



## Legislation Details (With Text)

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**Title:** Community Development Services, Department of Transportation, recommending the Board consider the following pertaining to the Cable Road - Culvert Damage Project, Contract PW 17-31157, CIP 78710, P&C 446-C1799:

- 1) Authorize \$63,917 in additional funding for the subject project to reflect the value of the low bid received, raising the estimated total project cost from \$649,895 to \$713,812;
- 2) Award the Construction Contract to the lowest responsive, responsible bidder, Doug Veerkamp General Engineering, Inc.;
- 3) Approve and authorize the Chair to sign the Construction Contract, subject to review and approval by County Counsel and Risk Management; and
- 4) Authorize the Community Development Services, Department of Transportation 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.

**FUNDING:** Local and State discretionary funding initially (100%), with Transportation staff working with the Federal Emergency Management Agency to obtain emergency reimbursement. (State and Federal)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. A- Bid Summary 09-01-17, 2. Executed Agreement 446-C1799

Date	Ver.	Action By	Action	Result
9/1/2017	1	Board of Supervisors	Approved	Pass
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## DEPARTMENT RECOMMENDATION

Community Development Services, Department of Transportation, recommending the Board consider the following actions regarding the Cable Road - Culvert Damage Project, Contract PW 17-31157, CIP 78710, P&C 446-C1799:

- 1) Authorize \$63,917 in additional funding for the subject project to reflect the value of the low bid received, raising the estimated total project cost from \$649,895 to \$713,812;
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## DISCUSSION / BACKGROUND

The Community Development Services (CDS), Department of Transportation (Transportation), received and opened sealed bids for the Cable Road - Culvert Damage Project (Project) on Monday, August 28, 2017, at 2:00 p.m. One bid was received from Doug Veerkamp General Engineering, Inc. (Veerkamp) in the amount of \$447,914, which was over the Engineer's Estimate of \$383,997. The Bid Summary is included for review. Given the remote location of this Project and the recent bidding climate that has generated few bidders submitting high bids, Transportation does not believe that lower prices will be realized by rebidding the Project. Transportation, therefore, recommends the Board award this Project to Veerkamp so that the repairs can be completed before winter.

Since the low bid was slightly higher than the Engineer's Estimate, Transportation is bringing the award of this Project back to the Board, even though the Board delegated Project advertisement and award authority to the Director of Transportation and the Chief Administrative Officer on March 21, 2017 (Item 33). In order to maximize the probability of completing the Project before winter, Transportation worked with the Chief Administrative Office and the Board Clerk's Office to schedule an emergency Board meeting on September 1, 2017, instead of waiting for the next regular Board meeting on September 12, 2017.

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

The Disadvantaged Business Enterprise (DBE) goal for the Project is 5%. Veerkamp submitted its DBE information with its bid and showed it would exceed the DBE goal with 5.3% committed. Transportation has reviewed Veerkamp's DBE Commitment form submittal and finds that the firms listed are certified DBEs under the California Unified Certification Program and meet the criteria for a DBE; that Veerkamp provided sufficient written confirmation from each DBE firm that each is participating in the Contract; and, that Veerkamp has committed to exceeding the Contract DBE goal.

Transportation issued the All Bidders Letter on Thursday, August 31, 2017, notifying the bidder of the recommendation to the Board for award and initiating the two-day bid protest period. No bid protest is anticipated as there was only one bidder.

Transportation recommends award of the Construction Contract to Veerkamp, who submitted the lowest responsive, responsible bid in the amount of \$447,914.20.

### Authorize the CDS Transportation Director to Sign Escrow Agreement:

Pursuant to Special Provisions Section 9-1.16F, "Retentions", 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 (PCC) Section 22300 provides that the Contractor may request that payment of retentions held 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 CDS Director to execute the Escrow Agreement. Upon satisfactory completion of portions of the Contract and upon written notification from the CDS 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, 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.

