

ARIZONA STATE TRANSPORTATION BOARD

AMENDMENT 12/10/14

State Transportation Board Meeting
 December 12, 2014 — 9:00 a.m.
 Pima Association of Governments (PAG)
 Santa Rita Conference Room
 1 East Broadway Blvd., Suite 401
 Tucson, Arizona 85701

Pursuant to A.R.S. Sec. 38-431.02, notice is hereby given to the members of the State Transportation Board and to the general public that the State Transportation Board will hold a meeting open to the public on Friday, December 12, 2014, at 9:00 a.m. at the Pima Association of Governments (PAG), Santa Rita Conference Room, 1 East Broadway Blvd., Suite 401, Tucson, AZ 85701. The Board may vote to go into Executive Session, which will not be open to the public. Members of the Transportation Board will attend either in person or by telephone conference call. The Board may modify the agenda order, if necessary.

EXECUTIVE SESSION OF THE STATE TRANSPORTATION BOARD

Pursuant to A.R.S. 38-431.03 (A)(3), notice is hereby given to the members of the Arizona State Transportation Board and to the general public that the Board may meet in Executive Session for discussion or consultation for legal advice with legal counsel at its meeting on Friday, December 12, 2014. The Board may, at its discretion, recess and reconvene the Executive Session as needed, relating to any items on the agenda.

AMENDMENTS TO THE STATE TRANSPORTATION BOARD AGENDA ARE *ITALICIZED* BELOW:

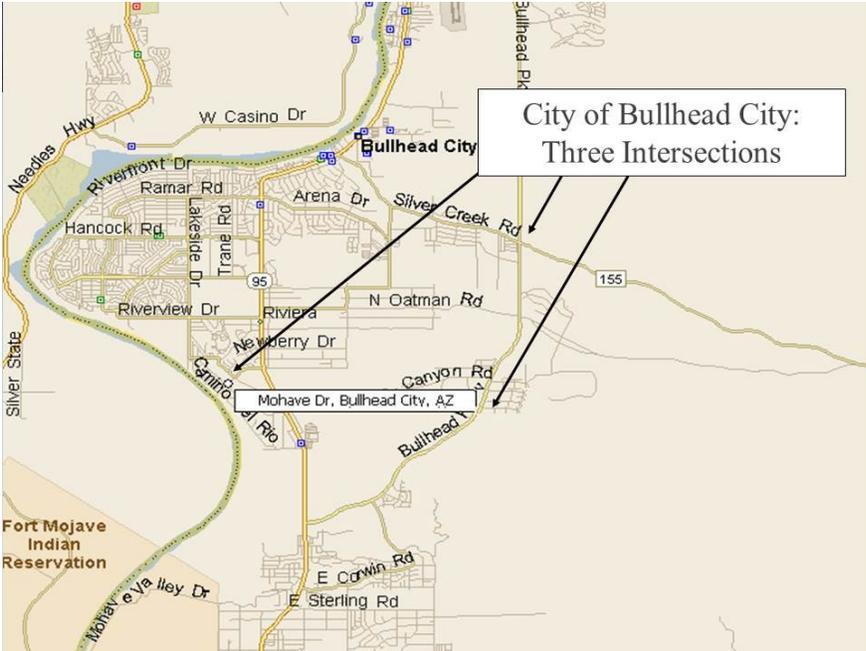
*ITEM 13d: BOARD DISTRICT NO.: 6
 BIDS OPENED: November 07, 2014
 HIGHWAY: CITY OF BULLHEAD
 BULLHEAD PARKWAY & SILVERCREEK ROAD
 SECTION: BULLHEAD PARKWAY & ADOBE ROAD
 MOHAVE DR & MIRACLE MILE
 COUNTY: MOHAVE
 ROUTE NO.: LOCAL
 PROJECT : TRACS: HSIP-BUL-09202)T : 0000 MO BUL SH51601C
 FUNDING: 94% FEDS 6% LOCAL
 LOW BIDDER: TIFFANY CONSTRUCTION COMPANY
 LOW BID AMOUNT: \$ 460,948.35
 STATE ESTIMATE: \$ 300,860.75
 \$ OVER ESTIMATE: \$ 160,058.60
 % OVER ESTMATE: 53.2%
 PROJECT DBE GOAL: 4.34%
 BIDDER DBE PLEDGE: 4.49%
 NO. BIDDERS: 2
 RECOMMENDATION: **AWARD**

