

LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: APRIL 25, 2023

TO: BOARD OF DIRECTORS
Lake Arrowhead Community Services District

FROM: SCOTT SCHRODER, Engineering Manager

CATHERINE CERRI, General Manager

SUBJECT: CONSIDER AWARDING A CONSTRUCTION CONTRACT AND A PROTEST FOR THE EDGEWATER TO VILLAGE COVE WATERLINE REPLACEMENT PROJECT NO. 230 AND DETERMINE THE PROJECT IS CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT UNDER TITLE 14 OF THE CALIFORNIA CODE OF REGULATIONS, SECTIONS 15301 EXISTING FACILITIES (CLASS 1)

A. RECOMMENDATION

It is recommended that the Board of Directors:

1. Award a contract for the construction of the Edgewater to Village Cove Waterline Replacement Project No. 230 ("Project") to Kirtley Construction, Inc dba TK Construction (TK Construction) for their low responsive and responsible bid of \$135,600, and,
2. Authorize the General Manager to execute the contract, and,
3. Authorize the General Manager to approve change orders for the Project as required in the field during contract time for an amount not to exceed 15% of the original contract amount, and,
4. Determine the project is categorically exempt from environmental review under the California Environmental Quality Act under Title 14 of the California Code of Regulations, sections 15301 Existing Facilities (Class 1).

B. REASON FOR RECOMMENDATION

On January 16, 2023, District staff advertised for bids to construct the Edgewater to Village Cove Waterline Replacement.

On April 13, 2023, the District received the following bids:

	Contractor	Total
1	Altmeyer Inc	\$128,378.00
2	Kirtley Construction dba TK Construction	\$135,600.00
3	GM Excavating	\$148,030.00

The Engineer's cost estimate is \$97,000

Altmeyer Inc. was deemed unresponsive due to item 1 in their bid schedule exceeding 5% of their total bid price. The requirement is in place to protect the District from contractors frontloading their payment requests. Staff has reviewed Altmeyer's formal protest. The protest acknowledges that the bid schedule does not meet the requirements and requests the Board waive said requirement for the public's best interest. The District is required to award contracts to the lowest responsive bid, which meets all of the solicitation's requirements. In the past, bids were rejected and the District should remain as consistent as possible; thus, staff recommends that the Board deny the protest and award the contract to the next low responsive and responsible bid from TK Construction for \$135,600.

District staff reviewed TK Construction bid documents and verified its license and DIR registration. TK Construction has performed this type of work in the past and the District has been pleased with the quality of work. In addition, TK Construction was recently awarded and began work for Maple Waterline Replacement. A project similar in scope that also dealt with the District securing materials prior to the start of the job. Adding a logistics dynamic not typically associated with our projects.

C. BACKGROUND

The Project will replace approximately 940 LF of 6-inch steel watermain, which has continually failed in the past, with new 8-inch PVC watermain. It is located between Village Cove and Edgewater Shores condos with much of the work to be performed within ALA's South Shore Trail. The proposed watermain will reliably distribute water to over 50 condos inside Edgewater Shores and the added fire hydrant will improve fire protection in the area.

D. FISCAL IMPACT

The cost associated with the approval of this item is \$135,600 plus 15% contingencies of \$20,250 for a total of \$155,850. The total project budget is \$292,500 and is included in the FY 2022-23 Budget. The total project cost is estimated at \$197,331.76 which includes \$135,600 for construction, \$43,791.76 (procurement of materials) and

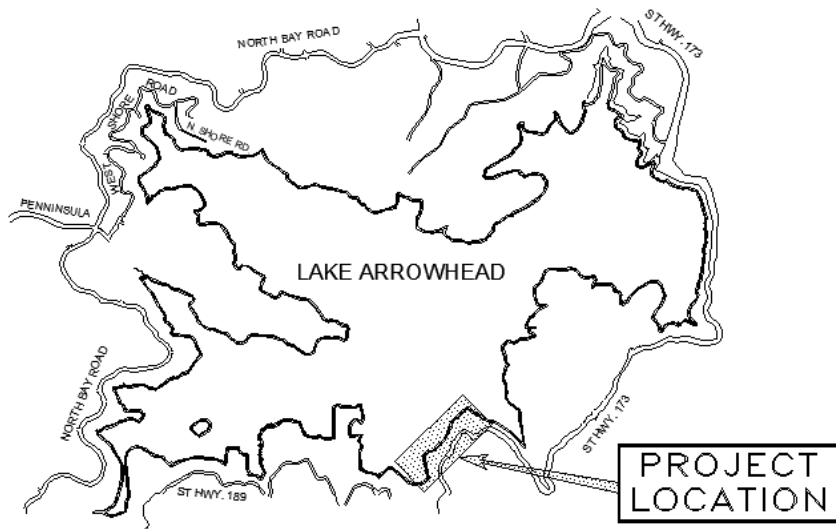
\$17,940 for engineering, inspection, and other related costs. Funds will be provided by the Water Capital Improvement Plan (Fund 110).

