RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes ___ No X ___)

Resolution awarding the construction contract for the Government Center to the lowest responsible bidder; bid opening is scheduled for July 2.

Staff will have the results of the bid opening for the Board's consideration at the meeting of July 8, and will make a recommendation for award at the Board meeting.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Board approved the issuance of plans and specifications and advertisement for bids for this project at its meeting of April 22, 1997.

On February 27, 1996, the Board authorized staff to submit an application to the Rural Development Administration (formerly the Farmers Home Administration) for funding. Funding by RDA has been approved, and bonds are scheduled to be issued in July.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Negative action will delay the completion of this needed facility.
TO: MIKE EDWARDS, Public Works Director
FROM: MARGIE WILLIAMS, Clerk of the Board
SUBJECT: CONSTRUCTION CONTRACT FOR THE GOVERNMENT CENTER; RES. 97-296

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,

ADOPTED THIS Order on July 15, 1997

ACTION AND VOTE:

B) Resolution Awarding the Construction Contract for the Government Center to the Lowest Responsible Bidder with Bid Opening Scheduled for July 2, 1997 (4/5ths Vote Required) (Continued from 7/8/97)

BOARD ACTION: Discussion was held with Mike Edwards and Craig Scott, DuPertuis Scott Architects, relative to the bids received and recommendations. Mike advised that he plans to have the Government Center Committee meet weekly and give periodic reports to the Board. (M)Parker, (S)Pickard, Res. 97-296 adopted:

1. awarding contract to Tech Four Construction, Inc., the low bidder, for the base bid of $2,780,000 plus Bid Alternative #2 (a deduction of $48,000 for changing from a metal roof to a composition shingle roof);
2. directing staff to close the loan with RDA as soon as practical;
3. directing staff to work with the contractor in a value engineering process to reduce the cost of construction by as close to $230,000 as possible without sacrificing the basic goals and intent of the project;
4. approving budget action to contribute additional funding available within the Capital Improvement Program budget line items for this project; an amount of $208,845 set aside for payment of the principal and interest against the loan from RDA, and an amount of $241,796 set aside for land purchases for future government center needs;
5. directing staff to include request for funding in an amount of $130,000 for the Capital Improvement Program budget in the budget process for land purchases for future government center needs;
6. reducing the amount of contingency for this project by $37,359;
7. directed County Counsel, County Administrative Officer, and Public Works Director to keep a very close eye on the value engineering, and if it is not possible to make the recommended reductions in the amount of $230,000, that authorization be given to loan up to $100,000 from the Capital Improvement Program fund with
the understanding that the loan would be repaid (and it was noted that the plaza is a very important part of the project);

8. exercising the Board’s discretion with the above actions to award the contract to a contractor who utilizes subcontractors in excess of fifty percent (50%) of the bid price; and

9. refusing Bid Alternative #4, addition of the 11th Street water main extension to the contract, and directing staff to negotiate this construction with the Mariposa Public Utility District as part of their ongoing water main replacement project, and recommending that the Water Agency take separate action to approve an expenditure up to $20,000 for this work.

Further discussion was held and motion was amended, agreeable with maker and second, to withdraw the portion of the motion relative to authorizing a loan of $100,000 from the Capital Improvement Program budget. Mike Edwards asked for Board direction relative to scheduling this matter on each week’s agenda for update and for authorizing signature of the contract when it is ready. Motion was further amended, agreeable with maker and second, to withdraw the portion of the motion relative to directing staff to include $130,000 for the Capital Improvement Program budget in the budget process for land purchases for future government center needs; and direction was given for this project to be scheduled on each week’s agenda with the contract documents to be brought back for approval.

Ayes: Unanimous.

cc: Ken Hawkins, Auditor
    Jeff Green, County Counsel
    Janet Hogan, County Administrative Officer
    File
MEMO

July 11, 1997

To: Board of Supervisors

From: Michael D. Edwards, Public Works Director

Subject: Award of Construction Contract for the County Government Center
Project #91-15, Continued from Board Meeting of July 8, 1997

The Public Works Department recommends that the Board of Supervisors take the following action with regards to awarding a contract for construction of the Government Center:

1. Award the contract to Tech Four Construction, Inc., the low bidder, for the base bid of $2,780,000 plus Bid Alternate #2 (a deduction of $48,000 for changing from a metal roof to a composition shingle roof). Refer to Attachment #1, the bid summary. For the cost, staff and the architect do not feel the metal roof warrants the extra expenditure.

