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## ***Memorandum***

TO: BATA Oversight Committee

DATE: November 2, 2016

FR: Executive Director

W. I. 1251

RE: Contract – I-580 Richmond-San Rafael (RSR) Bridge Access Improvement Project - Construction Package “A” Eastbound Third Lane and Point Molate Bicycle/Pedestrian Path – O.C. Jones and Sons, Inc. (\$27,277,849 plus a contingency of \$5,601,176)

This memorandum seeks Committee approval to award a contract to O.C. Jones and Sons, Inc. (O.C. Jones) for civil construction services for the I-580 Richmond-San Rafael Bridge Access Improvement Project – Construction Package A in an amount not to exceed \$27,277,849. This memo also recommends a contingency in an amount of \$5,601,176 to be used at the discretion of the Executive Director or his designee for changes in the work. Staff also seeks approval to award to the second lowest bidder should the O.C. Jones bid be found not responsive or not responsible. Lastly, staff seeks approval to award to third lowest bidder should both the O.C. Jones bid and the second lowest bidder's bid be found to be not responsive or not responsible.

### **Background**

The Project's objective is to reduce congestion and travel time on eastbound I-580, including the Richmond-San Rafael (RSR) Bridge, by providing a third eastbound lane during peak travel periods. The project will also improve pedestrian and bicycle travel adjacent to the I-580 corridor by constructing a barrier-separated path connection to the Point Molate along westbound I-580 and along the Stenmark Drive westbound off-ramp.

Regional growth and local development in Marin County has resulted in significant traffic increases on eastbound I-580 and the RSR Bridge approach during evening peak commute periods, resulting in significant traffic delays along eastbound I-580 approaching the RSR Bridge and along Sir Francis Drake Boulevard.

Because substantial growth is projected to occur in this region, there is a need to improve and expand eastbound bridge capacity to reduce and avoid additional traffic congestion and delay during peak commute hours.

The current lack of bicycle and pedestrian facilities across the RSR Bridge represents a major gap in the planned 500-mile Bay Trail, with sections of the Bay Trail adjoining the bridge on both sides. This contract will complete the connection from the Tewksberry/Standard Avenue Intersection in Point Richmond to Stenmark Drive near Point Molate. Two future contracts will be required to construct the path across the RSR Bridge and to complete the new path on the Marin County side of the bridge.

### **Contractor Selection Process**

On August 23, 2016, BATA issued an Invitation for Bid (IFB) for the I-580 Richmond San Rafael Bridge Access Improvement Project. BATA held a mandatory Bidders' Conference on August 31, 2016, during which staff provided project information and answered questions. In addition, BATA's Small Business Enterprise (SBE) Program was described. The SBE Goal for this project is 40 percent. Bids which utilized at least 40% SBE participation received a 5 percent reduction in bid price, solely for the purpose of determining the lowest responsive bidder.

Part 2 of the IFB, Paragraph 14. Basis of Award provided: "Award, if made, will be to the lowest responsible and responsive Bidder, based on the Total Contract Price."

On November 1, 2016, five bids were received and opened at the public bid opening and are presented in the following table:

<b>Bidder</b>	<b>Location</b>	<b>Total Contract Price</b>	<b>SBE Bid Preference</b>	<b>SBE Bid Preference Amount</b>	<b>Bid Rank</b>
O.C. Jones	Berekeley, CA	\$27,277,840	No	\$27,277,840	1
Ghilotti Construction Co.	Santa Rosa, CA	\$28,788,961	Yes	\$27,349,513	2
Bay Cities Paving & Grading	Concord, CA	\$29,778,027	No	\$29,778,027	3
Gordon N. Ball	Alamo, CA	\$32,788,816	Yes	\$31,149,375	4
Ghilotti Bros	San Rafael, CA	\$36,987,101	No	\$36,987,101	5

The engineer's estimate for the contract is \$25 million. The low bid is approximately 9% more than the engineer's estimate. The accelerated project delivery schedule is probably one factor that led to bids being higher than the estimate. The contractual milestone of having the third eastbound travel lane open to traffic within 200 working days requires the contractor to pay for expedited material deliveries and utilize multiple construction crews. Those measures are likely contributing factors in the increased cost. Staff recommends that the Committee authorize award and for staff to aggressively pursue Value Engineering Change Proposals (VECP) to reduce the actual construction costs of the improvements. Negotiation of any VECP can only occur subsequent to contract award.

At this time, the project budget of approximately \$73.6 million in the BATA rehabilitation budget appears to be sufficient to complete this contract and two subsequent construction contracts required to complete the planned improvements (upper deck bike path and moveable barrier contracts). This assessment includes the approximately \$2.3 million difference between the engineer's estimate and lowest bid for this contract. No additional BATA rehabilitation budget allocation is required.

Staff is reviewing O.C. Jones bid to confirm that it is both a responsible and responsive bid based on a review of all bid forms received as a part of the bid, including its bid security bond, minimum insurance requirement certification, reference information from past projects and the Schedule of Quantities and Prices.

Lowest Bidder	Bid Amount	Contingency	Total Contract Allotment
O.C. Jones	\$ 27,277,840	\$5,601,176	\$32,879,016

Staff is requesting a total contingency of \$5,601,176. This amount includes \$4,091,676, 15% of the contract bid price, to cover unknown project costs not included in the scope of work. BAIFA staff completed an analysis of the scope of work and considered a range of contingencies from 5% to 15%. Staff selected a 15% contingency due to concurrent construction activities by this and upcoming construction packages (upper deck bike path and moveable barrier contracts). These concurrent construction activities increase the risk of coordination issues that may result in subsequent contract change orders. The total contingency also includes \$1,509,500 for supplemental work items that may be required, but cannot be quantified at this time.