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COMMENTS:

The low bid on this project is \$160,058.60 more (53.2% higher) than the Department estimate and exceeds the amount of federal and local funds that were programmed and available for this project. *Bullhead City originally asked that action on this item be postponed while it sought additional funds that would be needed for award.*

Bullhead City, working with WACOG, has determined that it does have the needed additional funds and concurs in award of this project to the low bidder. The Department therefore recommends that the Board award this contract to the low bidder, Tiffany Construction Company.



*ITEM 13e: BOARD DISTRICT NO.: 6

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BIDS OPENED: October 24, 2014

HIGHWAY: CENTRAL YAVAPAI COUNTY MPO (CYMPO)

SECTION: VARIOUS LOCATIONS

COUNTY: YAVAPAI

ROUTE NO.: LOCAL

PROJECT : TRACS: HSIP-CYM-0(201)T : 0000 YV CYM SH59801C

FUNDING: 100% FEDS

LOW BIDDER: MEADOW VALLEY CONTRACTORS, INC. SUNLINE CONTRACTING, LLC

LOW BID AMOUNT: \$ 497,753.00 \$ 818,576.92

STATE ESTIMATE: \$ 854,058.25 \$ 854,058.25

\$ UNDER ESTIMATE: (\$ 356,305.25) (\$ 35,481.33)

% UNDER ESTIMATE: (41.7%) (4.2%)

PROJECT DBE GOAL: 7.45% 7.45%

BIDDER DBE PLEDGE: NA 7.77%

NO. BIDDERS: 6 6

RECOMMENDATION: **REJECT BID** **AWARD**

COMMENTS:

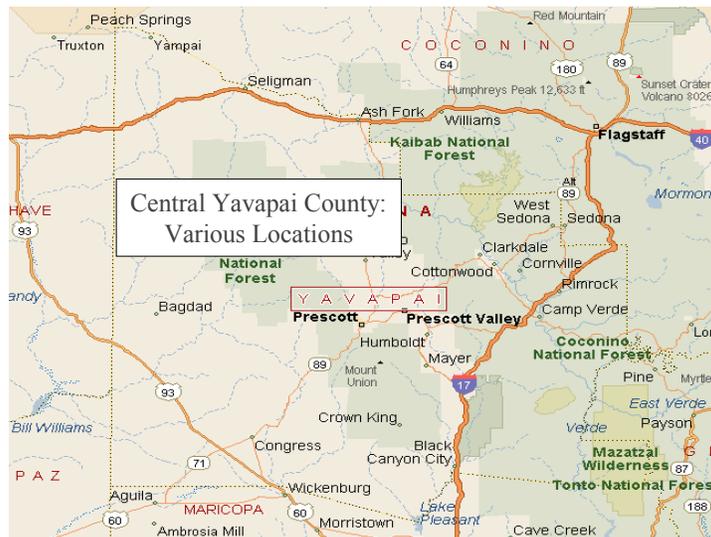
Meadow Valley Contractors, Inc. (MVC), in a letter dated October 27, 2014, and in subsequent discussion with ADOT, asked that its bid be declared non-responsive and rejected because the intended labor and equipment costs for multiple bid items did not carry forward properly in their bid estimating software.

Sunline Contracting, LLC (Sunline), in a letter dated October 31, 2014, asked that the bid of MVC be rejected, claiming that the MVC price for item 6070060 (concrete sign post foundation) is mathematically unbalanced because it does not represent reasonably anticipated costs plus a proportionate share of profit, overhead and other indirect costs.