2. Refuse Bid Alternate #1, deletion of the public plaza from the contract. This is an important part of the project if the Government Center is to become a viable public space for activities such as community meetings and a place for celebration of the arts. This part of the project would be subject to value engineering as discussed below.

3. Refuse Bid Alternate #4, addition of the 11th Street water main extension to the contract, and direct staff to negotiate this construction with the Mariposa Public Utility District as part of their ongoing water main replacement project. Take a separate action as the Mariposa County Water Agency to approve an expenditure of up to $20,000 for this work (MPUD has provided a preliminary cost estimate of $16,000-$17,000 for the work). This work qualifies for use of Water Agency funds as it will increase fire flow capacity to a portion of the town that currently is inadequate for development as zoned. Funding is available in the Water Agency budget, including prior commitments last fiscal year for other projects.
4. Direct staff, following award of the contract, to work with the contractor in a value engineering process to reduce the cost of construction by at least $230,000 without sacrificing the basic goals and intent of the project. The architect feels confident that this can be achieved.

5. Take a budget action to contribute additional funding available within the Capital Improvement Program budget line items for this project. This includes an amount of $208,845 set-aside for payment of the principal and interest against the loan from RDA. This first payment will not be due until Fiscal Year 98/99. The other available portion is the balance of $24,196 set aside for land purchases for future government center needs. This is not needed at this time. Staff has requested a similar amount be included in the budget for FY 97/98 that would backfill this line item.

6. Reduce the amount of the contingency as shown in the current project budget summary (see Attachment #2) by $37,359. With construction bids now in, it is prudent to allow a slight reduction in contingency.

7. Exercise the Board's discretion with the above actions to award the contract to a contractor who utilizes subcontractors in excess of fifty percent (50%) of the bid price. Refer to Attachments 4 and 5.

Attachment #3 shows a summary of construction costs versus the budgeted amount and the above-recommended actions to eliminate the shortfall. This achieves the goals of the project without any increase to the County's budget.

Alternatives to the above recommendations are as follows:

1. Increase the loan from RDA and reduce additional County up-front funding. A potential of $324,000 of uncommitted funds exists from RDA, although it is not known if this extra amount could be committed to this project. This option is not recommended as it increases long term debt service for the County and has the affect of increasing the ongoing County budget.

2. Reject all bids and direct that the project be redesigned and rebid to eliminate the shortfall. This is not recommended because a significant downsizing of the project would be required. This would cause the facility to be inadequate for its intended purpose. Much of the savings could be lost because of the extra time and expense involved. The largest potential impact could be the loss of the RDA funding commitment.
3. Reject all bids and do not go forward with the project. Continue to rent other facilities for the Board and administrative staff that will likely be inadequate. The other goals of the project such as permit streamlining and a community gathering place would be lost.

Staff and the architect will be available at the July 15 Board meeting to provide additional information and answer questions.

c: Craig Scott
    David Oster
    Jose Guardado, RDA-Merced
<table>
<thead>
<tr>
<th>Business Name</th>
<th>Base Bid</th>
<th>Public Plaza</th>
<th>Roofing</th>
<th>Siding</th>
<th>Water Main</th>
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<tr>
<td>C. T. BRAYTON AND SONS</td>
<td>$3,092,000.00</td>
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<td>$20,000.00</td>
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<td>BRICO CONSTRUCTION</td>
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Preliminary Budget Summary
April 17, 1997

**Estimated Project Costs**

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<th>Description</th>
<th>Cost</th>
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<tr>
<td>Construction Cost</td>
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<tr>
<td>Estimated Permits/Fees: (Bldg. Dept., MPUD, PG &amp; E, etc.)</td>
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<td>Architectural &amp; Engineering Fees (7-1/2%)</td>
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<td>Furnishings/Communications/Window Treatments</td>
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<td>Geotechnical Report/Topographical Survey</td>
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<td>Construction Testing</td>
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<td>Reimbursable Expense</td>
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<td>Bond Counsel, RDA-Required Insurance, Misc. Expense</td>
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<td>Construction Contingency @ 10%</td>
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</table>

**Total Project Cost** *$2,725,600*

*Does not include cost for interim construction financing if required by RDA. Assumption is that RDA will reimburse County from loan funds based on periodic invoices of actual costs incurred.*

