

W. S. A.

## AGENDA COVER MEMO

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**DATE:** April 17, 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 REJECTING THE BID SUBMITTED BY HOLM II, INC., IN THE AMOUNT OF \$2,674,569.00, FOR GRADING, STRUCTURE & PAVING, ROW RIVER ROAD BRIDGE – M.P. 16.64 & SHARPS CREEK ROAD BRIDGE – M.P. 6.48, PROSPECTIVE CONTRACT NO. 05/06-10

### I. MOTION

THAT THE ATTACHED BOARD ORDER IS ADOPTED, REJECTING THE BID FOR GRADING, STRUCTURE & PAVING, ROW RIVER ROAD BRIDGE – M.P. 16.64 & SHARPS CREEK ROAD BRIDGE – M.P. 6.48, PROSPECTIVE CONTRACT NO. 05/06-10, SUBMITTED BY HOLM II, INC., IN THE AMOUNT OF \$2,674,569.00.

### II. ISSUE OR PROBLEM

The Row River Road Bridge & Sharps Creek Road Bridge project was open to the public for bid on March 20, 2006 and a bid opening was held on April 7, 2006. Only one bid was received and it was significantly over the Engineer's Estimate of \$1,639,426.00, and the CIP funded amount of \$1,405,000.00.

### 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 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 and Lane County programmed the projects within its Capital Improvement Program (CIP). 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.

One bid was received for the construction contract for the two bridges. The bid was for \$2,674,569.00, and is over \$1 million over the engineer's estimate.

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## **B. Analysis**

For the five OTIA III projects in Lane County, staff had originally planned to bundle them in groups of two (Sharps and Row) and three (London Road bridges) in order to get a better economy of scale for bidding and construction. However, we underestimated the sheer volume and size of the ODOT projects currently being developed, bid or constructed; and this has affected our first bid bundle of the Row River and Sharps Creek Road bridges.

For this particular project, there were 15 different contractors who identified themselves as "Prime" on our Plan Holders list. There were also 6 contractors who identified themselves as "Sub" on the list. All of the bidders had three weeks to prepare their bids and there was no apparent confusion in the plans or specifications based on the very limited amount of phone calls leading up to the bid.

Only one bid was submitted and opened, and based on the attached bid recap summary, unit costs were substantially higher than the engineer's estimate. As an example, some of the highest costs were in the bridge work items, such as structural concrete, precast prestressed beams, and bridge removal. On average, the unit prices were 30 to 40 percent higher than expected on these major items alone.

After the bid opening, phone calls were made to the plan holders asking them the following questions:

- Why did you not bid on this project?
- What can we change in the contract for you to bid on this project?

- Would you have bid if it was a one season project? How about closing Row River bridge and build the entire bridge in one stage?
- Would an escalation clause for AC reduce your overall cost?
- Would it be more competitive to have two smaller contracts? Would a smaller project that lowered the bonding limit attract smaller contractors?
- What other things can we do to make this project attractive enough for you to bid?
- What other things can we do to lower the project cost?

As a result of the phone calls, staff and our bridge consultant have made the following findings and recommendations:

- Contractors did not bid on this project due to the volume of other bridge projects being let by ODOT in the general area. They have a lot of work already, closer to the metro area, especially in the in-water work period from July to September.
- If the project was to be re-bid, it is recommended to split the two bridges out separately in order to attract smaller contractors not currently working on the ODOT projects. This would increase bid competitiveness.
- For the bridge on Row River, look into allowing the contractor to close the road and not require two-staged construction. This will shorten the overall construction time.
- Request from the regulatory agencies that the in-water work period be lengthened for construction in one season instead of two.

The other preliminary analysis we asked our bridge consultant to perform dealt with reprioritizing the five OTIA III projects based on structural bridge deficiencies, and whether some bridges could be strengthened (repaired) instead of replaced. As a result, the recommendation is to still replace the Sharps Creek and Row River Road bridges, but the three London Road bridges may have components of just strengthening and rehabilitation instead of wholesale replacement. This analysis is based on review of the existing bridge reports, especially dealing with the maximum size of shear cracks on each bridge. Staff will continue to analyze this further with ODOT, with the desired outcome to better match the scope of bridge repairs with the available grant money, given the ironic inflationary cost increases caused by the OTIA III program.

