



Legislation Text

File #: 23-1334, **Version:** 1

Department of Transportation recommending the Board take the following actions pertaining to the Meyers Stream Environment Zone/ Erosion Control Project, Capital Improvement Program project number 36107007, Contract 7377, with an estimated construction phase total cost of \$2,341,732.

- 1) Award the Construction Contract to MKD Construction, Inc., the lowest responsive, responsible bidder;
- 2) Approve and authorize the Chair to sign the Construction Contract, subject to review and approval by County Counsel and Risk Management; and
- 3) Authorize the Director of Transportation 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: United States Forest Service (44% - Federal), California Tahoe Conservancy (23% - State), State Water Resource Control Board (12% - State), Tahoe Regional Planning Agency (11% - Local), and South Tahoe Public Utility District (10% - Local).

DISCUSSION / BACKGROUND

The Meyers Stream Environment Zone/Erosion Control Project (Project) site is within an existing residential development located in the unincorporated area of South Lake Tahoe, north of U.S. Highway 50/State Route 89, along East San Bernardino Avenue from Bakersfield Street to San Diego Street. 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. The Project will help to meet goals identified in the El Dorado County Stormwater Resource Plan and the Lake Tahoe Environmental Improvement Program.

This Project has federal funding, requiring compliance with California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA). The Initial Study/Mitigated Negative Declaration was adopted by the Board on July 19, 2016 (Legistar 16-0219, Item 28).

All necessary environmental permits have been obtained for this Project.

All needed right of way has been secured for the Project.

The Contract Documents include all required federal provisions.

On June 6, 2023, the Board adopted and approved the Plans and Specifications and authorized advertisement for construction bids for the Project (Legistar #23-0890, Item 36). The Department of Transportation (Transportation) then opened the Project for bidding, with the bid opening scheduled for June 30, 2023.

Transportation received one bid, which was opened at 2:00 p.m. on June 30, 2023. The bid price received was \$2,177,777 (Engineer's estimated bid was \$1,961,199.25). Transportation is coordinating with the South Tahoe Public Utility District to account for the increased cost pertaining to

its portion of the work. Transportation anticipates the Project to extend into a second construction season and therefore plans to also request additional funding during the off-season for additional funds.

DEPARTMENT RECOMMENDATION

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

On Friday, June 30, 2023, at 2:00 p.m., Transportation opened bids for the Project, Capital Improvement Program (CIP). One Bid was received in the amount of \$2,177,777.

MKD Construction, Inc. (MKD) submitted the lowest bid for the Project. In review of the bids, Transportation discovered that MKD inaccurately dated their proposal with an incorrect year. Upon further review and evaluation, Transportation believes this should be waived as an immaterial difference. In order to submit an electronic bid, MKD was required to submit their proposal on the Quest e-bid system. In addition to this, MKD downloaded and acknowledged the posted addenda. It was clear that the incorrect listed year is a minor clerical error on the part of MKD.

Transportation issued an All Bidders Letter on Friday, July 7, 2023, notifying the bidder of the recommendation to the Board for award of the contract to MKD Construction, Inc. and initiating the bid protest period. No bid protests were received. MKD's total bid for the project is \$2,177,777.

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 is \$217,777.70. PCC Section 20142 and Resolution 102-2012 authorize the Director to execute individual CCOs, the maximum value of \$133,888.85, 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.

ALTERNATIVES

- 1) The Board could choose not to award the Contract and direct Transportation to re-advertise for construction bids.
- 2) The Board could choose to cancel the Project.

PRIOR BOARD ACTION

See Discussion/Background section above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

The total estimated combined cost for Project construction is \$2,341,732, which includes construction items of work, construction management, inspection, materials testing, supplemental costs, and contingencies.

Funding for the Project is budgeted in the 2023 Capital Improvement Program approved by the Board on June 6, 2023 (Legistar #23-0851, Item 56), with construction funds provided by United States Forest Service, State Water Resource Control Board, South Tahoe Public Utility District, and Tahoe Regional Planning Agency mitigation funds. Transportation will update the project's budget accordingly during the CIP update anticipated in December.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) Upon approval by County Counsel and Risk Management, Department of Transportation will forward two (2) originals of the Construction Contract #7377, 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 one (1) fully executed Construction Contract to Department of Transportation, attention of Jen Rimoldi, Office Engineer Group, for further processing.

STRATEGIC PLAN COMPONENT

Infrastructure

CONTACT

Rafael Martinez, Director
Department of Transportation