



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

(1) DEPARTMENT Public Works		(2) MEETING DATE 5/14/2019		(3) CONTACT/PHONE Genaro Diaz Project Manager (805) 781-5279	
(4) SUBJECT Submittal of bid opening report for the Oceano Drainage Improvement Project, to award the subject contract to Raminha Construction, Inc., the lowest responsive, responsible bidder, in the amount of \$4,016,992; adopt a United States Department of Agriculture finance agreement; adopt a resolution regarding capital expenditures to be reimbursed; and authorize a budget adjustment, in the amount of \$3,409,422, to increase appropriation and associated funding by 4/5 vote. District 4.					
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is recommended that the Board: <ol style="list-style-type: none"> Award the subject contract (no. 300465) Total Base Bid plus Additive Bids to Raminha Construction, Inc., the lowest responsive, responsible bidder, in the amount of \$4,016,992; and Authorize the Director of Public Works, or his designee, to approve change orders for a contingency amount up to \$300,000, for a final total construction amount of \$4,316,992; and Adopt a United States Department of Agriculture (USDA) finance agreement RUS Bulletin 1780-27 loan resolution and direct chairperson to sign the agreement and certification for loan; and Adopt a resolution expressing official intent regarding certain capital expenditures to be reimbursed with proceeds of future tax-exempt debt obligations; and Authorize a budget adjustment totaling \$3,409,422, using a \$3,000,000 interim loan from the County Tax Reduction Reserve Fund, \$350,000 from a Community Development Block Grant (CDBG), and an increase in reimbursement from Oceano Community Services District, in the amount of \$59,422, by 4/5 vote. 					
(6) FUNDING SOURCE(S) Fund Center 24503 - Road Fund Capital Projects		(7) CURRENT YEAR FINANCIAL IMPACT \$5,709,172.00		(8) ANNUAL FINANCIAL IMPACT N/A	
(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 checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A					
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001946				(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1819166, 1819172 <input checked="" type="checkbox"/> 4/5th's 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 2/26/19, #12	
(17) ADMINISTRATIVE OFFICE REVIEW Kristin Eriksson					
(18) SUPERVISOR DISTRICT(S) District 4					

Reference: 19.065



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Public Works
Genaro Diaz, Project Manager

VIA: Jeff Werst, Design Division Manager

DATE: 5/14/2019

SUBJECT: Submittal of bid opening report for the Oceano Drainage Improvement Project, to award the subject contract to Raminha Construction, Inc., the lowest responsive, responsible bidder, in the amount of \$4,016,992; adopt a United States Department of Agriculture finance agreement; adopt a resolution regarding capital expenditures to be reimbursed; and authorize a budget adjustment, in the amount of \$3,409,422, to increase appropriation and associated funding, by 4/5 vote. District 4.

RECOMMENDATION

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

1. Award the subject contract (no. 300465) Total Base Bid plus Additive Bids to Raminha Construction, Inc., the lowest responsive, responsible bidder, in the amount of \$4,016,992; and
2. Authorize the Director of Public Works, or his designee, to approve change orders for a contingency amount up to \$300,000, for a final total construction amount of \$4,316,992; and
3. Adopt a United States Department of Agriculture (USDA) finance agreement RUS Bulletin 1780-27 loan resolution and direct chairperson to sign the agreement and certification for loan; and
4. Adopt a resolution expressing official intent regarding certain capital expenditures to be reimbursed with proceeds of future tax-exempt debt obligations; and
5. Authorize a budget adjustment totaling \$3,409,422, using a \$3,000,000 interim loan from the County Tax Reduction Reserve Fund, \$350,000 from a Community Development Block Grant (CDBG), and an increase in reimbursement from Oceano Community Services District, in the amount of \$59,422, by 4/5 vote.

DISCUSSION

In accordance with direction from your Board, bids for the subject contract were opened on Thursday, April 4, 2019.

Five bids were received. They are as follows:

	<u>Base Bid</u>	<u>Additive Bid 1</u>	<u>Total Base Bid plus Additive Bid 1</u>	<u>Additive Bid 2</u>	<u>Total Base Bid plus Additive Bid 2</u>
Engineer's Estimate	\$3,513,394.00	\$208,540.00	\$3,721,934.00	\$90,800.00	\$3,812,734.00
Raminha Construction Inc.	\$3,572,425.00	\$290,667.00	\$3,863,092.00	\$153,900.00	\$4,016,992.00
Granite Construction Company	\$3,672,964.75	\$196,732.00	\$3,869,696.75	\$244,000.00	\$4,113,696.75
Specialty Construction, Inc.	\$4,208,970.00	\$564,901.00	\$4,773,871.00	\$70,100.00	\$4,843,971.00
Spieß Construction Co., Inc.	\$4,474,407.00	\$384,230.00	\$4,858,637.00	\$57,000.00	\$4,915,637.00
R. Burke Corporation	\$4,788,955.00	\$448,586.00	\$5,237,541.00	\$240,000.00	\$5,477,541.00

As indicated in the contract documents, the award of contract was to be to the responsible bidder with the lowest responsive bid price on the Total Base Bid plus Additive Bid 1, and that the County reserves the right to add any of the Additive Bid Items to the award of the contract once the lowest responsible bidder has been determined. We have reviewed the submittal from Raminha Construction, Inc., and verified that they are the lowest responsive, responsible bidder. The low bid came in 4.5% above the Engineer's Estimate for the Total Base Bid plus Additive Bid 1. Additive Bid 2 includes Oceano Community Services District (OCSD) utility relocations. OCSD has requested to be part of the County construction contract and will compensate the County under a previously adopted reimbursement agreement.