In summary, the amount of the single bid is well in excess of the Engineer's Estimate. Staff believes that the lack of competitive bids and the high cost of the bid received are related to the current high demand for bridge construction contractors and the lack of competitive bids by smaller contractors. We recommend splitting the two projects and re-advertise the Sharps Creek Road Bridge immediately since it can be completed in the current construction year. We also recommend to re-bid the Row River Creek Bridge project this fall, and seek ways to decrease the time of construction into one season by allowing the contractor to close the road. This would require additional work by staff on informing area residents and users of detour routing and expected travel delays. Together, our recommendation would likely result in more bids and lower construction costs.

**C. Alternatives/Options**

1. Do not award the contract. Re-bid the Sharps Creek Road Bridge project immediately for construction in 2006. Revise and re-bid the Row River Road Bridge project in the fall of 2006, with construction to occur in one season (2007).

2. Award contract and direct staff to reduce funding for another project in the CIP by the overage amount of over \$1 million.

**D. Recommendation**

Option 1.

**IV. IMPLEMENTATION / FOLLOW-UP**

Upon approval by the Board, these projects will be re-bid and come in front of the Board at a later date.

**ATTACHMENTS**

- Board Order
- Bid Recap

IN THE BOARD OF COMMISSIONERS OF LANE COUNTY  
STATE OF OREGON

ORDER NO.

( IN THE MATTER OF REJECTING THE  
( BID SUBMITTED BY HOLM II, INC., IN  
( THE AMOUNT OF \$2,674,569.00, FOR  
( GRADING, STRUCTURE & PAVING,  
( ROW RIVER ROAD BRIDGE – M.P. 16.64  
( & SHARPS CREEK ROAD BRIDGE –  
M.P. 6.48, PROSPECTIVE CONTRACT  
NO. 05/06-10

**WHEREAS**, the Row River Road Bridge & 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, April 7, 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, Row River Road Bridge M.P. 16.64 & Sharps Creek Road Bridge M.P. 6.48, Prospective Contract No. 05/06-10; and

**WHEREAS**, HOLM II, INC., submitted the only bid in the amount of \$2,674,569.00; and

**WHEREAS**, the bid of \$2,674,569.00 submitted by HOLM II, INC., is over the CIP funded amount of \$1,405,000.00 and over the Engineer's Estimate of \$1,639,426.00, and the Director of the Department of Public Works recommends that the bid not be accepted; **NOW THEREFORE BE IT**

**ORDERED** that the bid received from HOLM II, INC., be rejected; and it is further

**ORDERED** that HOLM II, INC., not be awarded a contract for Grading, Structure & Paving of the Row River Road Bridge M.P. 16.64 & Sharps Creek Road Bridge M.P. 6.48, Prospective Contract No. 05/06-10.

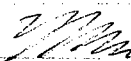
**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

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Bill Dwyer, Chair  
Lane County Board of Commissioners

APPROVED AS TO FORM

4-14-06

  
OFFICE OF COUNTY CLERK

# Lane County Department of Public Works

# BID RECAP

Description: Grading, Structure & Paving

County Site: Row River Road Bridge - M.P. 16.64 & Sharps Creek Road Bridge - M.P. 6.48

