

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 8/11/2015	(3) CONTACT/PHONE Jeff Werst, Design Division Manager (805) 781-4480	
(4) SUBJECT Submittal of bid opening report for the San Miguel Gateway and Pedestrian Enhancements, San Miguel, to award the subject contract to Souza Construction, Inc., the lowest responsible bidder, in the amount of \$385,650; and authorize a budget adjustment in the amount of \$240,781, to increase the funding appropriation for the project. District 1.			
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is recommended that the Board: <ol style="list-style-type: none"> 1. Reject the bid submitted by Sansone Company, Inc., based on the final decision of the Public Works Director that the bid of Sansone Company, Inc. is nonresponsive, as described in the "Final Decision on Responsiveness of the Bid by Sansone Company, Inc." dated 7/22/15 and attached to this Board Letter; 2. Award the subject contract (No. 300470, Federal Aid Project No. HSIPL-5949(139)) for the Base Bid plus Additive 1 to Souza Construction, Inc., the lowest responsive, responsible bidder, at \$385,650; 3. Authorize the Public Works Director or his designee to approve change orders with a contingency budget of \$38,565 plus an additional amount of \$19,283 for traffic control and supplemental work for a final total construction budget of \$443,498; and 4. Authorize a budget adjustment, by a 4/5 vote, in the amount of \$240,781 to increase the funding appropriation for the project. 			
(6) FUNDING SOURCE(S) Federal-STPL and Road Fund	(7) CURRENT YEAR FINANCIAL IMPACT Estimated Project Cost = \$882,951.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001579		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1516008 <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 5/19/15, #1	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 1			

Reference: 15AUG11-C-8

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Jeff Werst, Design Division Manager
Michael Britton, Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 8/11/2015

SUBJECT: Submittal of bid opening report for the San Miguel Gateway and Pedestrian Enhancements, San Miguel, to award the subject contract to Souza Construction, Inc., the lowest responsible bidder, in the amount of \$385,650; and authorize a budget adjustment in the amount of \$240,781, to increase the funding appropriation for the project. District 1.

RECOMMENDATION

In accordance with applicable State Law, it is recommended that the Board:

1. Reject the bid submitted by Sansone Company, Inc., based on the final decision of the Public Works Director that the bid of Sansone Company, Inc. is nonresponsive, as described in the "Final Decision on Responsiveness of the Bid by Sansone Company, Inc." dated 7/22/15 and attached to this Board Letter;
2. Award the subject contract (No. 300470, Federal Aid Project No. HSIPL-5949(139)) for the Base Bid plus Additive 1 to Souza Construction, Inc., the lowest responsive, responsible bidder, at \$385,650;
3. Authorize the Public Works Director or his designee to approve change orders with a contingency budget of \$38,565 plus an additional amount of \$19,283 for traffic control and supplemental work for a final total construction budget of \$443,498; and
4. Authorize a budget adjustment, by a 4/5 vote, in the amount of \$240,781 to increase the funding appropriation for the project.

DISCUSSION

In accordance with direction from your Board, bids for the subject contract were opened on Thursday, June 18, 2015.

Three bids were received. They are as follows:

<u>Bidder</u>	<u>Base Bid</u>	<u>Additive 1</u>	<u>Additive 2</u>	<u>Total Bid</u>
Sansone Company, Inc.	\$226,874.25	\$133,394.70	\$39,135.00	\$399,403.95
Souza Construction, Inc.	\$232,486.00	\$153,164.00	\$37,550.00	\$423,200.00
Specialty Construction, Inc.	\$278,246.00	\$158,308.00	\$44,250.00	\$480,804.00
Engineer's Estimate	\$204,425.00	\$142,500.00	\$30,000.00	\$381,925.00

*Note: Base Bid: Construction of Gateway Monument signs along Route 101, northbound and southbound
 Additive 1: Pedestrian walkway along Mission Street, 9th Street to 11th Street
 Additive 2: Solar powered lighting of Gateway Monument signs*

Review of Bids

Bids on the contract were opened on June 18, 2015 and subsequently reviewed by the Public Works Department. Bids are evaluated by Public Works for compliance with contract requirements, and as prescribed in Section 3-1.01 of the contract documents, the award of the contract would be to the responsible bidder with the lowest responsive bid price.