Attachment A includes a summary of O.C. Jones and its project team's small business and disadvantaged business enterprise status. O.C. Jones did not request the SBE preference but they are proposing to subcontract out 16% to SBE subcontractors – approximately \$4 million.

#### **Recommendation**

Staff recommends that:

- The Committee authorize the Executive Director or his designee to award the contract for the I-580 Richmond San Rafael Bridge Access Improvement Project Construction Contract (Package A) to O.C. Jones in the amount of \$27,277,840; and that a contract contingency of \$5,601,176 be authorized to be used at the Executive Director, or his designee's discretion for changes not included in the scope of work; and
- The Committee authorize the Executive Director or his designee to award a contract to Ghilotti Construction Company, Inc. for the I-580 Richmond San Rafael Bridge Access Improvement Project Construction Contract (Package A) in the amount of \$28,788,961; and establish a contingency in the amount of \$5,827,844 to be used at the executive director's or his designee's discretion for changes not included in the scope of work should staff determine that the bid from O.C. Jones is not responsive or O.C. Jones is not responsible; and
- The Committee authorize the Executive Director or his designee to award a contract to Bay Cities Paving and Grading, Inc. for the I-580 Richmond San Rafael Bridge Access Improvement Project Construction Contract (Package A) in the amount of \$29,778,027; and establish a contingency in the amount of \$5,976,204 to be used at the executive director's or his designee's discretion for changes not included in the scope of work should staff determine that the bids from both O.C. Jones and Ghilotti Construction Company, Inc. are not responsive or responsible.



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Steve Heminger

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**ATTACHMENT A:**  
**SMALL BUSINESS AND DISADVANTAGE BUSINESS ENTERPRISE STATUS**

Firm Name	Role on Project	DBE* Firm			SBE** Firm		
		Yes	If Yes, List #	No	Yes	If Yes, List #	No
OC Jones & Sons, Inc.	General Contractor						X
Bridgeway Civil Contractors	Subcontractor				X	2001253	
Statewide Traffic Safety & Signs	Subcontractor						X
SBD Vanguard	Subcontractor						X
Bleyco	Subcontractor						X
Oliveira Fence	Subcontractor				X	23017	
Midstate Barrier	Subcontractor						X
Bayline Curring and Coreing	Subcontractor				X	22512	
Avar Construction	Subcontractor						
Central Striping	Subcontractor				X	20572	
Piazza Construction	Subcontractor				X	27545	

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Contract

Work Item No.:	1251
Contractor:	O.C. Jones and Sons, Inc.
Work Project Title:	Construction Agreement between BATA and O.C. Jones and Sons, Inc. for the construction of the I-580 Richmond-San Rafael Bridge Access Improvement Project – Package A.
Purpose of Project:	The Project's objective is to reduce congestion and travel time on eastbound I-580 including the Richmond-San Rafael (RSR) Bridge by providing a third EASTBOUND lane during peak travel periods. The project will also provide pedestrian and bicycle travel along the I-580 corridor by constructing a barrier separated path connection to Point Molate.
Brief Scope of Work:	The project's scope of work includes constructing retaining walls, pavement widening, ramp reconstruction, utility relocations, modifying drainage systems, median barrier reconstruction, traffic operations systems, traffic signal modifications, pavement delineation, overhead dynamic message signs, roadside signs, highway lighting and various other related improvements.
Project Cost Not to Exceed:	<ul style="list-style-type: none"><li>• \$27,277,840, plus a contingency of \$5,601,176, if O.C. Jones and Sons, Inc. is awarded the contract or</li><li>• \$28,788,961, plus a contingency of \$5,827,844, if Ghilotti Construction Company, Inc. is awarded the contract or</li><li>• \$29,778,027, plus a contingency of \$5,976,204, if Bay Cities Paving and Grading, Inc. is awarded the contract.</li></ul>
Funding Source:	Toll Bridge Rehabilitation Funds
Fiscal Impact:	Funds are included in the FY 2016-17 Toll Bridge Rehabilitation Program Budget.

Motion by Committee:

As described above and in the Executive Director's Memorandum dated Nov. 2, 2016, that the executive director is authorized to:

- Award a contract to O.C. Jones and Sons, Inc. for the construction of the I-580 Richmond-San Rafael Bridge Access Improvement Project – Package A, as described above and in the Executive Director's memorandum dated November 2, 2016, and the Chief Financial Officer is directed to set aside funds in the amount of \$27,277,840 for such construction agreement, and \$5,601,176 for a contract contingency.
- Award a contract to Ghilotti Construction Company, Inc. for the construction of the I-580 Richmond San Rafael Bridge Access Improvement Project Construction Contract – Package A, as described above and in the Executive Director's memorandum dated November 2, 2016, and the Chief Financial Officer is directed to set aside funds in the amount of \$28,788,961; and establish a contingency in the amount of \$5,827,844 to be used at the executive director's or his designee's discretion for changes not included in the scope of work, should staff determine that the bid from O.C. Jones and Sons, Inc. is not responsive or O.C. Jones and Sons, Inc. is not responsible.
- Award a contract to Bay Cities Paving and Grading. for the construction of the I-580 Richmond San Rafael Bridge Access Improvement Project Construction Contract – Package A, as described above and in the Executive Director's memorandum dated November 2, 2016, and the Chief Financial Officer is directed to set aside funds in the amount of \$29,778,027; and establish a contingency in the amount of \$5,976,204 to be used at the executive director's or his designee's discretion for changes not included in the scope of work, should staff determine that the bids from both O.C. Jones and Sons, Inc. and Ghilotti Construction Company, Inc. are not responsive and those companies are not responsible.

BATA Oversight Committee:

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Amy Rein Worth, Chair

Approved:

Date: November 9, 2016