

TO: James L. App, City Manager

FROM: Doug Monn, Public Works Director

SUBJECT: Deny Bid Protest filed by Specialty Construction,
and Award Contract to Install the Theatre Drive Transmission Main-
Pressure Reducing Station to Arthurs Contracting, Inc.

DATE: April 18, 2006

NEEDS: For the City Council to consider adopting Resolution No. 06-xx to supplement the budget, deny the bid protest filed by Specialty Construction, and award a construction contract to install the Theatre Drive Transmission Main-Pressure Reducing Station to Arthurs Contracting, Inc.

FACTS:

1. In 2001, the City engaged the services of Boyle Engineering to design a water tank to provide fireflow to the southern part of the City.
2. In May 2002, Boyle Engineering completed a Preliminary Design Report for the tank. Staff reviewed the report and determined that installing a tank (estimated to cost 4.5 million dollars) was not a cost-effective solution to address the fireflow demand at the south City limits given the tank location available. In lieu of a tank, a 16-inch diameter pipeline could be constructed. The pipeline would originate at the Thunderbird well field and proceed to the south to serve the commercial development in Theatre Drive.
3. Construction documents were prepared and bids were advertised for the project.
4. At the bid opening on March 9, 2006, the City received eight bids with the apparent low bid submitted by Arthurs Contracting in the amount of \$1,915,561.
5. On March 14, 2006, the City received a bid protest from Specialty Construction against the bid submitted by Arthurs Contracting. Specialty raised two principle objections to Arthurs' bid: first, that Arthurs lacked the appropriate experience to perform this project; second, that Arthurs did not list a subcontractor for the traffic signal modifications. The City requested and received Arthurs' response to the protest. City staff also contacted Arthurs' references, all of which were positive.
6. The City Attorney and City staff evaluated this information and concluded that Arthurs meets the experience requirements for this contract. Arthurs has explained how it plans to perform the traffic signal modifications in accordance with the contract documents and without a subcontractor. Staff reviewed the bid submitted by Arthurs Contracting and found it to be a responsible and responsive low bid.

**ANALYSIS
AND**

CONCLUSION: Staff recommends that the City Council reject Specialty's bid protest and award the contract to Arthurs Contracting, Inc.

POLICY

REFERENCE: Adopted Capital Improvement Project budget

FISCAL

IMPACT:

The fiscal year 2005 adopted CIP budget provided a budget appropriation of \$1,000,000 for fireflow improvements in the southwest section of the City. \$656,700 remains of the original \$1,000,000 appropriation as of March 31, 2006.

The adopted CIP budget did not include the cost of construction. Project construction costs are estimated as follows:

Estimated Project Needs (Account No. 600.910.5452.554)

Construction.....	\$1,915,561
10% Contingency	\$190,000
Construction Inspection.....	\$200,000
Railroad Permits and Flagging.....	\$50,000
Total (rounded).....	\$2,355,600

A budget appropriation of \$1,698,900 (\$2,355,600 less \$656,700) is needed to complete this project. The impact fee study identifies sources of funding for the fireflow improvements as being 39% from new development and 61% from operational resources.

The sources of funding for supplemental budget appropriation include reallocating the savings carried over from fiscal year 2005 for the Thunderbird to Charolais water main as this project was completed last year to fund the 39% share from new development. Specific actions needed by Council are identified as follows:

Proposed Funding Sources

Transfer from Water Development Impact Fee Fund.....	\$ 662,600
(39% of total project costs)	
Reallocate savings from Thunderbird/Charolais water line.....	<u>\$ 1,036,000</u>
Total project appropriation / 600.910.5452.554	\$1,698,900
to Water Operations Fund	

OPTIONS:

- a. Adopt Resolution No. 06-xx to
 - 1) reallocate savings from the Thunderbird/Charolais water line..... \$1,036,000
 - 2) transfer from the Water Development Impact Fee Fund\$662,600
 - 3) reject the bid protest filed by Specialty Construction, Inc.; and
 - 4) award the construction contract to Arthurs Contracting in the amount of \$1,915,561, and authorize the City Manager to enter into the construction contract

- b. Amend, modify, or reject the above option.