After review of bid documentation provided by MVC, the Department is satisfied that its labor and equipment costs for multiple bid items did not carry forward in its bid estimating software as intended by MVC. The bid did not include any labor, equipment or related indirect costs for items 6080005 (warning, marker or regulatory sign panels), 6080051 (extruded street name sign panels) or 9240019 (sign brackets), and only a portion of the intended labor, equipment and related indirect costs for items 6070060 (concrete sign post foundation), 2020157 (remove sign, post and foundation) and 6070054 (sign post).

The error is significant in dollar value, amounting to more than \$300,000. We believe the bid submitted by MVC did not represent its intent and was an error setting up and carrying forward the intended labor and equipment costs within its bid estimating software and not an error in judgment. We find the error to be a substantial amount relative to the size of the entire contract and that it concerns material items in the contract. It is our conclusion that it would be inequitable to require MVC to perform the work for the amount stated in its bid.

The Department recommends that the Board allow Meadow Valley Contracting, Inc. to withdraw its bid without forfeiting its bid bond and recommends award of this project to Sunline Contracting, LLC.



*ITEM 13f:	BOARD DISTRICT NO.:	1	Page 278
	BIDS OPENED:	November 21, 2014	
	HIGHWAY:	CITY OF PEORIA	
	SECTION:	NEW RIVER TRAIL: NORTHERN AVE TO OLIVE AVE	
	COUNTY:	MARICOPA	
	ROUTE NO.:	LOCAL	
	PROJECT : TRACS:	CM-PEO-0(214)T : 0000 MA PEO SS98501C	
	FUNDING:	82% FEDS 18% CITY	
	LOW BIDDER:	CARSON CONSTRUCTION CO INC.	FNF CONSTRUCTION, INC.
	LOW BID AMOUNT:	\$ 1,399,696.40	\$ 1,546,171.90
	STATE ESTIMATE:	\$ 1,235,132.00	\$ 1,235,132.00
	\$ OVER ESTIMATE:	\$ 164,296.40	\$ 311,039.90
	% OVER ESTIMATE:	13.3%	25.2%
	PROJECT DBE GOAL:	7.41%	7.41%
	BIDDER DBE PLEDGE:	16.83%	NA
	NO. BIDDERS:	5	5
	RECOMMENDATION:	AWARD	REJECT PROTEST

COMMENTS:

FNF, in a letter dated November 26, 2014, protested potential award to Carson, arguing that the project includes items of work for removals, aggregate base, asphaltic concrete and cement stabilized alluvium for which Carson is not prequalified. Carson, in a letter received December 3, 2014, responded to the protest noting it submitted a bid only after being issued the necessary bid documents by the Department.

The purpose of this project is to construct approximately one mile of multi-use pathway along the New River in the City of Peoria. It is essentially an asphalt sidewalk 2 inches deep and 10 feet wide on 4 to 8 inches of compacted aggregate base for use by pedestrians and bicycles. It includes modular block walls, metal handrails, cement stabilized alluvium (essentially a low strength mix of soil aggregate, cement and fly ash) for bank stabilization and erosion protection along the trail, landscaping consisting of shrubs and drip irrigation, and related items of work.

The Department’s application form for Contractor Prequalification identifies 17 categories of prequalification. A contractor may request one or more categories for consideration, or may request consideration for “all classes of construction” meaning a request for consideration of all 17 of the prequalification categories. The items cited by FNF, “removals”, “aggregate base”, “asphaltic concrete” and “cement stabilized alluvium”, are items of work, not categories of prequalification.

Most construction projects involve some sort of “removal” items and are generally minor in nature but necessary for the other construction work to proceed. This project requires removal of small amounts of existing asphalt and concrete sidewalk, riprap, drainage pipe, metal railing and wire fencing. The Department does not currently prequalify contractors for removal work. Carson does not need prequalification for “removals” to bid this project.

