



## Legislation Text

File #: 25-0426, Version: 1

Department of Transportation recommending the Board take the following actions pertaining to the County Service Area (CSA) 5 - Phase 3 Erosion Control Project (located within the Tahoma Community), Capital Improvement Program project number 36107003, Contract No. 8849:

- 1) Award the Construction Contract to Globe Engineering Development, who was the lowest responsive, responsible bidder;
- 2) Approve and authorize the Chair to sign the Construction Contract in the amount of \$485,077, 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.

(District 5)

**FUNDING:** United States Forest Service (USFS) (64%), County Service Area (CSA) #5 Funds (24%), South Tahoe Public Utility District (STPUD) (4%), and Tahoe Regional Planning Agency/Water Quality (TRPA-WQ) (8%).

### **DISCUSSION / BACKGROUND**

The County Service Area (CSA) #5 - Phase 3 Erosion Control Project (Project) will construct erosion control and water quality improvements in the Tahoma community. The work will take place along Tahoma's local streets including Pine Street, McKinney Road, Miami Avenue, and Elm Street. The Project will replace aging infrastructure, enhance drainage efficiency, and improve stormwater runoff quality. These improvements will reduce the discharge of sediment and pollutants into Lake Tahoe from County administered rights-of-way in the CSA #5 - Phase 3 Project area. By implementing these improvements, the Project will benefit the area's natural environment and ecological health by helping to separate pollutants from stormwater runoff before the runoff enters Lake Tahoe.

The Project was approved for advertisement by the Board on January 28, 2025 (Legistar file 24-2109).

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

On Thursday, February 20, 2025 at 2:00 p.m., Department of Transportation (Transportation) opened bids for the Project. Ten (10) bids were received ranging from \$485,077.00 to \$747,777.00.

Transportation issued the All Bidders letter on February 21, 2025, notifying the bidders of the recommendation to the Board for award of the Contract to Globe Development Engineering (Contractor) and initiating the bid protest period. The bid protest period ended with no protests filed.

### Authorize the Director of Transportation (Director) to Sign Escrow Agreement:

Pursuant to Section 9-1.16F(1), "Retentions" of the Contract Documents, 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 Director 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 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. PCC Section 20142 and Resolution 102-2012 authorize the Director to execute individual CCOs, the maximum value of which is based on the original contract amount. 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**

January 28, 2025 (Legistar file 24-2109) the Board approved advertisement for the Project.  
June 20, 2023 (Legistar file 23-1057) the Board adopted the Project's Negative Declaration.

**OTHER DEPARTMENT / AGENCY INVOLVEMENT**

County Counsel and Risk Management

**CAO RECOMMENDATION / COMMENTS**

Approve as recommended.

**FINANCIAL IMPACT**

The total estimated combined cost for Project construction is \$654,701, which includes construction items of work, supplemental items of work, construction management, inspection, materials testing, and contingencies.

**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 #8849, 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**

N/A

**CONTACT**

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Department of Transportation