

Revision to ASR and/or Exhibits/Attachments

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Date: August 4, 2011

To: Darlene J. Bloom, Clerk of the Board of Supervisors

Cc: County Executive Office

From: Jess A. Carbajal, Director, OC Public Works

ASR Control #(s): 11-000932 Agenda Item(s) # 33 for the August 9, 2011 Board Meeting

Subject: Award Contract: Santa Ana River Interceptor, Mainline

Explanation:

During the July 26, 2011 Board meeting, this item was continued to the August 9, 2011 Board meeting. The revisions to the ASR are intended to address the concerns expressed during the Board's July 26, 2011 discussion on this item.

The ten year requirement of experience for the micro-tunneling subcontractor is a very clear requirement of the bid documents. It is important to maintain the integrity of the bidding process. Even though the irregularity in the bids submitted by W.A. Rasic Construction Co., Inc.; J.F. Shea Construction, Inc.; and Flatiron West, Inc. involving the lack of a full ten years of experience by their micro-tunneling contractor may be a waivable irregularity, it is recommended that that irregularity not be waived in this instance because doing so would not be in the best interest of the Orange County Flood Control District.

Revised Recommended Action(s)

~~2. Waive the irregularity in the bid proposal of all three lowest bidders, W.A. Rasic Construction Co., Inc.; J.F. Shea Construction, Inc.; and Flatiron West, Inc.~~ 2. Declare the following bids of W.A. Rasic Construction Co., Inc.; J.F. Shea Construction, Inc.; and Flatiron West, Inc. to be non-responsive.

~~3. Award contract to W.A. Rasic Construction Co., Inc.~~ Spiniello Companies for the Santa Ana River Interceptor Mainline Project, a component of the Santa Ana River Interceptor (SARI) Line Relocation Project in the amount of ~~\$41,850,000~~ \$45,006,800.

Make modifications to the: Current Year Cost ~~\$41,850,000~~ \$45,006,800

Subject Background Information Summary

Summary:

Award of contract to ~~W.A. Rasic Construction Co., Inc.~~ Spiniello Companies, in the amount of ~~\$41,850,000~~ \$45,006,800 for the Santa Ana River Interceptor Mainline Project, a component of the Santa Ana River Interceptor (SARI) Line Relocation Project will support protection of the SARI Line and operation of Prado Dam.

Background Information:

W.A. Rasic Construction Co., Inc.	\$41,850,000.00 ±
J.F. Shea Construction, Inc.	\$42,925,396.00 ±
Flatiron West, Inc.	\$44,690,320.00 ±
Spiniello Companies	\$45,006,800.00
Steve P. Rados, Inc.	\$47,342,950.00
Don Kelly Construction	\$51,287,400.00 *±
Steve Bubalo Construction Co.	\$52,047,000.00
Sukut Construction, Inc.	\$54,157,368.00
Mladen Buntich Construction Co., Inc.	\$54,739,600.00
Griffith Company	\$57,232,000.00
S.J. Louis Construction, Ltd.	\$61,200,000.00
L.H. Woods & Sons, Inc.	\$64,689,642.00
ARB, Inc.	\$65,796,761.00
J.R. Pipeline Co., Inc.	\$66,565,100.00
Engineer's Estimate	\$77,465,200.00

~~* Mathematical correction to bid proposal; does not affect bid standing. The referenced bidder made errors in addition of the extended total column. Specifications for the SARI Mainline Project requires the bidders to satisfy specific minimum experience qualifications for project type and experience of the contractor or subcontractor, superintendent and operator. Specifically, the micro-tunneling contractor or subcontractor needs to possess a minimum of ten years experience doing slurry micro-tunneling work. W.A. Rasic Construction Co., Inc.; J.F. Shea Construction, Inc.; and Flatiron West, Inc. listed James W. Fowler Co. as the subcontractor responsible for performing the slurry micro-tunneling tunneling. In evaluating the experience provided by James W. Fowler, it was determined that only nine years and one-month can be credited as qualifying experience as required in OCFCD's bid specifications thereby not meeting the ten year minimum requirement. Therefore, the bids of W.A. Rasic Construction Co., Inc.; J.F. Shea Construction, Inc.; and Flatiron West, Inc. were determined to be non-responsive for the SARI Mainline Project bid proposal. During the advertisement of the SARI Mainline Project, clarifications were requested from prospective bidders regarding the slurry micro-tunneling qualifications and the consequences of non compliance. OC Public Works responded by issuing clarifications in Bulletin No. 2; Items 34 and 36 that are of particular relevance to this issue (summarized below).~~

- The contractor or subcontractor, whoever will be performing the actual micro-tunneling work, is required to possess the required experience (Bulletin No. 2, Item 34).