Within this project, “aggregate base” is an item of work associated with preparing the embankment for placement of the asphalt sidewalk material. As such, it falls within the prequalification category of grading and draining. Likewise, “cement stabilized alluvium” is associated with constructing the embankment and protection of the embankment from erosion. This item of work also falls within the prequalification category of grading and draining. Carson is prequalified for grading and draining and can perform these two items of work.

Within this project, “asphaltic concrete” is the item of work associated with placing the asphaltic concrete sidewalk. While “asphaltic concrete paving” is one of the 17 ADOT categories for prequalification, that category is applicable to projects that involve asphalt concrete paving for highways or roadways carrying automobile and truck traffic, and the more stringent controls and complex asphalt mixes associated with roadway paving. Due to the

nature of this project and its intended use as an asphalt sidewalk for pedestrian and bicycle traffic, prequalification for “asphaltic concrete paving” was not required for bidding, and on review, the Department finds no reason to reverse that decision.

The Department does not agree that a contractor must be prequalified for every item of work within a project in order to bid a project. The Department does require bidders to be prequalified for all key elements of work within a project. For this project, the Department required bidders to be prequalified for “grading and draining”, “landscaping and irrigation” and “miscellaneous concrete”. Carson met all of those requirements.

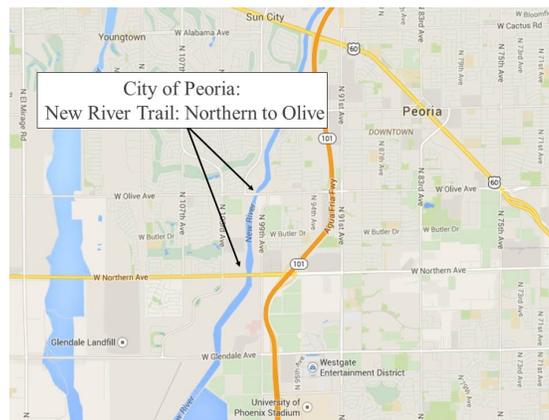
FNF cites two contracts to support its claim for rejection of the Carson bid. While we agree that the low bid in those examples was rejected, we find no relevance in those examples which would support rejection of the Carson bid on this project. The two examples were:

- H770501C – This project included construction of a retaining wall. Because that wall supported the adjacent roadway embankment and highway traffic loads it was considered a key element of work within that project. Because it was a reinforced concrete retaining wall, it required prequalification for minor concrete structures. The low bidder was not prequalified for minor concrete structures and its bid was rejected. That contract was awarded in 2011.
- SH48701C-SH48901C-SH49701C-SH54801C – These four projects were combined into one contract for bidding purposes, but involved only two types of work. Three of the four projects were for pavement marking work and the fourth project was for sign replacement work. The low bidder was not prequalified for pavement marking and its bid was rejected. That contract awarded in 2013.

However, we find that the one example cited by Carson to support its position does merit consideration:

- SS84601C – This project is in many ways similar to the current project. It involved construction of a pedestrian pathway along New River, ending at Northern Avenue where the current project begins. The work included a significant amount of “soil cement bank protection” much like the “cement stabilized alluvium” of the current project. The work also included “aggregate base”, “removals”, and a nominal amount of “asphaltic concrete” work. The Department did not require bidders in that project to be prequalified for “removals”, “aggregate base”, “soil cement bank protection” or “asphaltic concrete” in order to bid that project. However, like the current project, the Department did require prequalification in the categories of “grading and draining”, “landscaping and irrigation” and “miscellaneous concrete”. FNF was also among the bidders on SS84601C, but was not the low bid or second low bid. The contract for that adjacent project was awarded in April, 2014.

In summary, the Department finds that Carson was and is prequalified for the categories of work needed for bidding this project. The Department recommends that the Board reject the protest of FNF Construction and recommends award of this contract to Carson Construction.



Dated this 10th day of December, 2014
 STATE TRANSPORTATION BOARD
 By: Mary Beckley