#### *Contingency CCOs*

With construction contracts, there is an expectation that unanticipated changes will be encountered once construction begins. To prepare for this, a 10% contingency budget is set aside. The budget for contingencies on this Contract based on low bid is \$44,791.42. PCC Section 20142 and Resolution 102-2012 authorize the CDS Director to execute individual CCOs, the maximum value of which is based on the original contract amount with a not-to-exceed limit of \$34,895.71 for this Contract. This authority is also for a cumulative total of contingency CCOs not to exceed 10% of the original Contract value.

#### Project Summary

The Project consists of drainage and roadway improvements to repair failed culverts and water inundation of the roadway that include: removal of existing 36" CMP culvert and replacement with a 11' x 4' reinforced concrete box culvert and headwalls; removal of a failed 12" RCP and placement of an 18" RCP; construction of reinforced concrete headwalls; roadway excavation, import borrow and class 2 AB to rebuild roadway section; erosion control including rolled erosion control product and rock slope protection. The roadway will be closed daily from 8:00 a.m. - 5:00 p.m. and require construction area signs, changeable message signs and traffic control for the duration of this Project.

A California Environmental Quality Act (CEQA) Notice of Exemption was filed on May 17, 2017. FEMA has delegated National Environmental Protection Act (NEPA) authority to the United States Forest Service (USFS) for this Project since the Project is on USFS lands. Transportation is working with the USFS to clear NEPA. Construction will not begin until the USFS has signed off on NEPA.

Transportation is working with the United States Army Corps of Engineers and USFS to obtain all required environmental permits. Construction will not begin until all required permits are executed. Additionally, since the project is on USFS land, Transportation is working with USFS to obtain a special use permit to allow the County permission to perform the work on USFS property. Construction will not begin until this special use permit has been executed.

In order to construct the improvements, Transportation will close Cable Road daily between 8:00 a.m. and 5:00 p.m. Access will be maintained daily for local residents and emergency personnel. The road will be open nights and weekends. A Special Event Permit (Permit Number 1718) for the road closure was approved by the Interim Director of Transportation on August 11, 2017. Transportation has coordinated with local law enforcement and emergency personnel. Transportation will also notify the public of this road closure via the County website, press release, and changeable message signs as needed.

As a federally funded project, the Contract Documents incorporate the DBE requirements. The DBE goal is 5%.

### **ALTERNATIVES**

- 1) Do not authorize the additional funding for the Project. Transportation will reject the bid received and rebid the Project for construction next year.
- 2) Do not award contract and direct Transportation to re-advertise for construction bids.
- 3) Cancel the Project. Note: The CAO and Director have approved the Project previously and the County would not be reimbursed with Federal Emergency Management Agency (FEMA) funds for the Project work completed to date.

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

County Counsel and Risk Management have reviewed and approved the Contract Documents.

### **CAO RECOMMENDATION**

It is recommended that the Board approve this item.

### **FINANCIAL IMPACT**

The Project was authorized by the Board on March 21, 2017 (Item 33), with an estimated total Project cost of \$649,895. The estimated total Project cost based on the low bid amount is \$713,812.

The estimate for the construction phase of the Project is \$559,892.75, which includes a bid of \$447,914.20; construction management, survey, materials testing and design support during construction totaling \$67,187.13; with contingency of \$44,791.42.

This Project is eligible for 75% reimbursement by FEMA and 18.75% reimbursement by California Office of Emergency Services. The remaining 6.25% is local and State discretionary funding. Transportation will continue working with these agencies to obtain the maximum allowable reimbursement.

### **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 for the Chair's signature.
- 2) The Clerk will forward the fully executed Construction Contract to the Community Development Services, Department of Transportation Office Engineer for further processing.

### **STRATEGIC PLAN COMPONENT**

Infrastructure

### **CONTACT**

Rafael Martinez, Director  
Department of Transportation  
Community Development Services