- The OCFCD reserves the right to reject any and all bids that do not meet the requirements of the micro-tunneling qualifications requirements (Bulletin No. 2, Item 36).

****** Mathematical correction to bid proposal; does not affect bid standing. The referenced bidder made errors in addition of the extended total column.

~~As part of the requirements for the SARI Mainline Project, the qualifications for the microtunneling subcontractor, James W. Fowler Co., were evaluated. James W. Fowler Co. has met or exceeded two out of three of the specialized work requirements, which included specific requirements set forth regarding work experience of the Project Superintendent and the microtunneling boring machine Operator. However, this firm's nine years and one month of slurry microtunneling experience falls short of the ten years minimum requirement listed in the project specifications. Notwithstanding the lack of ten full years of experience in slurry microtunneling, staff has determined that this firm, based on its work experience and input received from OC Public Works' engineering consultants, has demonstrated that it is well qualified to perform the microtunneling work.~~

~~In addition to nine years of slurry microtunneling experience, the subcontractor, since 1999 has performed over 30,000 feet of general microtunneling work of which more than half involves slurry microtunneling. Moreover, its Superintendent and Operator have 20 years each of microtunneling experience. Based on this, the subcontractor is considered more than qualified and capable of completing the work required for the Project. Further, as the same subcontractor was listed by all three lowest bidders, W.A. Rasic Construction Co., Inc; J.F. Shea Construction, Inc; and Flatiron West, Inc., the bid irregularity did not result in an unfair competitive advantage to the apparent low bidder, W.A. Rasic Construction Co., Inc.~~

~~For the foregoing reasons, the bid submitted by W.A. Rasic Construction Co., Inc., which includes James W. Fowler as the microtunneling subcontractor, is considered responsive and the lack of ten years minimum experience on slurry microtunneling an immaterial irregularity that did not result in an unfair competitive advantage. OCFCD's project partners (OCSD and SAWPA) concur with these findings. Therefore, staff is recommending that your Board waive the irregularity for the three lowest bidders and recommends that your Board award a public works contract for \$41,850,000 to W.A. Rasic Construction Co., Inc., which is the lowest responsive, responsible bidder.~~

The low bid submitted by ~~W.A. Rasic Construction Co., Inc.~~ Spiniello Companies for this Project is approximately forty-six two percent (~~\$35,615,200~~ \$32,458,400) below the Engineer's Estimate. The significant difference can be attributed, in general, to a highly competitive bidding environment in which OC Public Works received fourteen bids from both local and non-local firms who were highly motivated to successfully receive award of this contract. The large number of bids submitted is unusual for a project of this magnitude and complexity. In addition, the Project specifications allowed for three different pipe materials for this Project, which promoted competition among pipe manufacturers resulting in lower costs. And more importantly, a clarification of the specifications that would allow the contractor to salvage any or all of its shoring materials above the pipe zone as long the structural integrity of the pipeline will not be compromised gave the contractors more flexibility in the means and methods by which they could perform their work and consequently reduce their costs. Additional factors that led to the low bids includes a highly conservative Engineer's estimate on the majority of the bid items and apparent lower profit margins for the contractors.

~~W.A. Rasie Construction Co., Inc.~~ Spiniello Companies Contractor's License No. ~~368761~~ 751598 was verified as current and active through the California Contractors State License Board database on ~~May 16, 2011~~ July 29, 2011 and a copy of the verification is on file. Spiniello Companies is a private company established in 1922. During 2009 and 2010, the Company's jobs were concentrated in various regions of the United States and Canada.

Therefore, OC Public Works staff is recommending that your Board award a public works contract for \$45,006,800 to Spiniello Companies, which is the lowest responsive, responsible bidder. Vadnais Corporation is listed as the slurry micro-tunneling subcontractor by Spiniello Companies. Out of the 14 bids received for this Project, only three slurry micro-tunneling subcontractors were listed, including Vadnais Corporation. It has been determined that Vadnais Corporation satisfies the minimum qualifications requirements of the SARI Mainline Project.

Revised Exhibits/Attachments (attached)

Additional Information and/or Correspondence (attached)