

T. Z. C. I.

Memorandum Date: November 6, 2007
Board Order Date November 21, 2007

TO: Board of County Commissioners
DEPARTMENT: CAO/Community & Economic Development
PRESENTED BY: Mike McKenzie-Bahr, Community and Economic Development Coordinator

AGENDA ITEM TITLE: IN THE MATTER OF AWARDING CONTRACTS TO PACIFIC EXCAVATION FOR \$62,706; SCHNIEDER EQUIPMENT FOR \$97,400; AND H&J CONSTRUCTION FOR \$53,000, IN RESPONSE TO A BID FOR THE IMPROVEMENT OF THE WATER TREATMENT SYSTEM FOR THE BLUE RIVER WATER DISTRICT, USING CDBG FUNDS.

I. MOTION

MOVE FOR THE APPROVAL OF AWARDING A CONTRACT PACIFIC EXCAVATION FOR \$62,706; SCHNIEDER EQUIPMENT FOR \$97,400 AND H&J CONSTRUCTION FOR \$53,000, AUTHORIZING THE COUNTY ADMINISTRATOR TO SIGN CONTRACT DOCUMENTS

II. AGENDA ITEM SUMMARY

The County was awarded a \$1,000,000 Community Development Block Grant (CDBG) in 2005 to make improvements to the Blue River Water District water treatment facilities. Since that time, the project has been moving forward with system engineering work and environmental assessment. In July 2007, the project was put out to bid. It included three elements of work: well pump and pump house improvements, water distribution improvements and bridge crossing improvements. The bid document stated that the elements were to be priced separately and could be awarded separately. Three responses to the bids were received, with a different low bidder for each element.

We have followed the prescribed process for a competitive bid and have chosen to award each element to the lowest bidder for that element. Pacific Excavation was the low bidder on the well pump and pump house improvements. Schnieder Equipment was the low bidder on the water distribution improvements and H&J Construction was the low bidder on the bridge crossing improvements.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Blue River Water District serves the community of Blue River along the McKenzie River. For several years it has operated with an aging system to treat the residents' drinking water. The District was able to make use of the services of Lane County to put together a grant request that was awarded \$1,000,000 from the Oregon Department of Economic and Community Development Department, using federal Community Development Block Grant (CDBG) funds.

The first step of the process of was the selection of an engineering firm to do the necessary engineering work. HGE Inc. was hired after a competitive solicitation process. In addition, as part of their scope of work, HGE assisted in the bid document preparation. With the completion of the engineering work, a request for bids to conduct the needed improvements was released in July 2007. Bids were opened on August 7, 2007.

Three bidders responded to the request for bids. Their bids are as follows:

	Pacific Excavation		Schnieder Equipment		H& J Construction
Project "A" - WELL PUMP AND PUMP HOUSE IMPROVEMENTS	\$ 123,425		\$ 97,400		no bid
Project "B" - WATER DISTRIBUTION IMPROVEMENTS	\$ 62,706		no bid		\$ 69,930
Project "C" - BRIDGE CROSSING IMPROVEMENTS	no bid		no bid		\$ 53,000

As mentioned above, the bid included three elements of work: well pump and pump house improvements, water distribution improvements and bridge crossing improvements. And the bid document stated that the elements were to be priced separately and could be awarded separately. Since all three responders each had a

low bid for one of the project elements, each low bidder will get a contract for their low bid element.

A Notice of Intent to Award the Bids was issued August 24, 2007 to each low bidder. No protests to the intent to award the Contracts were filed.

There has been a three-month time delay since the opening of the bids and the potential awarding of the bids today. This was caused by additional information being added to the environmental assessment of the project at the request of our new State OECDD representative.

One element of the project that was not included in this bid package was the construction of a new water tank. This element was not included, as it will be done only if enough funding exists to do it. Our intent was that once it was determined that part of the project could be done, the environmental assessment for it would be completed

However, since the tank construction was included as a potential element in the grant application, our new State OECDD representative said it must be included in one overall environmental assessment for the project. Since the drawing down of the state grant funds is tied to the acceptance of the environmental assessment by the state, the additional environmental work for the tank was completed over the past several months. The environmental assessment has now been accepted by the state.

So, the award of the three contracts is now before the Board of Commissioner for its approval.

B. Policy Issues

Should the Board of Commissioners award a contract to the lowest bidder and have the Blue River project continue?

