



Legislation Text

File #: 17-0509, **Version:** 1

Community Development Services, Administration and Finance Division recommending the Board approve and authorize the Chair to sign Resolution **108-2017** to authorize the Director of Transportation to award the informal bid contract for \$179,623.52 to Doug Veerkamp General Engineering, Inc., the lowest responsive, responsible bidder for the Ryan Ranch Road Zone of Benefit 98102 Road Maintenance and Improvement Project, Contract No. PW 16-31128, P&C 090-C1775. (4/5 vote required)

FUNDING: Zone of benefit special taxes and developer funding.

DEPARTMENT RECOMMENDATION

The Community Development Services, Administration and Finance Division recommending the Board approve and authorize the Chair to sign Resolution **108-2017** with a four-fifths (4/5) vote to authorize the Director of Transportation to award the informal bid contract for \$179,623.52 to the lowest responsive, responsible bidder for the Ryan Ranch Road Zone of Benefit No. 98102 Road Maintenance and Improvement Project, Contract No. PW 16-31128, P&C No. 090-C1775.

Both the emergency vehicular access (EVA) improvements and chip seal work were planned to be completed during the 2016 construction season. The initial estimated cost for the EVA improvements and chip seal work exceeded \$100,000 and the department issued an informal bid in accordance with County Ordinance 3.14, Public Projects Bidding Procedures, Section 3.14.040 (B), which provides that public projects up to \$175,000 may be let for contract by informal procedures.

The lowest responsive, responsible bidder is Doug Veerkamp General Engineering, Inc. with a bid of \$179,623.52. The bid for the single application of chip seal exceeds the zone and County's estimate by \$2,659.52. The bid for the EVA improvement exceeds the engineer's construction estimate prepared on behalf of East Ridge owners by \$11,817.00. Factors influencing the project cost include: 1) degradation of roadside drainages in the project areas from the historic January and February storms; 2) a significantly increased demand statewide for aggregate base; and 3) significantly higher demand over previous years statewide for construction services to repair storm damaged streets, highways, drainages, bridges, and other public infrastructure.

The bid amount for the EVA improvement also exceeds the estimated amount of Agreement 15-54358 with East Ridge owners by \$11,217.00. Under terms of the agreement, the landowners may review the proposals and either approve the additional amount or confer with the County to reach a mutual agreement about the funding. The landowners have agreed to provide funding in the amount of \$49,964.00 for completion of the EVA improvements.

County Ordinance Section 3.14.050(G) states: "If all bids received are in excess of one hundred seventy five thousand dollars (\$175,000.00) or that amount set forth in Public Contract Code Section 22034, or greater, the Board of Supervisors may, by passage of a resolution by a four-fifths vote, award the contract up to \$187,500.00, or up to that amount set forth by Public Contracts Code § 22034, if greater, to the lowest responsible bidder, if it determines the cost estimate of the county was

reasonable."

DISCUSSION / BACKGROUND

The advisory committee for the Ryan Ranch Road Zone of Benefit presented a work plan with the 2015/2016 fiscal year budget which included a single application of chip seal over a portion of the zone road system at a budget cost of \$99,999.00, similar to the work performed during the 2011 construction season. In 2011, the zone advisory committee requested quotes from three separate contractors for the square footage of chip seal work that could be completed within the zone's recommended budget.

In July 2015, the applicants of East Ridge Village TM 14-1521 including land owners East Ridge Holdings, LLC, El Dorado Land Ventures, LLC and Valley View Realty Investments, LLC, collectively as HBT East Ridge LLC (East Ridge owners) proposed using an unnamed road segment lying within a recorded non-exclusive road and public utility easement across three parcels in the Ryan Ranch Road Zone located adjacent to the East Ridge Village property for an emergency vehicular access for the project. The unnamed road segment was designated as a preferred option by the El Dorado Hills Water and Fire Protection District for an EVA for the proposed East Ridge Village subdivision under the Wildfire Safe Plan. East Ridge Village project conditions of approval require that an EVA be established and constructed prior to the developer commencing construction. The road zone advisory committee met with zone residents and property owners, representatives of East Ridge owners, and the County, and all agreed on the advantages of constructing improvements for the EVA on the unnamed road segment.

The East Ridge owners submitted an engineer's estimate for completing the EVA improvements to the County and subsequently entered into Agreement 15-54358 to provide sufficient funds to cover the construction cost and the portion of County's associated administrative costs (Item 26, July 19, 2016). The estimate included \$34,571.00 for construction costs, with \$3,576.00 contingency for a total of \$38,147.00. \$600.00 was included for administrative costs, bringing the total estimate for the funding agreement to \$38,747.00.

Both the EVA improvements and chip seal work were planned to be completed during the 2016 construction season.

