

W. 8. D. 2

AGENDA COVER MEMO

DATE: May 31, 2006
TO: Lane County Board of Commissioners
FROM: Public Works, Engineering Administration
PRESENTED BY: Sonny P.A. Chickering, County Engineer

**AGENDA
ITEM TITLE:** IN THE MATTER OF AWARDING A CONTRACT TO CP
CONSTRUCTION LLC, IN THE AMOUNT OF \$928,267.00, FOR
GRADING, STRUCTURE & PAVING, SHARPS CREEK ROAD
BRIDGE – M.P. 6.48, PROSPECTIVE CONTRACT NO. 05/06-14.

I. MOTION

THAT THE ATTACHED BOARD ORDER IS ADOPTED, AWARDING THE BID FOR GRADING, STRUCTURE & PAVING, SHARPS CREEK ROAD BRIDGE – M.P. 6.48, PROSPECTIVE CONTRACT NO. 05/06-14, SUBMITTED BY CP CONSTRUCTION LLC, IN THE AMOUNT OF \$928,267.00.

II. ISSUE OR PROBLEM

The Sharps Creek Road Bridge project was open to the public for bid on May 8, 2006, a bid opening was held on May 19, 2006. Three bids were received and all three bids were significantly over the Engineer's Estimate of \$635,974.00 and the CIP funded amount of \$606,000.00.

Of the three bids submitted the lowest bid came from CP Construction LLC in the amount of \$928,267.00. CP Construction LLC was \$292,293.00 over the Engineer's Estimate and \$322,267.00 over the CIP funded amount of \$606,000.00. Since the bid amount is over the CIP amount, Board review and approval is requested.

III. DISCUSSION

A. Background

In December of 2003, Lane County submitted applications for new local bridge projects funded by the 2003 Oregon Transportation Investment Act (OTIA III). Five bridges in Lane County were ultimately awarded grant money totaling \$4,804,000.00 for repair or replacement. A total of \$300 million was granted for state-wide city and county "Local Bridges", while \$1.3 billion was granted for on-system ODOT bridges. Of this, a significant amount of money is being used to repair and replace bridges along the I-5 corridor; and ODOT has "bundled" various bridges on corridors like this for design-build construction.

For each local bridge, a cost estimate was derived in 2003 and funding was given based on those cost estimates.

An Intergovernmental Agreement with ODOT was signed in May of 2004. For the Sharp's Creek Road project, a total of \$753,000 was awarded. The CIP document for Lane County showed the amount in the grant for construction in the amount of \$606,000, with the difference of \$147,000 for preliminary engineering and right-of-way.

The signed IGA stipulates that the Local Agency shall be responsible for all costs, including inflationary cost increases, in excess of the grant amount. In 2005, ODOT started to see cost overruns with respect to their own 2003 planning project cost estimates. They worked with their own bridge oversight committee to reprioritize, drop or shift their projects to fit within the overall budget authority.

As a result of the large mass of projects being bid for both the OTIA III bridge bundles and other State Transportation Improvement Program (STIP) projects such as I-5/Beltline and the newly awarded \$40 million plus interchange in South Medford, there is a large amount of bridge and structure related projects currently being constructed and more to be let in the next few years. The OTIA III legislation sunsets in January of 2013, so it is expected that projects will be in the pipeline up to that point.

On April 26, 2006 Board Order 06-4-26-3 rejected the single bid submitted by Holm II, Inc., for Row River Road Bridge M.P. 16.64 and Sharps Creek Road Bridge M.P. 6.48 bundled under one contract. In an attempt to gain more competitive bidding due to only receiving one bid response, staff decided to "un-bundle" the projects and re-bid separately.

B. Analysis

Three bids were received for the construction contract for the Sharps Creek Road Bridge. All three bids were over the engineer's estimate and over the CIP funded amount. Holm II Inc. submitted a bid of \$1,250,920.00; Carter and Company submitted a bid of \$1,090,876.00; and CP Construction LLC was the lowest bidder, submitting a bid of \$928,267.00.