Prepared by:

Ditas Esperanza, P.E., Capital Projects Engineer

Attachments (2)

- 1) Resolution
- 2) Bid Summary

Theatre Drive Water Station, DPW Project No. 04-18

ITEM	DESCRIPTION	EST. QTY.	UNIT	Arthur's Contracting Atascadero, CA		Specialty Construction San Luis Obispo, CA		Whitaker Contractors Santa Margarita, CA	
				UNIT PRICE	EXT. PRICE	UNIT PRICE	EXT. PRICE	UNIT PRICE	EXT. PRICE
BASE BID ITEMS									
1	Mobilization	1	LS	129,757.000	129,757.00	172,000.000	172,000.00	68,500.000	68,500.00
2	Traffic Control and Regulation	1	LS	112,638.000	112,638.00	125,845.000	125,845.00	145,810.000	145,810.00
3	Perform site clearing, stripping, grubbing	1	LS	35,812.000	35,812.00	11,140.000	11,140.00	10,733.000	10,733.00
4	Sheeting & shoring for protection of life and limb	1	LS	43,805.000	43,805.00	28,448.000	28,448.00	49,450.000	49,450.00
5	Furnish and install 16-inch water main & appurtenances	5,871	LF	167.000	980,457.00	179.000	1,050,909.00	197.000	1,156,587.00
6	Furnish and install 28-inch jacked steel casing and 16-inch carrier pipe	582	LF	551.000	320,682.00	578.000	336,396.00	532.000	309,624.00
7	Furnish and install connections to existing water main	5	EA	11,463.000	57,315.00	12,732.000	63,660.00	8,908.000	44,540.00
8	Furnish and install 16-inch butterfly valves	16	EA	3,487.000	55,792.00	3,063.000	49,008.00	2,822.000	45,152.00
9	Furnish and install fire hydrants	6	EA	5,641.000	33,846.00	4,452.000	26,712.00	6,929.000	41,574.00
10	Furnish and install PRV vault and valving	1	LS	10,681.500	106,815.00	7,950.000	79,500.00	10,330.000	103,300.00
11	Disinfection of piping	1	LS	18,262.000	18,262.00	4,771.000	4,771.00	4,950.000	4,950.00
BASE BID TOTALS:					1,895,181.00		1,948,389.00		1,980,220.00
ADDITIVE BID ITEMS									
12a	Perform authorized overexcavation and install rock refill for pipe trench foundation stabilization (depth 0 to 12 inches, complete in place)	100	CY	45.000	4,500.00	104.000	10,400.00	45.000	4,500.00
12b	Perform authorized overexcavation and install rock refill for pipe trench foundation stabilization (depth 12 to 24 inches, complete in place)	100	CY	48.000	4,800.00	111.000	11,100.00	50.000	5,000.00
12c	Perform authorized overexcavation and install rock refill for pipe trench foundation stabilization (depth 24 to 36 inches, complete in place)	100	CY	51.000	5,100.00	114.000	11,400.00	55.000	5,500.00
13	Remove/dispose interfering portions of exist. thrust blocks	5	EA	900.000	4,500.00	765.000	3,825.00	1,000.000	5,000.00
14	Install thrust restraint on exist.	2	EA	700.000	1,400.00	392.000	784.00	2,000.000	4,000.00
15	Remove and dispose of existing PCC pavement under roadway	8,000	SF	0.010	80.00	1.350	10,800.00	1.000	8,000.00
ADDITIVE BID TOTALS:					20,380.00		48,309.00		32,000.00
GRAND TOTAL (BASE BID + ADDITIVE BID)					1,915,561.00		1,996,698.00		2,012,220.00

