

Board of Directors
Monterey Regional Waste Management District

RESOLUTION NO. 2017-03

**A RESOLUTION AUTHORIZING EXECUTION OF A CONTRACT WITH
AUSONIO, INCORPORATED, FOR CONSTRUCTION OF THE MATERIAL
RECOVERY FACILITY BUILDING IMPROVEMENT PROJECT**

- o0o -

WHEREAS, on February 21, 2014, the Board approved a contract for JR Miller and Associates, Inc. to develop a Request for Proposal (RFP) to solicit Materials Recovery Facility (MRF) equipment vendors and to complete a Facilities Site Plan and Preliminary Design Phase I for site improvements associated with the MRF Improvement Project; and

WHEREAS, on June 20, 2014, the Board approved the Issuance of a Request for Qualifications (RFQ) and Request for Proposals (RFP) to solicit proposals and accept pricing from vendors to design, install and commission the construction/demolition (C/D), mixed-waste, and single stream processing/sorting equipment for the MRF Improvement Project; and

WHEREAS, on April 17, 2015, the Board adopted Resolution 2015-05 citing that the MRF Improvement Project is categorically exempt from CEQA pursuant to the requirements of California Public Resources Code Section 21000 et seq. ("CEQA") and Title 14 California Code of Regulations Section 15000 et seq. (the "CEQA" Guidelines); and

WHEREAS, on May 15, 2015, the Board approved the award of a contract to Bulk Handling Systems, Inc. of Eugene, Oregon for the purchase, installation, and commissioning of the MRF Equipment; and

WHEREAS, the Board authorized a Call for Bids for the construction of the MRF Improvement Project on March 25, 2016; and on May 20, 2016 subsequently rejected the sole bid received that exceeded project funding authorization and directed District staff to amend the project scope and construction documents to Call for Bids a second time; and

WHEREAS, on February 13, 2017, said Bids were opened publicly and have been reviewed by District staff and its consultants; and

WHEREAS, the Board has received and reviewed staff memorandum and recommendation, attached hereto as Exhibit "A", which indicates that the apparent low qualified Bid, from Ausonio, Inc., of Castroville, CA, is responsive to the needs of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Monterey Regional Waste Management District as follows:

1. That the Board accepts the Bid from the lowest responsible, responsive bidder meeting specifications of the District, Ausonio, Inc., and awards the contract for the construction of the MRF Building Improvement Project to said contractor at the price and on the terms specified in said Base Bid of \$5,400,000.00, plus Alternate #1 Bid for \$172,500.00 and Alternate Bid #4 for \$120,000 for a total contract award of \$5,692,500.00. The Bid is on file in the District's administrative offices and is incorporated herein by this reference as though set forth in full.
2. That the General Manager is authorized to execute a construction contract with Ausonio, Inc., for the MRF Building Improvement Project in a form to be approved by the District's Legal Counsel.

PASSED AND ADOPTED at a meeting by the Board of Directors of the Monterey Regional Waste Management District duly held on February 17, 2017 by the following votes:

AYES:

NOES:

ABSENT:

Bruce Delgado, Chair

ATTEST:

Timothy Flanagan
General Manager/Board Secretary



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by:  Date: 2/13/17
General Manager

DATE: February 13, 2017
TO: General Manager
FROM: Director of Engineering & Compliance - District Engineer
SUBJECT: Award Construction Contract for Materials Recovery Facility Building Improvement Project

RECOMMENDATION: That the Board of Directors adopt Resolution 2017-03 authorizing the execution of a contract for the construction of the Materials Recovery Facility Building Improvement Project to the qualified low bidder, Ausonio, Inc., of Castroville, CA, for the bid amount of \$5,692,500. Funds are available from the Bonds sale in May 21, 2015.

BACKGROUND

On April 17, 2015, the Board adopted Resolution 2015-05 citing that the Materials Recovery Facility (MRF) Improvement Project is categorically exempt from CEQA pursuant to the requirements of California Public Resources Code Section 21000 et seq. ("CEQA") and Title 14 California Code of Regulations Section 15000 et seq. (the "CEQA" Guidelines). On May 15, 2015, the Board approved the award of a contract to Bulk Handling Systems, Inc. of Eugene, Oregon for the purchase, installation, and commissioning of the MRF Equipment to be installed as part of the MRF Improvement Project. The Board authorized a Call for Bids for the construction of the MRF Improvement Project on March 25, 2016; and on May 20, 2016 subsequently rejected the sole bid received at that time which exceeded project funding authorization and directed District staff to amend the project scope and construction documents prior to a second Call for Bids. Staff worked with the design firm, JR Miller & Associates, to reduce the scope of work and to organize three contract packages; Phase 1 the industrial building improvements; Phase 2 the site improvements around the MRF; and Phase 3 the MRF office addition remodeling. Staff is presenting the Phase 1 portion of the project for the industrial building scope of work.