**Available Funding**

<table>
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<tr>
<th>Description</th>
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<tr>
<td>RDA Loan **</td>
<td>$2,485,100</td>
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<tr>
<td>County Contribution</td>
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**Total Budget** $2,725,795

**The debt service on this loan is set at 5-1/8% over a twenty (20) year period. The annual payment will be $201,530 with the first payment due one year from loan closing (approximately June, 1998). The capacity for this debt service was created when two prior loans with total annual payments of $349,734 were retired in Fiscal Year 94/95. That capacity funded project development and local match costs, as well as a portion of the fleet shop consolidation project.**
COUNTY GOVERNMENT CENTER
RECOMMENDED CONSTRUCTION BUDGET REVISIONS

Base Bid $2,780,000
Construction Budget 2,014,000
Shortfall (766,000)

- Accept Alternate #2 (no metal roof) 48,000
- Value Engineering (including downsacle plaza) 230,000
- Contribute Deferred 97/98 Loan Payment 208,845
- Contribute Set-aside for Land Purchase for Government Center 241,796
- Reduce Contingency from $200,000 to $162,641 37,359

Balance -0-
July 7, 1997

Mariposa County
4639 Ben Hur Road
Mariposa, CA 95338

Sent Via FAX and U.S. Mail

Attn.: Mr. David Tucker, Project Manager

Re.: Mariposa County Government Center
Project No. PW 91-15

Mr. Tucker,

On July 2, 1997 Mariposa County received bids on the above referenced project. Bids were received from seven (7) prime contractors and the bids ranged from $2,780,000.00 to $3,092,000.00. Upon evaluation of the Subcontractor List submitted by the low three bidders, it is the opinion of Mauldin - Dorfmeier Construction, Inc. that these three bids are non-compliant with the requirements of the specifications for this project. Consequently, it is the opinion of Mauldin - Dorfmeier Construction, Inc., that the bids submitted by Tech Four Construction, Inc., Basila Construction, Inc. and Johnston Contracting be found non-responsive and non-responsible.

The Information to Bidders provided in the specifications for the above referenced project states on page B-3, "Award will be made to the lowest responsive, responsible BIDDER. The lowest responsive, responsible BIDDER will be determined by: (1) lowest overall cost to the OWNER, (2) evaluation of BIDDER's experience and, (3) a BIDDER's proposal that complies with all the requirements prescribed in this document." It is in the evaluation of the bids submitted by, Tech Four Construction, Inc., Basila Construction, Inc. and Johnston Contracting against the third criteria mentioned above where their bids prove to be non-responsive and non-responsible.

The General Conditions of the specifications for the above referenced project states under section 26. SUBCONTRACTING, sub-paragraph 26.2, "The CONTRACTOR shall not award WORK to SUBCONTRACTOR(S), in excess of fifty (50%) percent of the CONTRACT PRICE, without prior approval of the OWNER." In evaluating the Subcontractor Lists submitted by Tech Four Construction, Inc., Basila Construction, Inc. and Johnston Contracting, it is apparent that each has violated the requirement spelled out in sub-section 26.2. This violation is blatant and has afforded Tech Four Construction, Inc., Basila Construction, Inc. and Johnston Contracting an unfair competitive advantage in the bidding process. Consequently, Mauldin - Dorfmeier Construction, Inc. will protest any award made to either Tech Four Construction, Inc., Basila Construction, Inc., or Johnston Contracting.
Mauldin - Dorfmeier Construction, Inc. bid this project with complete understanding of the requirement detailed in sub-paragraph 26.2 and consequently did not utilize subcontractors in particular trades intentionally, in order to comply with this requirement. Had this requirement not been in the specifications the bid submitted by Mauldin - Dorfmeier Construction, Inc. would have been materially different and perhaps even been the low bid. This should not be judged as a minor irregularity.

Mauldin - Dorfmeier Construction, Inc. formally requests your consideration to this matter and requests that you reject the bids submitted by Tech Four Construction, Inc., Basila Construction, Inc. and Johnston Contracting as non-responsive and non-responsible. Furthermore, Mauldin - Dorfmeier Construction, Inc. requests that you award the County of Mariposa Government Center to Mauldin - Dorfmeier Construction, Inc. as the lowest responsive and responsible bidder.

Thank you for your consideration and attention to this matter. We look forward to working with you on this project.

Sincerely,

Mauldin - Dorfmeier Construction, Inc.

[Signature]

Wesley E. Barry II
Chief Estimator

c Craig Scott, Project Architect DePertuis Scott Architects
Bid File