



# Board Agenda Item 44

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DATE: May 8, 2018

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director  
Department of Public Works and Planning

SUBJECT: Contract No. 17-25-C, Bituminous Seal Coats at Various Locations in Fresno County

RECOMMENDED ACTION(S):

- 1. Adopt plans and specifications and award Contract No. 17-25-C, Bituminous Seal Coats at Various Locations in Fresno County to the low bidder, Sierra Nevada Construction, 2055 E. Gregg Street, Sparks, Nevada, in the total amount of \$1,108,531.75 for the base bid.**
- 2. Authorize the Director of Public Works and Planning, or his designee, to execute Contract Change Orders up to \$67,926, which is approximately 6.13% of the total contract construction cost, the limit allowable under California Public Contract Code, section 20395(d) for Contract 17-25-C.**

Approval of the first recommended action will authorize the award of a budgeted road improvement project. Approval of the second recommended action will allow the Director, or his designee, to execute change orders up to the statutory limit. This item pertains to locations in Districts 1, 4 and 5.

ALTERNATIVE ACTION(S):

If the first recommended action is not approved, it will result in cancellation of the project. If the second recommended action is not approved, the Director's, or his designee's, authority to approve Contract Change Orders will be limited to \$33,585.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended actions. The anticipated construction cost of the project, based on the low bid and including an allowance for contingencies, is \$1,176,458 (contract plus change orders). Sufficient appropriations are included in the Public Works and Planning - Roads Org 4510 FY 2017-18 Adopted Budget.

DISCUSSION:

The work to be done consists, in general, of furnishing and placing screenings over asphaltic emulsion at various existing roads in Fresno County. The seal coat will be constructed on 29.4 miles of roadway on County roads. An additional 8.5 miles of County roads were included as additive bids, but due to higher than anticipated costs, they are not being recommended for award.

For road projects, Public Contract Code (PCC), section 20395(d) limits the extent to which the Director may be authorized to execute Contract Change Orders to 10% of the first \$250,000, plus 5% of the contract amount in excess of \$250,000, up to a maximum authorization of \$210,000. For this project, this amounts to \$25,000, plus 5% of \$858,531 for a total authorization of \$67,926. However, the Board's policy, last updated in 1991, limits the Director's authority to the amount of 10% of the first \$25,000, plus 1% of the contract amount in excess of \$250,000, up to a maximum authorization of \$100,000. For this project, this amounts to \$25,000, plus 1% of \$858,531 for a total authorization of \$33,585. Your Board's authorization for the Director to approve Contract Change Orders up to the PCC limit would prevent the need for the Department to return to your Board to approve change orders in excess of your Board's policy limit. This will reduce the time required to process changes, reduce paperwork, help keep cost down, and reduce potential claims for additional cost and time due to administrative delays. This Change Order authorization would not apply to, nor allow changes to the scope of the work.

The Department received six bids for this project on April 10, 2018. Bids were compared, for the purposes of identifying the low bidder, on the basis of the lowest bid received for the total of the base bid and all additive bids, even though only the base bid is being recommended for award.

The low bid of \$1,475,007 is \$368,726 or 33.33% higher than the engineer's estimate of \$1,106,280.45. This is due to higher than anticipated costs for traffic control and mobilization. In order to estimate traffic control costs, it was anticipated that approximately 10 of the 30 working days for the project would be occupied by review and approval of submittals, leaving 20 days that would require traffic control. In speaking with traffic control companies and general contractors in the area, staff determined that the going daily rate was approximately \$2,000 to \$3,000 for the type of setup needed for this type of work. The higher end of the rates were used to determine the cost in the engineer's estimate (\$58,846); however, costs were much higher than anticipated and this is likely due to the fact that there is a significant amount of work currently available, making bids less competitive. When contractors wish to increase their margins, they typically increase bid items for mobilization and for traffic control. Mobilization is paid in accordance with the PCC whereby mobilization payments are made proportionally based on the percentage of completion of the project. Traffic control payments are distributed based on the number of working days during which traffic control is required.

Since it has become apparent in recent bids that traffic control and mobilization costs are coming in higher than expected, in the future, estimated costs for those activities will be increased to match recent bids. This will be accomplished by reviewing the most recent project bids for the County, Caltrans, and from other local agencies. This action should help keep any future engineer's estimates within the range of contractor's bids.

The bidders and their respective bid amounts are shown below:

| <u>Bidder</u>                     | <u>Base Bid</u> | <u>Base Bid + All Additives<br/>(Basis of Award)</u> |
|-----------------------------------|-----------------|------------------------------------------------------|
| Sierra Nevada Construction, Inc   | \$1,108,531.75  | \$1,475,007.00                                       |
| Intermountain Slurry Seal, Inc.   | \$1,206,725.15  | \$1,570,569.40                                       |
| Northwest Paving, Inc.            | \$1,147,408.00  | \$1,594,289.00                                       |
| Telfer Pavement Technologies, LLC | \$1,187,565.15  | \$1,628,290.40                                       |
| VSS International, Inc.           | \$1,280,734.52  | \$1,780,721.40                                       |
| Graham Contractors, Inc           | \$1,426,351.15  | \$1,916,306.40                                       |

Project Specifications were prepared by the Department's Design Division. It is anticipated that construction will begin in June 2018 and will be completed in July 2018. Upon completion of the project, the Director will issue the Notice of Completion and accept the project on behalf of the County.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Location Maps

CAO ANALYST:

Sonia M. De La Rosa