10:00 AM

Contract: 05/06-10

Friday, April 7, 2006

Prepared By: scf				#1 BIDDER		ENGINEER'S ESTIMATE	DOLLAR & PERCENT COMPARISON PER BIDDER & ENGINEER'S EST.	
Checked By: bm				HOLM II, INC. PO BOX 453 STAYTON OR 97383				
Item No.	Item	Unit	Qty	Unit Price	Amount	Unit Price	BIDDER DOLLAR (+/-)	BIDDER PERCENT (+/-)
<b>TEMPORARY FEATURES AND APPURTENANCES</b>								
1	Mobilization	Lump Sum	1	\$ 266,000.00	\$ 266,000.00	\$ 135,000.00	\$ 131,000.00	49%
2	Temporary Protection & Direction of Traffic	Lump Sum	1	\$ 25,000.00	\$ 25,000.00	\$ 10,000.00	\$ 15,000.00	60%
3	Temporary Signs	Sq. Ft.	1,550	\$ 19.00	\$ 29,450.00	\$ 15.00	\$ 4.00	21%
4	Temporary Barricades	Each	50	\$ 150.00	\$ 7,500.00	\$ 100.00	\$ 50.00	33%
5	Temporary Plastic Drums	Each	50	\$ 60.00	\$ 3,000.00	\$ 35.00	\$ 25.00	42%
6	Temporary Striping	Lin. Ft.	90	\$ 4.00	\$ 360.00	\$ 5.00	\$ (1.00)	-25%
7	Temporary Traffic Signal Installation	Lump Sum	1	\$ 60,000.00	\$ 60,000.00	\$ 70,000.00	\$ (10,000.00)	-17%
8	Stripe Removal	Lin. Ft.	2,120	\$ 0.85	\$ 1,802.00	\$ 1.00	\$ (0.15)	-18%
9	Striping and Stripe Removal Mobilization	Each	2	\$ 1,000.00	\$ 2,000.00	\$ 1,000.00	\$ -	0%
10	Flaggers	Hour	2,000	\$ 43.00	\$ 86,000.00	\$ 35.00	\$ 8.00	19%
11	Temporary Concrete Barrier, ReflectORIZED	Lin. Ft.	815	\$ 23.00	\$ 18,745.00	\$ 10.00	\$ 13.00	57%
12	Moving Temporary Concrete Barrier	Lin. Ft.	695	\$ 6.50	\$ 4,517.50	\$ 3.00	\$ 3.50	54%
13	Temporary Impact Attenuators	Each	4	\$ 3,500.00	\$ 14,000.00	\$ 1,500.00	\$ 2,000.00	57%
14	Moving Temporary Impact Attenuators	Each	4	\$ 900.00	\$ 3,600.00	\$ 1,000.00	\$ (100.00)	-11%
15	Erosion Control	Lump Sum	1	\$ 15,000.00	\$ 15,000.00	\$ 10,000.00	\$ 5,000.00	33%
16	Check Dams	Each	8	\$ 500.00	\$ 4,000.00	\$ 150.00	\$ 350.00	70%
17	Sediment Barrier, Type 3	Lin. Ft.	1,075	\$ 10.00	\$ 10,750.00	\$ 10.00	\$ -	0%
18	Sediment Fence, Unsupported	Lin. Ft.	610	\$ 6.00	\$ 3,660.00	\$ 3.00	\$ 3.00	50%
19	Pollution Control Plan	Lump Sum	1	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00	\$ (1,000.00)	-100%
20	Work Containment Plan and System	Lump Sum	1	\$ 25,000.00	\$ 25,000.00	\$ 4,000.00	\$ 21,000.00	84%
<b>SUB-TOTAL:</b>				<b>\$ 398,222.35</b>	<b>\$ 581,384.50</b>	<b>\$ 234,867.00</b>	<b>\$ 163,355.35</b>	<b>41%</b>
<b>ROADWORK</b>								

# Lane County Department of Public Works

# BID RECAP

Description: Grading, Structure & Paving

County Site: Row River Road Bridge - M.P. 16.64 & Sharps Creek Road Bridge - M.P. 6.48

