and concurrence to award the Construction Contract and for a grant offer of

\$545,456.00 for the construction phase of the Project. On August 20, 2018, the FAA provided its concurrence via email to CDS to award the Construction Contract to KOBO Utility Construction Corp. in the amount of \$496,055.00, and on August 27, 2018, the FAA emailed its grant offer in the amount of \$545,456.00. CDS is awaiting receipt of the original official grant offer; however, a copy of the grant offer for processing purposes is included as Attachment C. FAA Grant Agreement 3-06-0188-019-2018 must be executed and returned to the FAA no later than September 13, 2018, to allow the FAA time to complete its grant process prior to Federal Fiscal Year 17/18 ending on September 30, 2018.

Provide Grant Award Acceptance and Approval for a Caltrans AIP Matching Grant, if Successful, and Authorize the Chief Administrative Officer or His Designee to Execute All Associated Documents:

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 (5%) of the FAA grant amount; however, State matching funds were not programmed in the CDS 2018 Capital Improvement Program (CIP) as these funds have become unreliable. 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 his designee to execute the documents for the State AIP Matching Grant, in the amount of \$27,272.00.

Background

The Project is included in the CDS 2018 Capital Improvement Program (CIP) as adopted by the Board on June 26, 2018 (Item 61), and is in accordance with the current Airport Layout Plan (ALP) for this Airport.

On July 17, 2018 (Item 18), the Board adopted and approved the Plans and Specifications and authorized advertisement for construction bids for the Project.

The Project includes electrical upgrades on the parallel taxiway and in the electrical vault areas consisting of new light-emitting diode (LED) taxiway edge light fixtures in base cans, new conduit and cable, a new regulator, new guidance signs, and other associated electrical improvements necessary to complete a fully-functioning taxiway edge light electrical system.

The existing electrical system at the Airport includes stake-mounted lights with direct-buried cable and has become unreliable. The construction of the electrical upgrades will provide a safe, reliable electrical system which will improve pilot wayfinding and airfield safety. In addition, the new system will consist of new cans and conduit, which will provide a safer working environment for Airport operations staff and require less maintenance. Installation of LED lights will produce lower electric bills, resulting in a cost savings to the County.

The work required by this Project will result in construction activity on and adjacent to active Airport operating surfaces. The main construction area for this Project will be located at the taxiways. The Airport will remain active during construction, with some runway closures and other shutdowns of isolated areas. Access to hangars will be available at all times during construction. The contractor will be required to comply with the work phasing plan stipulated in the Contract Documents to

minimize interference with aircraft operations, which includes the contractor erecting and maintaining temporary power and lighting necessary to keep the runway and taxiways in operating condition when open for aircraft operations.

### **ALTERNATIVES**

- 1) Do not award the Construction Contract to KOBO Utility Construction Corp.
- 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, the County will not realize the improved safety and cost savings benefits of a new electrical system at the Placerville Airport, and the FAA may permanently revoke its \$545,456.00 grant offer to the County.

### **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

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

### **CAO RECOMMENDATION / COMMENTS**

It is recommended that the Board approve this item.

### **FINANCIAL IMPACT**

The Project is included in the CDS 2018 CIP with a construction phase budget of \$670,000.00. The current estimate for the construction phase of the Project is \$606,062.00, which includes a bid of \$496,055.00; construction administration and observation costs of \$100,842.00; and miscellaneous County administrative costs of \$9,165.00.

### **CDS FOLLOW UP ACTIONS**

- 1) Upon approval by County Counsel, CDS will forward the FAA Grant Agreement for signature by the Chief Administrative Officer or his designee, and send it back to County Counsel for signature on the Certificate of Sponsor's Attorney.
- 2) If successful, upon approval by County Counsel, CDS will forward the State AIP Matching Grant for signature by the Chief Administrative Officer or his designee.
- 3) Upon approval by County Counsel and Risk Management, CDS will forward two (2) originals of 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.
- 4) Upon receipt of the fully executed Construction Contract from the Clerk of the Board, CDS will forward one original to KOBO Utility Construction Corp. 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) originals of the Construction Contract.
- 2) The Clerk of the Board will forward one (1) original of the fully executed Construction Contract to CDS Administration and Finance Division, attention of Sherrie Busby, for further processing.

### **STRATEGIC PLAN COMPONENT**

Infrastructure and Public Safety.

**CONTACT**

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