E. ENVIRONMENTAL IMPACT

This project is categorically exempt from the California Environmental Quality Act (“CEQA”) under Title 14 of the California Code of Regulations, sections 15301 Existing Facilities (Class 1). The project is exempt from CEQA review under Class 1 because it consists of the minor alteration of existing public structures, facilities, mechanical equipment or topographical features, involving negligible or no expansion of the existing or former use.

F. ATTACHMENTS

- a) Altmeyer Inc. protest letter



VICINITY MAP
NOT TO SCALE



ALTMAYER, INC
GENERAL ENGINEERING CONTRACTOR
CALIFORNIA CONTRACTOR'S LICENSE NUMBER 978739
PO BOX 505
CEDAR GLEN, CA 92321
909-337-5788
909-337-7800 FAX

April 14, 2023

VIA EMAIL

Mr. Gus Albarran
Lake Arrowhead Community Services District
PO Box 700
Lake Arrowhead, CA 92352

Subject: **BID PROTEST**
EDGEWATER TO VILLAGE COVE WATERLINE REPLACEMENT PROJECT

Dear Mr. Albarran:

Please consider this letter as our formal protest of the bid results determination by staff for the Edgewater to Village Cove Waterline Replacement Project. We have been informed by you that our bid is deemed non-responsive due to Item 1 in the bid schedule being more than 5% of the bid amount.

We feel that this minor irregularity in our bid items should not be grounds for rejection of our bid for the following reasons:

1. Our bid amount for Item 1 is accurate and realistic because of the things Item 1 states shall be included in mobilization which are:
 - a. bonds
 - b. insurance
 - c. potholing of existing utilities
 - d. site cleanup and restoration of the site
 - e. equipment mobilization and demobilization

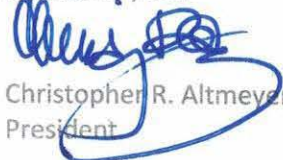
The costs to provide everything which Item 1 states needs to be included far exceeds 5% of the bid amount. For a contract of approximately \$100,000 an amount of 5% is not realistic. We strive to be accurate in our estimates for all bid items and our prices for all bid items reflect that effort. Please refer to Section 01010 – Summary of Work in the bid documents which further describes what the District states shall be included in mobilization.

2. Reference is made to **Notice Inviting Bids, item 7.0 Contract Award** and **8.0 Right to Reject Bids**, which states that award of contract shall be made as determined from the BASE BID ALONE. Number 8.0 states that the District has the power to waive any irregularity in the bids.
3. Please refer to Section 01150 – Measurement And Payment wherein bid form items are approximate and are to be used as a basis for estimation of the probable cost of the work.
4. Please refer to **16.0 Rejection Or Award Of Bids** wherein it states that “ The District reserves the right to accept or reject any or all bids when deemed best for the public good and to waive any bid informality, irregularity and nonconformity when deemed best for the public good”.
5. Please refer to **19.0 Award Of Contract** wherein it again states that the award of contract shall be determined on Base Bid Alone.
6. The note which states that Item 1 shall not exceed 5% of the total bid price is mentioned only once in all of the bid documents and is indeed in very small print at the end of the bid items which could easily be missed and could further be considered as not an important point.

We are requesting that the minor irregularity of our bid be waived under the power of the District and Board of Directors to do so as stated repeatedly in the bid documents. In light of the fact that our bid is \$7,222.00 less than the next bidder, we suggest that the Board would be justified in their decision to award to Altmeyer, Inc on the basis of it being in the best interest of the public.

Respectfully,

ALTMAYER, INC



Christopher R. Altmeyer
President