C. Board Goals

This project meets the following board goals:

- Contribute to appropriate community development in the areas of transportation and telecommunications infrastructure, housing, growth management, and land development.
- Maintain a *healthy environment* with regard to air quality, water quality, waste management, land use and parks.
- *Protect the public's assets* by maintaining, replacing or upgrading the County's investments in systems and capital infrastructure.

D. Financial and/or Resource Considerations

The County previously received a Community Development Block Grant of \$1,000,000 to be used to make improvements to the water filtration system owned by the Blue River Water District and serving the citizens of Blue River.

Of the grant amount, \$220,000 was budgeted for the elements to be awarded in this bid. The total amount of the three bids \$213,106, so the bids are within budget.

Only state awarded Community Development Block Grant funds are being expended by the County for these contracts.

E. Analysis

The bid process was conducted pursuant to County and state Bid requirements. A Blue River Water District representative, as well as representative from HGE Inc, the County and LCOG served on the bid review committee. The committee found that all three bids contained a project element that was lower than the other bidders. In addition, the bid fits within the budgeted amounts for the work that has been identified as necessary, and contains restrictions to prevent exceeding the budgeted funds. The firms selected are qualified to do the work.

F. Alternatives/Options

The options before the Board are as follows:

1. The Board may choose to approve the proposed contracts. This would allow the improvement of the water system.
2. The Board may take no action. This would result in at least a delay in the project until the matters of concern to the Board could be resolved.
3. The Board may choose to reject the proposed contracts.

IV. TIMING/IMPLEMENTATION

Upon approval by the Board, the final parts of the County process of contract review will be completed. When that process is complete, the contracts will be signed by the CAO and sent to the contractor so they can begin work.

V. RECOMMENDATION

Staff recommends that the Board of Commissioners approve the motion as drafted.

VI. FOLLOW-UP

If the Board adopts the proposed Order, staff will communicate that to the project parties, oversee the signing of the contracts and direct implementation of the contracts.

VII. ATTACHMENTS

1. Board Order
2. Notice of Intent to Award Bid

The Contract with each company, including the Bid package is available for review with the Clerk of the Board.

IN THE BOARD OF COUNTY COMMISSIONERS
OF LANE COUNTY, OREGON

ORDER NO.)
) IN THE MATTER OF
) AWARDING CONTRACTS TO
) PACIFIC EXCAVATION FOR
) \$62,706; SCHNIEDER
) EQUIPMENT FOR \$97,400;
) AND H&J CONSTRUCTION
) FOR \$53,000, IN RESPONSE
) TO A BID FOR THE
) IMPROVEMENT OF THE
) WATER TREATMENT SYSTEM
) FOR THE BLUE RIVER WATER
) DISTRICT, USING CDBG
) FUNDS.
)

WHEREAS, Lane County has applied for and been awarded CDBG funds on behalf of the Blue River Water District in the amount of \$1,000,000, including \$220,000 for well pump and pump house improvements, water distribution improvements and bridge crossing improvements; and

WHEREAS, A competitive bid process was held to solicit bids for the improvements of the water system to be performed as a part of the grant award, three responsive bids were received and reviewed; and

WHEREAS, after reviewing the bids, Pacific Excavation, Schnieder Equipment and H&J Construction each had the lowest bid price for one of the three project elements;

WHEREAS, the review committee, Blue River Water District, HBH Engineering, County staff and LCOG staff, are recommending that the County Board of Commissioners award a contract to each of Pacific Excavation, Schnieder Equipment and H&J Construction for the improvement of the water system for Blue River.

NOW THEREFORE IT IS HEREBY RESOLVED AND ORDERED that the Lane County Board of Commissioners does hereby approve contracting with Pacific Excavation for an amount not to exceed \$62,706; Schnieder Equipment for an amount not to exceed \$97,400 and H&J Construction for an amount not to exceed \$53,000;

IT IS FURTHER ORDERED that the County Administrator is authorized to sign contracts subject to approval by County Counsel.

DATED this 20th day of November, 2007.