Project Background Information

Highway 1 at the intersections of 13th Street and Paso Robles Street, Oceano, has routinely flooded during most storm events. Flooding closes Highway 1 creating a variety of impacts on residents, property owners, and the traveling public by rerouting traffic onto local streets. The proposed project would construct approximately 2,500 feet of storm drain pipe, to convey drainage from Highway 1 to a new outfall pond (sedimentation basin). The basin will collect storm flows and allow debris and sediments to settle out prior to discharge through the Arroyo Grande Creek levee. These improvements would minimize the number of flooding events in the Highway 1 and 13th Street intersection, as well as reduce flooding potential to residents in the Meadow Creek lagoon area.

As part of the project, various existing utilities are in conflict with the proposed storm drains and must be relocated by each utility. OCSD is requesting to have their existing sewer and water utility conflicts be included as an Additive Bid item and will compensate the County accordingly.

USDA Loan

On September 10, 2018 the department received the USDA loan Letter of Conditions (see attached) requiring the County to meet their requirements prior to obtaining a USDS loan. All conditions have been met to allow the Board to award the construction contract. USDA RUS Bulletin 1780-27 addresses the terms of the USDA Loan Agreement. Resolution of official intent reserves the County's right to include the County's non-construction cost on the project as part of the County's expenditures to be reimbursed with the proceeds of any future tax-exempt bond obligations that are issued to finance the USDA loan.

After construction of the project, the USDA loan would be obtained and supported with General Fund repayment. Work on the Project would be expected to be completed by April 2020.

OTHER AGENCY INVOLVEMENT/IMPACT

The project has received significant funding from San Luis Obispo Council of Governments (SLOCOG), Caltrans, and the CDBG program. USDA loan pre-approval has been obtained and final loan approval will come upon the Board's approval of the award of the contract.

The County and Caltrans will develop a final maintenance agreement for the drain system. The agreement would be brought to the Board prior to construction completion.

The County's Debt Advisory Committee has also approved an interim financing loan, totaling \$3M for construction of the project prior to obtaining a USDA loan.

Public Works staff periodically updates the OCSD, Oceano Advisory Council, SLOCOG, Caltrans, County Airport, Planning and Building Departments, and other key stakeholders on the progress of the project.

County Counsel has reviewed and approved the contract and resolution as to legal form and effect.

The County Clerk formally processes the bid openings.

FINANCIAL CONSIDERATIONS

This is a multi-year project budgeted in the Road Fund - WBS 300465, in the amount of \$3,460,822. The total project cost is estimated at \$6,870,244. Funding for this project will come from Urban State Highway Account, Regional State Highway Account, CDBG, Federal Aviation Administration Airport Improvement Program, Services to Special Districts, Caltrans FY 2016-17 Minor Projects Program, OCSD, the Road Fund, and an interim loan from the County Tax Reduction Reserve Fund (CTTRF). The County has secured approval for a USDA loan in an amount up to \$3M. A budget adjustment for a USDA loan agreement to repay the CTTRF will be brought back to the Board at the time of project completion.

An interim loan from the CTTRF is needed for the construction phase of the project. After construction of the project, the USDA loan would be obtained and supported with repayment to the CTTRF.

It is necessary for the Board to authorize a budget adjustment, in the amount of \$3M, by 4/5 vote, to increase the appropriation and the associated funding for this project.

The County has also received additional funding authorization from a CDBG for the construction phase of the project. It is necessary for the Board to authorize a budget adjustment, in the amount of \$350,000, by 4/5 vote, to increase the appropriation and the associated funding for this project.

The construction phase of this project includes water and sewer utility line relocation work, outlined in the OCSD utility relocation reimbursement agreement totaling \$109,868, of which the County has received as a deposit. Since the bids came back at \$169,290, it is necessary for the Board to authorize a budget adjustment, in the amount of \$59,422, by 4/5 vote, to increase the appropriation and the associated funding for this 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 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 USDA RUS Bulletin 1780-27 Loan Resolution
- 4 USDA Letter of Conditions Dated 9/10/18
- 5 Project Chronology
- 6 Resolution by the Board of Supervisors of the County of San Luis Obispo Expressing Official Intent Regarding Certain Capital Expenditures to be Reimbursed with Proceeds of Future Tax-Exempt Debt Obligations

c: Resident Engineer
Construction Engineer
Raminha Construction, Inc., Contractor

File: Contract No. 300465

Reference: 19.065

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