

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

(1) DEPARTMENT Public Works	(2) MEETING DATE 4/19/2016	(3) CONTACT/PHONE Jeff Werst, Design Division Manager (805) 781-4480	
(4) SUBJECT Submittal of bid opening report for Widening of Price Canyon Road between Ormonde Road and Highway 227 near Pismo Beach, to award the subject contract to Whitaker Construction Group, Inc., the lowest responsive, responsible bidder, in the amount of \$5,126,236, and authorize a budget adjustment in the amount of \$429,000 to increase the appropriation and associated funding. District 3.			
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is recommended that the Board: <ol style="list-style-type: none"> 1. Award the subject contract (No. 300464) to Whitaker Construction Group, Inc., the lowest responsive, responsible bidder, at \$5,126,236.40; 2. Authorize the Public Works Director or his designee to approve change orders for a contingency amount up to \$512,624 plus an additional amount of \$51,500 for traffic control and supplemental work, for a final total construction amount of \$5,690,360.40; and 3. Authorize a budget adjustment in the amount of \$429,000, by reallocating funding of \$199,000 from See Canyon Road Slipout #2; \$100,000 from Santa Rosa Creek Slope Stabilization; and \$130,000 from El Camino Real Left Turn Lane at Santa Clara, to increase the appropriation and associated funding, by a 4/5 vote, for the Widening of Price Canyon Road project. 			
(6) FUNDING SOURCE(S) Regional State Highway Account, Federal Surface Transportation Improvement Program, Federal Congestion Mitigation Air Quality, Road Fund	(7) CURRENT YEAR FINANCIAL IMPACT Estimated Project Cost = \$7,690,999	(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) 19001641		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1516133 <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: 1/5/16, #3	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 3			

Reference: 16APR19-C-11

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: 4/19/2016

SUBJECT: Submittal of bid opening report for Widening of Price Canyon Road between Ormonde Road and Highway 227 near Pismo Beach, to award the subject contract to Whitaker Construction Group, Inc., the lowest responsive, responsible bidder, in the amount of \$5,126,236, and authorize a budget adjustment in the amount of \$429,000 to increase the appropriation and associated funding. District 3.

RECOMMENDATION

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

1. Award the subject contract (No. 300464) to Whitaker Construction Group, Inc., the lowest responsive, responsible bidder, at \$5,126,236.40;
2. Authorize the Public Works Director or his designee to approve change orders for a contingency amount up to \$512,624 plus an additional amount of \$51,500 for traffic control and supplemental work, for a final total construction amount of \$5,690,360.40; and
3. Authorize a budget adjustment in the amount of \$429,000, by reallocating funding of \$199,000 from See Canyon Road Slipout #2; \$100,000 from Santa Rosa Creek Slope Stabilization; and \$130,000 from El Camino Real Left Turn Lane at Santa Clara, to increase the appropriation and associated funding, by a 4/5 vote, for the Widening of Price Canyon Road project.

DISCUSSION

Project Background Information

Price Canyon Road is a regional arterial roadway serving as an alternate route to State Highway 101 for traffic between San Luis Obispo and the Five Cities. The project to widen Price Canyon Road was originally initiated in 1999, with the intent of widening the road from Ormonde Road to Highway 227, resulting in a roadway with full eight-foot shoulders from the Pismo Beach City limits to Highway 227 in Edna.

In 2011, due to funding constraints at both the State and Federal level, Price Canyon Road was widened only for a portion of this segment from Corral De Piedra Road to West Corral De Piedra Creek near Route 227. This project will widen the remainder of Price Canyon Road from Ormonde Road to Highway 227. The project objective is to improve safety and operations as well as create a Class II bike lane. Completion of this project will provide a critical link between San Luis Obispo and the South County area for cyclists.

Bid Results

In accordance with direction from your Board, bids for the subject contract were opened on Thursday, February 11, 2016.

As the project is partially funded with Federal sources, it is subject to federal Disadvantaged Business Enterprise (DBE) requirements, and the bidders were notified that the project had a goal of 9% for subcontractor participation. Bidders are required to either meet the DBE goal or provide a well substantiated "Good Faith Effort (GFE)" of seeking registered DBE subcontractor involvement in their bid preparation.

Five bids were received. They are as follows:

	<u>Amount</u>	<u>DBE Participation</u>
Engineer's Estimate	\$4,733,934.10	9% goal
Whitaker Construction Group, Inc.	\$5,126,236.40	3.5%
CalPortland Construction	5,417,083.70	9.7%
John Madonna Construction Co., Inc.	5,514,967.53	6.4%
Raminha Construction, Inc.	5,752,211.00	15.04%
Papich Construction Co., Inc.	5,865,247.64	9.2%

Bids came in well above the Engineer's Estimate based on higher than expected unit costs for retaining walls and slope stability systems necessary to construct the road widening.