10:00 AM

Contract: 05/06-10

Friday, April 7, 2006

Prepared By: scf				#1 BIDDER		ENGINEER'S ESTIMATE		DOLLAR & PERCENT COMPARISON PER BIDDER & ENGINEER'S EST.	
Checked By: bm				HOLM II, INC. PO BOX 453 STAYTON OR 97383					
Item No.	Item	Unit	Qty	Unit Price	Amount	Unit Price	BIDDER DOLLAR (+/-)	BIDDER PERCENT (+/-)	
21	ITEM DELETED	NA	NA						
22	Removal of Structures and Obstructions	Lump Sum	1	\$ 15,000.00	\$ 15,000.00	\$ 5,000.00	\$ (10,000.00)	67%	
23	Removal of Surfacing	Sq. Yd.	973	\$ 8.00	\$ 7,784.00	\$ 5.00	\$ (3.00)	38%	
24	Clearing And Grubbing (1.4 +/- Acres Total)	Lump Sum	1	\$ 40,000.00	\$ 40,000.00	\$ 5,000.00	\$ (35,000.00)	88%	
25	General Excavation	Cu. Yd.	3,730	\$ 13.00	\$ 48,490.00	\$ 5.00	\$ (8.00)	62%	
26	Watering	M-Gal.	35	\$ 90.00	\$ 3,150.00	\$ 40.00	\$ (50.00)	56%	
27	Subgrade Geotextile, Type 1	Sq. Yd.	460	\$ 1.25	\$ 575.00	\$ 2.00	\$ 0.75	-60%	
28	Finishing Roadbeds	Lump Sum	1	\$ 25,000.00	\$ 25,000.00	\$ 6,000.00	\$ (19,000.00)	76%	
29	Loose Riprap, Class 50	Ton	160	\$ 75.00	\$ 12,000.00	\$ 70.00	\$ (5.00)	7%	
<b>SUB-TOTAL:</b>				<b>\$ 80,187.25</b>	<b>\$ 151,999.00</b>	<b>\$ 16,122.00</b>	<b>\$ 64,065.25</b>	<b>80%</b>	
<b>DRAINAGE AND SEWERS</b>									
30	12-Inch Culvert Pipe, 5 Feet Depth	Lin. Ft.	297	\$ 50.00	\$ 14,850.00	\$ 40.00	\$ (10.00)	20%	
31	Drainage Curbs	Lin. Ft.	470	\$ 20.00	\$ 9,400.00	\$ 13.00	\$ (7.00)	35%	
<b>SUB-TOTAL:</b>				<b>\$ 70.00</b>	<b>\$ 24,250.00</b>	<b>\$ 53.00</b>	<b>\$ 17.00</b>	<b>24%</b>	
<b>BRIDGES</b>									
32	Bridge Removal Work	Lump Sum	1	\$ 318,000.00	\$ 318,000.00	\$ 108,675.00	\$ (209,325.00)	66%	
33	Shoring, Cribbing, and Cofferdams	Lump Sum	1	\$ 125,000.00	\$ 125,000.00	\$ 30,000.00	\$ (95,000.00)	76%	
34	Structure Excavation	Lump Sum	1	\$ 23,000.00	\$ 23,000.00	\$ 20,700.00	\$ (2,300.00)	10%	
35	Granular Wall Backfill	Lump Sum	1	\$ 6,150.00	\$ 6,150.00	\$ 8,540.00	\$ 2,390.00	-39%	
36	Furnish Pile Driving Equipment	Lump Sum	1	\$ 20,000.00	\$ 20,000.00	\$ 40,000.00	\$ 20,000.00	-100%	
37	Furnish HP 12 X 53 Steel Piles	Lin. Ft.	318	\$ 35.50	\$ 11,289.00	\$ 30.00	\$ (5.50)	15%	
38	Drive HP 12 X 53 Steel Piles	Each	22	\$ 500.00	\$ 11,000.00	\$ 600.00	\$ 100.00	-20%	
39	Reinforced Pile Tips	Each	22	\$ 98.00	\$ 2,156.00	\$ 200.00	\$ 102.00	-104%	
40	Reinforcement, Uncoated	Lump Sum	1	\$ 82,750.00	\$ 82,750.00	\$ 74,000.00	\$ (8,750.00)	11%	
41	Reinforcement, Coated	Lump Sum	1	\$ 55,150.00	\$ 55,150.00	\$ 36,330.00	\$ (18,820.00)	34%	
42	Structural Concrete, Class 3600	Lump Sum	1	\$ 315,000.00	\$ 315,000.00	\$ 213,350.00	\$ (101,650.00)	32%	