Theatre Drive Water Station, DPW Project No. 04-18

ITEM	DESCRIPTION	EST. QTY.	UNIT	D-Kal Engineering Contractors San Luis Obispo, CA		MGE Underground Paso Robles, CA		West Valley Construction San Jose, CA	
				UNIT PRICE	EXT. PRICE	UNIT PRICE	EXT. PRICE	UNIT PRICE	EXT. PRICE
BASE BID ITEMS									
1	Mobilization	1	LS	80025.000	80,025.00	63000.000	63,000.00	95970.000	95,970.00
2	Traffic Control and Regulation	1	LS	132934.000	132,934.00	120000.000	120,000.00	81060.000	81,060.00
3	Perform site clearing, stripping, grubbing	1	LS	11833.000	11,833.00	61800.000	61,800.00	20260.000	20,260.00
4	Sheeting & shoring for protection of life and limb	1	LS	44493.000	44,493.00	78000.000	78,000.00	17690.000	17,690.00
5	Furnish and install 16-inch water main & appurtenances	5,871	LF	188.000	1,103,748.00	167.000	980,457.00	177.000	1,039,167.00
6	Furnish and install 28-inch jacked steel casing and 16-inch carrier pipe	582	LF	506.500	294,783.00	582.000	338,724.00	540.000	314,280.00
7	Furnish and install connections to existing water main	5	EA	12311.000	61,555.00	17375.000	86,875.00	17050.000	85,250.00
8	Furnish and install 16-inch butterfly valves	16	EA	4035.000	64,560.00	2740.000	43,840.00	9335.000	149,360.00
9	Furnish and install fire hydrants	6	EA	4849.000	29,094.00	3365.000	20,190.00	15915.000	95,490.00
10	Furnish and install PRV vault and valving	1	LS	127439.000	127,439.00	104000.000	104,000.00	119340.000	119,340.00
11	Disinfection of piping	1	LS	12190.000	12,190.00	10600.000	10,600.00	9965.000	9,965.00
BASE BID TOTALS:					1,962,654.00		1,907,486.00		2,027,832.00
ADDITIVE BID ITEMS									
12a	Perform authorized overexcavation and install rock refill for pipe trench foundation stabilization (depth 0 to 12 inches, complete in place)	100	CY	117.000	11,700.00	83.000	8,300.00	45.000	4,500.00
12b	Perform authorized overexcavation and install rock refill for pipe trench foundation stabilization (depth 12 to 24 inches, complete in place)	100	CY	119.000	11,900.00	153.000	15,300.00	60.000	6,000.00
12c	Perform authorized overexcavation and install rock refill for pipe trench foundation stabilization (depth 24 to 36 inches, complete in place)	100	CY	120.000	12,000.00	183.000	18,300.00	90.000	9,000.00
13	Remove/dispose interfering portions of exist. thrust blocks	5	EA	389.000	1,945.00	2200.000	11,000.00	1900.000	9,500.00
14	Install thrust restraint on exist.	2	EA	1316.000	2,632.00	3900.000	7,800.00	1500.000	3,000.00
15	Remove and dispose of existing PCC pavement under roadway	8,000	SF	2.900	23,200.00	10.200	81,600.00	5.000	40,000.00
ADDITIVE BID TOTALS:					63,377.00		142,300.00		72,000.00
GRAND TOTAL (BASE BID + ADDITIVE BID)					2,026,031.00		2,049,786.00		2,099,832.00