Review of Bids

The apparent low bidder was Whitaker Construction Group, Inc., whose bid came in 8.3% above the Engineer's Estimate. All bids were subsequently evaluated by Public Works Department staff for compliance with contract requirements. 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. Award must also address the DBE requirements.

The bid documents submitted by the apparent low bidder, Whitaker Construction Group, Inc. (WCGI) indicated that WCGI did not attain the DBE goal of 9% and provided a "Good Faith Effort" DBE participation of 3.5%. The second lowest bidder (CalPortland Construction) and the third lowest bidder (John Madonna Construction) had DBE participation rates of 9.7% and 6.4%, respectively.

After the bids were opened on February 11, 2016, the County received a protest from CalPortland Construction on February 22, 2016, pertaining to WCGI's DBE participation rate. On March 4, 2016, the County Public Works Design Division issued an Initial Determination of Finding of Non-Responsiveness ("Initial Determination") pursuant to the "Rules Governing Bid Protests and Other

Challenges to Awards of Construction Contracts” (“Bid Protest Rules”) set forth in the Contract Documents. The Initial Determination by County Public Works staff initially stated that WCGI’s bid was non-responsive due to not attaining the DBE contract goal of 9.0% or demonstrating an adequate “Good Faith Effort” to meet the DBE participation goal for this Project.

In a letter dated March 10, 2016, WCGI stated that it was protesting the Initial Determination, and requested that it be allowed to make an oral presentation to substantiate its GFE in preparing their bid. At a reconsideration meeting held on March 24, 2016, additional information was presented to the Public Works Director by WCGI to further substantiate an adequate good faith effort to meet the project DBE contract goal. The Public Works Director subsequently issued a Final Determination (dated April 1, 2016) granting the protest submitted by WCGI, and denying the protest submitted by CalPortland. In accordance with the Bid Protest Rules, the Final Determination constitutes the “final decision” of the Department Head and the County on the bid protest and the responsiveness of WCH’s bid. As described in the Final Determination which is attached to this Board letter, it is therefore the recommendation of the Public Works Director that the contract be awarded to Whitaker Construction Group, Inc.

OTHER AGENCY INVOLVEMENT/IMPACT

Your Board has previously approved the Mitigated Negative Declaration (MND), on March 15, 2005.

The San Luis Obispo Council of Governments (SLOCOG) has been instrumental in its support of this project. On October 22, 2015, the California Transportation Commission (CTC) allocated \$3,464,000 in Federal Surface Transportation Improvement Program (STIP) funds for this project.

The various utility companies have been alerted of the proposed work and our construction schedule – no conflicts are anticipated. Any adjustments resulting from conflict are an obligation of the utilities. The public will be advised of the work in advance, although disruptions should be kept to a minimum.

Caltrans has approved Federal Funding requirement and provides oversight of the project through construction.

FINANCIAL CONSIDERATIONS

This is a multi-year project in the Road Fund at \$7,262,000 – WBS 300464. The total project costs are estimated at \$7,690,999, a funding shortfall of \$429,000. Funding for this project will come from Regional State Highway Account (RHSA), Federal Surface Transportation Improvement Program (STIP), Federal Congestion Mitigation Air Quality (CMAQ) and the Road Fund.

To reconcile the funding shortfall of \$429,000, reallocation of funding from WBS 300553 - See Canyon Road Slipout #2, in the amount of \$199,000, WBS 300552 – Santa Rosa Creek Slope Stabilization, in the amount of \$100,000 and WBS 300520 – El Camino Real Left Turn Lane at Santa Clara, in the amount of \$130,000, will be required. It is necessary for the Board to authorize a budget adjustment, in the amount of \$429,000, by a 4/5ths vote to increase the appropriation and the associated funding for this project.

As a result of the low bid being 8.3% higher than our estimate, the project also needed supplemental funding of \$873,000. SLOCOG, through Amendment No. 8, also presented to the Board today, has provided \$873,000 in additional RSHA funding. No budget adjustment is needed for the additional RSHA funding, as the adjustment is a component of SLOCOG’s Amendment No. 8.

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 improve the road for the safety of the motoring public. This, in turn, will result in a safer, more livable community.

ATTACHMENTS

1. Vicinity Map
2. Exhibit A – Project Cost Estimates
3. Final Determination of Finding letter dated April 1, 2016

File: Contract No. 300464

c: Resident Engineer
Construction Engineer
Whitaker Construction Group, Inc., Contractor

Reference: 16APR19-C-11

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