Chair, Lane County Board of
Commissioners

APPROVED AS TO FORM

Date 11/12/07 lane county
Handlow
OFFICE OF LEGAL COUNSEL

Notice of Award

Dated August 24, 2007

Project: Blue River Water District	Owner: Lane County	Owner's Contract No.:
Contract: Water Distribution and Well Improvements		Engineer's Project No. 06.71 :
Bidder: H & J Construction		
Bidder's Address: (send Certified Mail, Return Receipt Requested) P.O. Box 2432 Eugene, OR 97402		

You are notified that your Bid dated August 7, 2007 for the above Contract has been considered. You are the Successful Bidder and are awarded a Contract for Schedule C, Bridge Crossing Improvements, contingent on

1. completion and approval of the environmental review by OECD, which approval is expected to be completed within 60 days of this notice of award;
2. completion and return of the remainder of the bid documents book;
3. acceptance and award by the Lane County Commissioners.

The Contract Price of your Contract is fifty three thousand dollars (\$53,000).

Copies of each of the proposed Contract Documents have been accepted by you as a part of the bid.

You must comply with the following conditions precedent within [15] days of the date you receive this Notice of Award.

1. Deliver to the Owner of the fully executed counterparts of the Contract Documents.
2. Deliver with the executed Contract Documents the Contract security [Bonds] as specified in the Instructions to Bidders (Article 20), [and] General Conditions (Paragraph 5.01) [and Supplementary Conditions (Paragraph SC-5.01).]

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award and declare your Bid security forfeited.

Within ten days after you comply with the above conditions, Owner will return to you one fully executed counterpart of the Contract Documents.

Owner

By: _____
Authorized Signature

Title

Copy to Engineer

Notice of Award

Dated August 24, 2007

Project: Blue River Water District	Owner: Lane County	Owner's Contract No.:
Contract: Water Distribution and Well Improvements		Engineer's Project No. 06.71 :
Bidder: Schneider Equipment, Inc.		
Bidder's Address: (send Certified Mail, Return Receipt Requested) 21881 River Road NE St. Paul, OR 97137		

You are notified that your Bid dated August 7, 2007 for the above Contract has been considered. You are the Successful Bidder and are awarded a Contract for Schedule A, Well Pump and Pump House Improvements, contingent on

1. completion and approval of the environmental review by OECDD, which approval is expected to be completed within 60 days of this notice of award;
2. acceptance and award by the Lane County Commissioners.

The Contract Price of your Contract is Ninety seven thousand four hundred dollars (\$97,400).

Copies of each of the proposed Contract Documents have been accepted by you as a part of the bid.

You must comply with the following conditions precedent within [15] days of the date you receive this Notice of Award.

1. Deliver to the Owner the executed Contract Documents the Contract security [Bonds] as specified in the Instructions to Bidders (Article 20), [and] General Conditions (Paragraph 5.01) [and Supplementary Conditions (Paragraph SC-5.01).]

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award and declare your Bid security forfeited.

Within ten days after you comply with the above conditions, Owner will return to you one fully executed counterpart of the Contract Documents.

Owner

By: _____
Authorized Signature

Title

Copy to Engineer

Notice of Award

Dated August 24, 2007

Project: Blue River Water District	Owner: Lane County	Owner's Contract No.:
Contract: Water Distribution and Well Improvements		Engineer's Project No. 06.71 :
Bidder: Pacific Excavation		
Bidder's Address: (send Certified Mail, Return Receipt Requested) P.O. Box 884 Springfield, OR 97477		

You are notified that your Bid dated August 7, 2007 for the above Contract has been considered. You are the Successful Bidder and are awarded a Contract for Schedule B, Water Distribution Improvements, contingent on

1. completion and approval of the environmental review by OECDD, which approval is expected to be completed within 60 days of this notice of award;
2. acceptance and award by the Lane County Commissioners.

The Contract Price of your Contract is sixty two thousand seven hundred six dollars (\$62,706).

Copies of each of the proposed Contract Documents have been accepted by you as a part of the bid.

You must comply with the following conditions precedent within [15] days of the date you receive this Notice of Award.

1. Deliver to the Owner the executed Contract Documents the Contract security [Bonds] as specified in the Instructions to Bidders (Article 20), [and] General Conditions (Paragraph 5.01) [and Supplementary Conditions (Paragraph SC-5.01).]

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award and declare your Bid security forfeited.

Within ten days after you comply with the above conditions, Owner will return to you one fully executed counterpart of the Contract Documents.

Owner
By: _____
Authorized Signature

Title

Copy to Engineer