



Legislation Text

File #: 16-0336, **Version:** 2

Department of Transportation, Community Development Services recommending the Board consider and take the following actions pertaining to the Meyers Stream Environment Zone/Erosion Control Project, Contract PW 16-31121, CIP 95179, P&C 087-C1799:

- 1) Award the Construction Contract to the lowest responsive, responsible bidder; said bidder to be determined after the bid opening scheduled for May 25, 2017;
- 2) Approve and authorize the Chair to sign the Construction Contract, subject to final review and approval by County Counsel and Risk Management; and
- 3) Authorize the Department of Transportation Interim Director, or successor, 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: California Tahoe Conservancy Proposition 1 Grant (44% - State), United States Forest Service Grant (42% - Federal), and Tahoe Regional Planning Agency Stream Environmental Zone Mitigation Funds (14% - Local).

DEPARTMENT RECOMMENDATION

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

In order to move forward in an expeditious manner, this item has been prepared prior to receipt of bids. Department of Transportation (Transportation), will receive sealed bids for the Meyers Stream Environment Zone/Erosion Control Project (Project) on Thursday, May 25, 2017, at 2:00 p.m. Transportation will open and read all bids received at that time in conformance with contract bidding requirements. When the bid results become available, the bid summary showing preliminary bid results will be provided to the Board Clerk for attaching to this item.

After Transportation reviews the bids and after the ten-day bid protest period, Transportation will prepare a recommendation to the Board regarding the award of the Construction Contract to the lowest responsive, responsible bidder. Transportation intends to provide the Board with a hard copy recommendation for award at least one day prior to the June 6, 2017, Board meeting. If there is a substantive issue with the responsiveness of the apparent low bidder's bid, or if there is a bid protest, Transportation may ask that this item be continued to a subsequent Board meeting.

Authorize the Transportation Interim Director (Director), or Successor, to Sign Escrow Agreement:

Pursuant to Special Provisions Section 9-1.16F, "Retentions," Transportation will retain 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 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 Director, or successor, to execute the Escrow Agreement. Upon satisfactory completion of portions of the Contract and upon written notification from the Director, the Contractor will receive incremental releases from the Escrow Agent 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 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 the California Department of Transportation (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 and unsuitable material items totaling 1% of the original Contract value. 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 10% contingency budget is set aside. PCC Section 20142 and County Resolution 102-2012 authorize the Director to execute individual CCOs, the maximum value of which is based on the original contract amount with a not-to-exceed limit. This authority is also for a cumulative total of Contingency CCOs not to exceed 10% of the original Contract value.

DISCUSSION / BACKGROUND

The Project is included in the 2016 Capital Improvement Program (CIP) which was adopted by the Board on December 6, 2016 (Item 46). The Project is part of an ongoing effort to retrofit County rights-of-way within the Lake Tahoe Basin with drainage improvements that will reduce the amount of sediment that reaches Lake Tahoe. This Project will help restore Lake Tahoe's clarity in accordance with the Tahoe Regional Planning Agency's (TRPA) Environmental Improvement Program.

All required right-of-way and environmental permits for the Project have been acquired.

On May 9, 2017 (Item 20), the Board adopted and approved the Contract Documents and Plans and authorized advertisement for construction bids for the Project.

ALTERNATIVES

- 1) Do not award the Contract and direct Transportation to re-advertise for construction bids.
- 2) Cancel the Project. Note: The Board has previously approved the Project and canceling may

include the consequence of reimbursing all grant funding received 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

There is no change to Net County Cost associated with this item. The Engineer's Estimate for the construction phase of the Project is \$1,386,800, which includes an estimated bid of \$1,020,000; construction management, survey, materials testing, and design support during construction totaling \$255,000; and combined supplemental and contingency at \$111,800.

Funding for this Project is budgeted in the adopted 2016 CIP with a construction phase budget of \$1,434,000, provided by the California Tahoe Conservancy Proposition 1 Grant, United States Forest Service Erosion Control Grant, and TRPA Stream Environmental Zone Mitigation Funds.

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.

STRATEGIC PLAN COMPONENT

Infrastructure

CONTACT

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