After the bid opening, staff and the bridge consultant analyzed the bid items on the bid review sheet in an attempt to understand the inflated individual bid items. The Engineer's Estimate for this bridge was already increased by 15% from the last time it was bid in April, and we used the available data on the ODOT website to attempt to estimate the individual unit costs. The items below highlight the bid items that we feel impacted the overall project cost.

1. **Temporary Traffic Signal Installation.** This unit price seems to be fluctuating widely both times it was bid. The low bid is showing \$80,000 for this work, which is \$52,000 higher than our estimate.
2. **Temporary concrete Barrier, Reflectorized.** Again, there is a wide difference between the bidders, with one bidder listing \$20 per lineal foot, and

the other bidder showing \$48 per lineal foot. This impacted the bid by around \$14,000.

3. Work Containment Plan and System. This bid item is a new requirement by ODOT, and is a means to contain the work area by-products from falling into the waters of the State. Bidders are showing a wide range in unit prices, and staff feels that the \$40,000 price by the low bidder is on the high side.

4. Bridge Removal Work. The consultant estimated this work to cost \$25 per square foot, but the bids came in at \$32 per square foot. This impacted the cost by \$15,500.

5. Structural Concrete. The ODOT website shows cost trends from 1987 to the first quarter of 2006. In 2003 the unit cost of structural concrete was \$490 per cubic yard. The annualized cost today is listed at \$635 per cubic yard. Our engineer's estimate listed \$650, and the low bidder bid \$920 per cubic yard. This has impacted the overall project cost by \$48,000.

6. BT48 Precast Prestressed Beams. The ODOT website lists a current average cost per lineal foot of \$160. Our Engineer's Estimate was \$200, and the low bidder bid \$280 per lineal foot. This impacted the cost by \$30,000.

7. 1 ½"-0 Aggregate Base. The ODOT website lists a current average cost per ton of \$13.50. Our Engineer's Estimate was \$15.00, and the low bidder bid \$27.25 per ton. This impacted the cost by \$16,000.

The Oregon Department of Transportation analyzes and reports Construction Cost Trends, using a base index of 100 equal to the prices in 1987. The Annual Composite Index for 2003 was 171.7, and has increased to 205.8 for the year ending 2005. Therefore, the Index has **increased 20% in just two years**. The Index for the first quarter of 2006 has already increased to 209.0, or a 1.6% in 3 months.

In addition to the increases in construction costs, we are also speculating that the sheer volume and size of the ODOT projects currently being developed, bid or constructed have put a strain on the available bridge contractors available to take on more projects. As previously identified, there was only one bidder on the last combined bridge contract. This time there were three bidders competing for the Sharps Creek bridge project, which was an improvement, but past bridge projects in Lane County used to attract more bidders.

In summary, ODOT construction cost trends have shown a marked increase in costs since 2003, when we were awarded a Grant under OTIA III. The bridge is in critical need to be repaired, and is already closed to one lane due to structural deficiencies. The OTIA III Row River Bridge, based on structural deficiencies, should go out for bid this fall for replacement. County staff will also discuss options with ODOT on the other three OTIA III bridges on London Road and evaluate options to rehabilitate one or more of them instead of full bridge

replacement. If approved by ODOT, we could then reallocate the total grant amount of \$4,804,000 for the five bridges, recognizing that the increases in construction costs have created a hardship on local agencies having to fund the inflated cost over the original project cost estimate. However, staff is still recommending that the Board award this contract, since construction costs are not decreasing, and probably will not over the life of the OTIA III program.

C. Alternatives/Options

1. Award contract.
2. Do not award the contract.

D. Recommendation

Option 1.

IV. IMPLEMENTATION / FOLLOW-UP

Upon approval by the Board, this contract will be processed and all required security bonds will be obtained.

ATTACHMENTS

- Board Order
- Bid Recap

IN THE BOARD OF COMMISSIONERS OF LANE COUNTY
STATE OF OREGON

ORDER NO.