After reviewing the bid submitted by the apparent low bidder, Sansone Company, Inc. (SCI), Public Works made an initial determination that SCI's bid was non-responsive due to SCI's failure to meet the Disadvantaged Business Enterprises (DBE) requirements set forth in the bidding documents. In accordance with paragraph 1.1.9 of Section 13 "Rules Governing Bid Protests and Other Challenges to Awards of Construction Contracts" ("Rules") of the Contract documents, a written notice of the Initial Determination was sent to SCI on July 2. Included with the notice was staff's "Evaluation of Good Faith Effort" memorandum (dated 6/30/15) describing the reasons for the determination. SCI responded to the written notice via e-mail (received 7/6/15) indicating that SCI would not protest the determination, and in compliance with the Rules, the Public Works Director subsequently rendered a final decision determining the bid of SCI to be non-responsive. A copy of the "Final Decision on Responsiveness of the Bid by Sansone Company, Inc.," including associated documents and a written notice of final decision that was sent to SCI on July 28, is attached to this Board letter.

Based on the final decision of the Public Works Director that the bid of SCI is nonresponsive, it is recommended that the Board reject the bid submitted by SCI. We have reviewed the bid submittal from Souza Construction, Inc. and verified that they are the lowest responsive, responsible bidder. Though the bids were slightly higher than the engineer's estimate, the bid prices for the base and additive bid items were favorable in comparison with project funding, and it is therefore recommended that the Board award the contract to Souza Construction, Inc., and include in the award the base and additive bid item #1. The total of the base and additive bid item #1 is \$385,650.

Project Background Information

As previously programmed by SLOCOG and allocated by Caltrans, this project would place Gateway Monuments along US 101 at both ends of San Miguel – one near the Mission Street off-ramp for southbound traffic, and one south of the Mission Street off-ramp for northbound traffic – along with sidewalks to be installed along the west side of Mission Street from 9th Street to 11th Street. This project is a continuation of previous Mission Street streetscape enhancement construction contract work.

OTHER AGENCY INVOLVEMENT/IMPACT

The San Miguel Gateway Monument Ad Hoc Committee and the San Miguel Advisory Council have expressed their support of the final Gateway Monument design. The San Miguel Chamber of Commerce has indicated their intention to provide on-going maintenance of the Gateway Monuments.

Caltrans has provided oversight, through Local Assistance, of the funding process and in environmental documentation, and has issued an encroachment permit which allows for the construction of the Gateway Monuments within the State right-of-way.

FINANCIAL CONSIDERATIONS

This is a multi-year project in the Road Fund at \$642,170 – WBS 300470. The total project costs are estimated at \$882,951. Funding for the project will come from Federal Surface Transportation Program – Local (STPL), in the amount of \$568,513 and the Road Fund, in the amount of \$73,657. The funding shortfall of \$240,781 will be funded from the Road Fund's Designated Reserve for Future Projects and this will leave a remaining reserve balance of approximately \$3,830,000.

It is necessary for Your Board to authorize a budget adjustment, in the amount of \$240,781, by a 4/5 vote, to increase the funding appropriation of the project.

Please see Exhibit "A" for an estimated cost breakdown of the project.

RESULTS

The immediate result of the recommended action will be the construction of this project, which will provide for a more prosperous and livable community.

File: Contract No. 300470

c: Resident Engineer
Construction Engineer
Sansone Company, Inc., Contractor

Reference: 15AUG11-C-8

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ATTACHMENTS

1. Vicinity Map
2. Exhibit A – Project Cost Estimates
3. Final Decision on Responsiveness of the Bid by Sansone Company, Inc.
4. Notice of Final Decision