Since the zone has sufficient funds to accommodate the work, the advisory committee decided to include the entire 5.1 mile road system in the bid Work, at an estimated cost of \$127,000.00, based on a cost of \$0.235 per square foot for single application of chip seal. The estimated cost for the EVA improvements used for bidding purposes was \$37,000.00, based on the construction costs provided by East Ridge owners and including a portion of the contingency allowance for all items included in the bid Work. Based on the initial estimated cost for the EVA improvements and chip seal work, the department issued an informal bid in accordance with County Ordinance 3.14, Public Projects Bidding Procedures, Section 3.14.040 (B), which provides that public projects up to \$175,000 may be let for contract by informal procedures.

The Notice to Bidders included a total anticipated project cost of \$164,000.00 for both the single application of chip seal and the EVA improvements.

The bid was advertised on April 13, 2017 with a closing date of April 27, 2017. Three bids were received for this project:

VSS International, Inc. proposed \$0.27 per square foot for the single application of chip seal for \$145,866.96 and \$87,253.04 for the EVA Improvement for a total bid amount of \$233,120.00.

American Pavement Systems, Inc. proposed \$0.29 per square foot for the single application of chip seal for \$156,671.92, and \$63,000.00 for the EVA Improvement for a total bid amount of \$219,671.92.

Doug Veerkamp General Engineering, Inc. proposed \$0.24 per square foot for the single application of chip seal, for \$129,659.52, and \$49,964.00 for the EVA Improvement for a total bid amount of \$179,623.52.

The bid for the single application of chip seal exceeds the zone and County's estimate by \$2,659.52. The bid for the EVA improvement exceeds the engineer's construction estimate prepared on behalf of East Ridge owners by \$11,817.00. Factors influencing the project cost include: 1) degradation of roadside drainages in the project areas from the historic January and February storms; 2) a significantly increased demand statewide for aggregate base; and 3) significantly higher demand over previous years statewide for construction services to repair storm damaged streets, highways, drainages, bridges, and other public infrastructure.

The bid amount for the EVA improvement also exceeds the estimated amount of Agreement 15-54358 with East Ridge owners by \$11,217.00. Under terms of the agreement, the landowners may review the proposals and either approve the additional amount or confer with the County to reach a mutual agreement about the funding. The landowners have agreed to provide funding in the amount of \$49,964.00 for completion of the EVA improvements.

County Ordinance Section 3.14.050(G) states: "If all bids received are in excess of one hundred seventy five thousand dollars (\$175,000.00) or that amount set forth in Public Contract Code Section 22034, or greater, the Board of Supervisors may, by passage of a resolution by a four-fifths vote, award the contract up to \$187,500.00, or up to that amount set forth by Public Contracts Code § 22034, if greater, to the lowest responsible bidder, if it determines the cost estimate of the county was reasonable."

When preparing the bid documents, staff considered the zone advisory committee's estimate of \$0.235 per square foot for the chip seal work to be reasonable. The low bidder's bid amount was based on a per square foot price of \$0.24, a difference of one-half cent from the zone's and County's estimate.

East Ridge owners submitted the cost estimate of \$34,571.00 with a contingency allowance of \$3,576.00 for a total of \$38,147.00 for the EVA improvements in August of 2015. Transportation Division and Administration and Finance Division staff reviewed the estimate, considered it to be reasonable, and entered into the Agreement with East Ridge owners for that portion of the Work.

The Division seeks concurrence of the Board regarding reasonability of the cost estimates.

The time required to either have the contract awarded by the Board or to obtain delegated authority for the Director of Transportation to make the award will delay the bid award beyond the 60-day period described in the bid documents. Doug Veerkamp General Engineering, Inc. has advised the County there is no intent to withdraw their bid, and consent to continuing with the contract award.

ALTERNATIVES

The Board may determine not to award the contract and direct CDS Administration and Finance to conduct a formal bid for the work. This work was originally planned for the 2016 Construction season. Doing so will result in further delay in performance of the Work. Under the current bidding environment, conducting a formal bid for the same work will likely have no economic advantage, and in fact, will most probably result in higher costs to the zone and the East Ridge owners.

The Board may choose not to delegate authority to the Director of Transportation to award to the informal contract. This would further delay the award until the contract documents may be brought to the Board at a later date, and could further delay completion of the work and increase costs.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel, Procurement & Contracts

CAO RECOMMENDATION

It is recommended that the Board approve this item.

FINANCIAL IMPACT

Approval of Resolution **XXX-2017** will allow award of the informal bid, resulting in a cost of \$179,623.52 to the County; of which \$129,659.52 will be paid from County Service Area 9, Zone of Benefit 98102 special taxes, and \$49,964.00 from HBT East Ridge, LLC. Additional costs that may result from a construction change order, if any, will be paid either by the Zone or by HBT East Ridge, LLC, as appropriate for the nature of the change order. There is no impact to the General Fund or the Road Fund.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1.) The Clerk of the Board will obtain the Chair's signature of the Resolution.
- 2.) The Clerk of the Board will forward one copy of the fully executed Resolution the Agency.

STRATEGIC PLAN COMPONENT

Good Governance, Public Safety, Infrastructure

CONTACT

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Community Development Services
Administration and Finance Division