(IN THE MATTER OF AWARDING THE
(CONTRACT TO CP CONSTRUCTION
(LLC, IN THE AMOUNT OF \$928,267.00,
(FOR GRADING, STRUCTURE & PAVING,
(SHARPS CREEK ROAD BRIDGE – M.P.
(6.48, PROSPECTIVE CONTRACT NO.
05/06-14

WHEREAS, Sharps Creek Road Bridge repair has been approved for funding through adoption of the FY 2005–06 through FY 2006-10 Capital Improvement Program; and

WHEREAS, on Friday, May 19, 2006, Bill Morgan, Interim Design Engineer at Lane County Department of Public Works, under authority of Lane Manual, Chapter 21, opened bids for Grading, Structure & Paving, for Sharps Creek Road Bridge M.P. 6.48, Prospective Contract No. 05/06-14; and

WHEREAS, CP CONSTRUCTION LLC, submitted the Low bid in the amount of \$928,267.00; and

WHEREAS, the bid of \$928,267.00 submitted by CP CONSTRUCTION LLC, is over the CIP funded amount of \$606,000.00 and over the Engineer's Estimate of \$635,974.00, Staff has evaluated the bids and identified the causes of the increased costs, and the Director of the Department of Public Works recommends that the bid be accepted; **NOW THEREFORE BE IT**

ORDERED that the bid received from CP CONSTRUCTION LLC, be accepted; and it is further

ORDERED that CP CONSTRUCTION LLC, be awarded a contract for Grading, Structure & Paving of the Sharps Creek Road Bridge M.P. 6.48, Prospective Contract No. 05/06-14.

DATED this _____ day of _____, 2006.