Theatre Drive Water Station, DPW Project No. 04-18

ITEM	DESCRIPTION	EST. QTY.	UNIT	Join Madonna Construction San Luis Obispo, CA		HPS Mechanical Bakersfield, CA	
				UNIT PRICE	EXT. PRICE	UNIT PRICE	EXT. PRICE
BASE BID ITEMS							
1	Mobilization	1	LS	91,700.000	91,700.00	109,500.000	109,500.00
2	Traffic Control and Regulation	1	LS	142,000.000	142,000.00	44,600.000	44,600.00
3	Perform site clearing, stripping, grubbing	1	LS	31,000.000	31,000.00	48,900.000	48,900.00
4	Sheeting & shoring for protection of life and limb	1	LS	45,400.000	45,400.00	55,300.000	55,300.00
5	Furnish and install 16-inch water main & appurtenances	5,871	LF	195.000	1,144,845.00	225.000	1,320,975.00
6	Furnish and install 28-inch jacked steel casing and 16-inch carrier pipe	582	LF	575.000	334,650.00	737.000	428,934.00
7	Furnish and install connections to existing water main	5	EA	11,000.000	55,000.00	25,500.000	127,500.00
8	Furnish and install 16-inch butterfly valves	16	EA	380.000	60,800.00	565.000	90,400.00
9	Furnish and install fire hydrants	6	EA	4,700.000	28,200.00	10,600.000	63,600.00
10	Furnish and install PRV vault and valving	1	LS	11,100.000	111,000.00	93,500.000	93,500.00
11	Disinfection of piping	1	LS	9,500.000	9,500.00	10,300.000	10,300.00
BASE BID TOTALS:					2,054,095.00		2,393,509.00
ADDITIVE BID ITEMS							
12a	Perform authorized overexcavation and install rock refill for pipe trench foundation stabilization (depth 0 to 12 inches, complete in place)	100	CY	100.000	10,000.00	67.190	6,719.00
12b	Perform authorized overexcavation and install rock refill for pipe trench foundation stabilization (depth 12 to 24 inches, complete in place)	100	CY	86.000	8,600.00	70.860	7,086.00
12c	Perform authorized overexcavation and install rock refill for pipe trench foundation stabilization (depth 24 to 36 inches, complete in place)	100	CY	71.000	7,100.00	75.750	7,575.00
13	Remove/dispose interfering portions of exist. thrust blocks	5	EA	1,200.000	6,000.00	3,055.000	15,275.00
14	Install thrust restraint on exist.	2	EA	400.000	800.00	6,475.000	12,950.00
15	Remove and dispose of existing PCC pavement under roadway	8,000	SF	6.400	51,200.00	1.510	12,080.00
ADDITIVE BID TOTALS:					83,700.00		61,685.00
GRAND TOTAL (BASE BID + ADDITIVE BID)					2,137,795.00		2,455,194.00

RESOLUTION NO. 06-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
APPROPRIATING ADDITIONAL FUNDS AND AWARDDING THE CONTRACT TO INSTALL
THE THEATRE DRIVE TRANSMISSION MAIN AND PRESSURE REDUCING STATION

WHEREAS, in 2001, the City engaged the services of Boyle Engineering to design a water tank to provide fireflow to the southern part of the City; and

WHEREAS, in May 2002, as a result of the Preliminary Design Report, staff determined that a 16-inch pipeline would be a more cost effective means to address the fireflow demand at the south City limits; and

WHEREAS, in June 2005, a budget of \$1,000,000 was adopted under Account No. 600.910.5452.554 to design the pipeline; and

WHEREAS, construction documents were prepared and bids advertised beginning in December 2005 for the project; and

WHEREAS, at the Bid Opening on February 3, 2006, eight bids were received ranging from a low of \$1,915,561 to a high of \$2,455,194, with the low bid having been submitted by Arthurs Contracting, Inc.; and

WHEREAS, a bid protest received from Specialty Construction on March 14, 2006 was reviewed by the City Attorney's Office, which recommends that the protest be rejected; and

WHEREAS, the low bid submitted by Arthurs Contracting, Inc. was reviewed by staff and found to be a responsible and responsive bid.

WHEREAS, in order to complete the project, a budget of \$2,356,000 is needed as follows:

Construction.....	1,915,561
10% Contingency	190,000
Construction Inspection.....	200,000
Railroad Permits and Flagging.....	50,000

WHEREAS, the adopted budget for the project (Account No. 600.910.5452.554) has a balance of \$656,700, and will need to be supplemented in order to construct the Theatre Drive transmission main and pressure reducing station; and

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of Paso Robles does hereby reallocate savings from Budget No. 220.910.5452.550 in the amount of \$1,036,300.

SECTION 2. The City Council does hereby authorize a transfer estimated at \$662,600 from the Water Development Impact Fee Fund to Water Operations Fund (actual amount to be 39% of final actual costs).

SECTION 3. The City Council does hereby approve a total supplemental budget appropriation in the amount of \$1,698,900 to Budget Account No. 600.910.5452.554.

SECTION 4. The City Council does hereby deny the bid protest filed by Specialty Construction, Inc.

SECTION 5. The City Council of the City of Paso Robles does hereby award a construction contract to Arthurs Contracting, Inc. in the amount of \$1,915,561 for the Theatre Drive project, and authorizes the City Manager to enter into the construction contract.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 18th day of April 2006 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Frank R. Mecham, Mayor

Cathy M. David, Deputy City Clerk