# Lane County Department of Public Works

# BID RECAP

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10:00 AM

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Item No.	Item	Unit	Qty	Unit Price	Amount	Unit Price	BIDDER DOLLAR (+/-)	BIDDER PERCENT (+/-)
43	Structural Concrete, Class 4350	Lump Sum	1	\$ 278,500.00	\$ 278,500.00	\$ 125,200.00	\$ (153,300.00)	55%
44	BT60 Precast Prestressed Beams	Lin. Ft.	668	\$ 235.00	\$ 156,980.00	\$ 160.00	\$ (75.00)	32%
45	15" Precast Prestressed Slabs	Lin. Ft.	250	\$ 177.00	\$ 44,250.00	\$ 140.00	\$ (37.00)	21%
46	BT48 Precast Prestressed Beams	Lin. Ft.	378	\$ 281.00	\$ 106,218.00	\$ 160.00	\$ (121.00)	43%
47	Type A Polychloroprene Compression Joint Seals	Lump Sum	1	\$ 7,500.00	\$ 7,500.00	\$ 4,100.00	\$ (3,400.00)	45%
48	Concrete Repair	Lump Sum	1	\$ 3,400.00	\$ 3,400.00	\$ 50.00	\$ (3,350.00)	99%
49	Type "F" Concrete Rail	Lump Sum	1	\$ 47,345.00	\$ 47,345.00	\$ 44,620.00	\$ (2,725.00)	6%
<b>SUB-TOTAL:</b>				<b>\$ 1,283,121.50</b>	<b>\$ 1,613,688.00</b>	<b>\$ 706,855.00</b>	<b>\$ 576,266.50</b>	<b>45%</b>
<b>BASES</b>								
50	Cold Plane Pavement REmoval, 0 to 5" Deep	Sq. Ft.	1,875	\$ 7.00	\$ 13,125.00	\$ 3.00	\$ (4.00)	57%
51	1 1/2"-0 Aggregate Base	Ton	5,740	\$ 16.50	\$ 94,710.00	\$ 15.00	\$ (1.50)	9%
52	3/4"-0 Aggregate Base	Ton	1,405	\$ 16.50	\$ 23,182.50	\$ 15.00	\$ (1.50)	9%
<b>SUB-TOTAL:</b>				<b>\$ 40.00</b>	<b>\$ 131,017.50</b>	<b>\$ 33.00</b>	<b>\$ 7.00</b>	<b>18%</b>
<b>WEARING SURFACES</b>								
53	Level 3, 3/4" Dense HMAc	Ton	1,680	\$ 58.00	\$ 97,440.00	\$ 50.00	\$ (8.00)	14%
54	Extra For Asphalt Approaches	Each	21	\$ 150.00	\$ 3,150.00	\$ 300.00	\$ 150.00	-100%
<b>SUB-TOTAL:</b>				<b>\$ 208.00</b>	<b>\$ 100,590.00</b>	<b>\$ 350.00</b>	<b>\$ (142.00)</b>	<b>-68%</b>
<b>PERMANENT TRAFFIC SAFETY AND GUIDANCE DEVICES</b>								
55	Guardrail, Type 2A	Lin. Ft.	313	\$ 28.00	\$ 8,764.00	\$ 20.00	\$ (8.00)	29%
56	Guardrail, Type 3	Lin. Ft.	88	\$ 60.00	\$ 5,280.00	\$ 60.00	\$ -	0%
57	Guardrail, Type 4	Lin. Ft.	100	\$ 50.00	\$ 5,000.00	\$ 50.00	\$ -	0%
58	Guardrail, Transition	Each	8	\$ 2,700.00	\$ 21,600.00	\$ 2,200.00	\$ (500.00)	29%



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Checked By: bm				HOLM II, INC. PO BOX 453 STAYTON OR 97383					
Item No.	Item	Unit	Qty	Unit Price	Amount	Unit Price	BIDDER DOLLAR (+/-)	BIDDER PERCENT (+/-)	
59	Guardrail Anchors, Type 1 Modified	Each	1	\$ 650.00	\$ 650.00	\$ 500.00	\$ (150.00)	23%	
60	Guardrail End Pieces, Type B	Each	1	\$ 65.00	\$ 65.00	\$ 200.00	\$ 135.00	-208%	
61	Guardrail Terminals, Non-Flared	Each	7	\$ 2,600.00	\$ 18,200.00	\$ 2,000.00	\$ (600.00)	23%	
<b>SUB-TOTAL:</b>				<b>\$ 6,153.00</b>	<b>\$ 59,559.00</b>	<b>\$ 5,030.00</b>	<b>\$ 1,123.00</b>	<b>18%</b>	
<b>RIGHT OF WAY DEVELOPMENT AND CONTROL</b>									
62	Fertilizing	lb	37	\$ 5.00	\$ 185.00	\$ 3.00	\$ (2.00)	40%	
63	Permanent Seeding	lb	143	\$ 22.00	\$ 3,146.00	\$ 50.00	\$ 28.00	-127%	
64	Vegetated Ditches	Lump Sum	1	\$ 6,000.00	\$ 6,000.00	\$ 5,000.00	\$ (1,000.00)	17%	
65	Single Mailbox Supports	Each	3	\$ 500.00	\$ 1,500.00	\$ 100.00	\$ (400.00)	80%	
66	Multiple Mailbox Supports	Each	1	\$ 1,000.00	\$ 1,000.00	\$ 300.00	\$ (700.00)	70%	
67	Mailbox Concrete Collars	Each	1	\$ 250.00	\$ 250.00	\$ 100.00	\$ (150.00)	60%	
<b>SUB-TOTAL:</b>				<b>\$ 7,777.00</b>	<b>\$ 12,081.00</b>	<b>\$ 5,553.00</b>	<b>\$ 2,224.00</b>	<b>29%</b>	
<b>GRAND TOTAL:</b>					<b>\$ 2,674,569.00</b>	<b>\$ 1,639,426.00</b>	<b>\$ 1,035,143.00</b>	<b>63%</b>	
<b>Engineer's Estimate:</b>					<b>\$ 1,639,426.00</b>				

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