Bill Dwyer, Chair
Lane County Board of Commissioners

APPROVED AS TO FORM

Date 5-26-06 Lane County


OFFICE OF LEGAL COUNSEL

Lane County Department of Public Works

Description: Grading, Structure & Paving

Bid Recap

County Site: Sharps Creek Road Bridge - M.P. 6.48

Contract: 05/06-14

Date of Opening: 10:00 A.M.
Friday, May 19, 2006

Item No.	Item	Unit	Qty	#1 CP CONSTRUCTION LLC 225 DRIVER VALLEY ROAD OAKLAND, OR 97462		#2 CARTER AND COMPANY 4676 Commercial St. S.E. #203 Salem, OR 97302		#3 HOLM II, INC. P. O. Box 453 Stayton, OR 97383		#4
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	
1	Mobilization	Lump Sum	1	\$87,000.00	\$87,000.00	\$105,000.00	\$105,000.00	\$125,000.00	\$125,000.00	
2	Temporary Protection & Direction of Traffic	Lump Sum	1	\$5,000.00	\$5,000.00	\$3,700.00	\$3,700.00	\$13,500.00	\$13,500.00	
3	Temporary Signs	Sq. Ft.	690	\$20.00	\$13,800.00	\$17.00	\$11,730.00	\$19.00	\$13,110.00	
4	Temporary Barricades	Each	25	\$180.00	\$4,500.00	\$145.00	\$3,625.00	\$150.00	\$3,750.00	
5	Temporary Plastic Drums	Each	25	\$70.00	\$1,750.00	\$60.00	\$1,500.00	\$60.00	\$1,500.00	
6	Temporary Striping	Lin. Ft.	30	\$5.00	\$150.00	\$5.00	\$150.00	\$7.00	\$210.00	
7	Temporary Traffic Signal Installation	Lump Sum	1	\$80,000.00	\$80,000.00	\$70,000.00	\$70,000.00	\$30,000.00	\$30,000.00	
8	Stripe Removal	Lin. Ft.	1,120	\$1.00	\$1,120.00	\$1.15	\$1,288.00	\$1.00	\$1,120.00	
9	Striping & Stripe Removal Mobilization	Each	1	\$1,500.00	\$1,500.00	\$1,700.00	\$1,700.00	\$2,000.00	\$2,000.00	
10	Flaggers	Hour	1,000	\$39.50	\$39,500.00	\$40.00	\$40,000.00	\$43.00	\$43,000.00	
11	Temporary Concrete Barrier, ReflectORIZED	Lin. Ft.	425	\$48.00	\$20,400.00	\$34.00	\$14,450.00	\$20.00	\$8,500.00	
12	Moving Temporary Concrete Barrier	Lin. Ft.	425	\$5.00	\$2,125.00	\$3.00	\$1,275.00	\$6.00	\$2,550.00	
13	Temporary Impact Attenuators	Each	2	\$2,800.00	\$5,600.00	\$3,500.00	\$7,000.00	\$3,500.00	\$7,000.00	
14	Moving Temporary Impact Attenuators	Each	2	\$650.00	\$1,300.00	\$200.00	\$400.00	\$900.00	\$1,800.00	
15	Erosion Control	Lump Sum	1	\$6,000.00	\$6,000.00	\$2,000.00	\$2,000.00	\$7,500.00	\$7,500.00	
16	Check Dams	Each	2	\$175.00	\$350.00	\$100.00	\$200.00	\$500.00	\$1,000.00	
17	Sediment Barrier, Type 3	Lin. Ft.	930	\$5.00	\$4,650.00	\$3.15	\$2,929.50	\$10.00	\$9,300.00	
18	Sediment Fence, Unsupported	Lin. Ft.	380	\$2.50	\$950.00	\$4.00	\$1,520.00	\$6.00	\$2,280.00	
19	Pollution Control Plan	Lump Sum	1	\$3,000.00	\$3,000.00	\$1,250.00	\$1,250.00	\$1,000.00	\$1,000.00	
20	Work Containment Plan & System	Lump Sum	1	\$40,000.00	\$40,000.00	\$65,000.00	\$65,000.00	\$12,500.00	\$12,500.00	
21	Removal of Structures & Obstructions	Lump Sum	1	\$6,000.00	\$6,000.00	\$3,000.00	\$3,000.00	\$15,000.00	\$15,000.00	
22	Clearing and Grubbing (0.3 +/- Acres Total)	Lump Sum	1	\$10,000.00	\$10,000.00	\$20,000.00	\$20,000.00	\$16,000.00	\$16,000.00	
23	General Excavation	Cu. Yd.	830	\$13.25	\$10,997.50	\$34.00	\$28,220.00	\$17.00	\$14,110.00	
24	Watering	M-Gal.	8	\$58.00	\$464.00	\$40.00	\$320.00	\$100.00	\$800.00	
25	Finishing Roadbeds	Lump Sum	1	\$7,000.00	\$7,000.00	\$10,000.00	\$10,000.00	\$9,000.00	\$9,000.00	
26	Loose Riprap, Class 50	Ton	60	\$75.00	\$4,500.00	\$70.00	\$4,200.00	\$75.00	\$4,500.00	
27	Drainage Curbs	Lin. Ft.	179	\$20.00	\$3,580.00	\$20.00	\$3,580.00	\$20.00	\$3,580.00	
28	Bridge Removal Work	Lump Sum	1	\$65,000.00	\$65,000.00	\$125,000.00	\$125,000.00	\$153,000.00	\$153,000.00	

Lane County Department of Public Works

Description: Grading, Structure & Paving

Bid Recap

County Site: Sharps Creek Road Bridge - M.P. 6.48

Date of Opening: 10:00 A.M.
Friday, May 19, 2006

Contract: 05/06-14

Item No.	Item	Unit	Qty	Unit Price	Amount	Unit Price	Amount
Prepared By: SCF							
Checked By: BM							
	#1 CP CONSTRUCTION LLC 225 DRIVER VALLEY ROAD OAKLAND, OR 97462			Unit Price	Amount	Unit Price	Amount
	#2 CARTER AND COMPANY 4676 Commercial St. S.E. #203 Salem, OR 97302			Unit Price	Amount	Unit Price	Amount
	#3 HOLM II, INC. P. O. Box 453 Stayton, OR 97383			Unit Price	Amount	Unit Price	Amount
	#4			Unit Price	Amount	Unit Price	Amount

Engineer's Estimate:

* Indicates a discrepancy between contractor's submitted totals and totals calculated from unit costs submitted.