The Phase 1 work generally involves construction for both interior and exterior building improvements to the existing MRF industrial building to facilitate new processing equipment installation, including existing slab modifications to install equipment pits and associated foundations; a 3,600 S.F. PreEngineered Metal Building expansion at the northeast corner of the industrial building to improve access to the infilled area for the new equipment sort lines, interior improvements for ground level material separation, interior painting of structure, a parts storage room, coordination of underground gas migration collection piping where new foundations will conflict with the piping routes, coordination with processing equipment vendor for equipment being installed within the MRF building, and interior electrical, mechanical, and fire suppression revisions to accommodate the proposed processing equipment. The work also includes subgrade preparation and placement of engineered fill as required by geotechnical engineer/consultant report for work related to foundations and utility trenches. The project has been designed to CalGREEN standards.

RECEIPT OF BIDS

On February 13th at 1 p.m., the District received both a Qualification submittal and a Sealed Bid submittal from one construction contractor, Ausonio, Inc. of Castroville, CA. The Qualification submittal was reviewed by District staff and determined to satisfy the minimum qualification requirements. On February 13th at 4 p.m., the District publicly opened the sealed bid from Ausonio, Inc. of Castroville, CA. The base bid amount was \$5,400,000.00.

In addition to the base bid scope of work, the District requested six (6) alternate scopes of work for the contractors to provide bids for each alternate item separately. Based on the staff's review of the bids for the alternate items, staff recommends the inclusion of Alternate 1 for the repair of the MRF roof at a quantity equivalent to 25% of the roof area for an Alternate Add Bid Amount of \$172,500 and Alternate #4 for opening the South Wall of the Tipping Area to improve access for receipt of incoming materials at an Alternate Bid Amount of \$120,000. The total contract award for the Base Bid and Alternate Bid Items #1 and #4 is \$5,692,500.00 as summarized in the table below.

ITEM	AMOUNT
Base Bid	\$5,400,000.00
Alternate #1 – Roof Repair equal to 25% of roof area	\$172,500.00
Alternate #4 – South Wall Opening – Tipping Area	\$120,000.00
Total Contract Award	\$5,692,500.00

PROJECT BUDGET

In October 2016, staff recommended a project budget associated with a preferred scope of work for the entire MRF Improvement Project. The recommended budget corresponding to the portion of work associated with this contract for improvements to the industrial building area is \$5.18 million without contingency and \$5.88 million with the recommended 15% budget contingency included. Thus, the \$5.6925 million proposed construction contract award value is 10% over the \$5.18 million budget estimate and would leave only \$187,500 of the \$706,000 budget contingency remaining at the start of the contract. The \$187,500 of remaining budget contingency associated with this specific scope of work is almost \$50,000 less than the 5% contingency typically recommended as a minimum amount at the start of a construction.

While there is another \$490,000 of budget contingency remaining in the overall project budget, the fact that there is less than 5% budget contingency remaining for this portion of the overall project indicates that there is a likelihood that the final contract value at the end of construction of this contract may exceed staff's budget estimate of \$5.88 million for this work. This is presented to advise the Board of the current project budget status. In summary, there are budgeted funds that support the award of this \$5.6925 million contract and there will be \$187,500 of budget contingency remaining for this contract scope of work.

Based on the satisfactory review of the low bidder's qualification submittals and verification of references, it is recommended that the District enter into a contract with the qualified low bidder, Ausonio, Inc. for the construction of the MRF Building Improvement Project in the amount of \$5,692,500.00.

PROJECT SCHEDULE

District staff anticipates issuing to the contractor the Notice of Award on February 21, 2017 and the Notice-to-Proceed on March 3, 2017. The anticipated construction contract schedule is as follows:

ITEM	DATE
Bid Opening	February 13, 2017
Award of Construction Contract – MRWMD Board	February 17, 2017
Notice-of-Award to Contractor	February 21, 2017
Pre-Construction Meeting	February 28, 2017
Execution of Contract	March 1, 2017
Notice-to-Proceed to Contractor	March 3, 2017
Contractor Mobilization	March 15, 2017
Issuance of County Building Permit	March 15, 2017
Substantial Completion of this Contract	September 8, 2017
Final Completion of this Contract	September 22, 2017
Substantial Completion of MRF Improvement Project (All Phases)	October 3, 2017
Final MRF Improvement Project Completion (All Phases)	November 3, 2017

PROJECT FUNDING

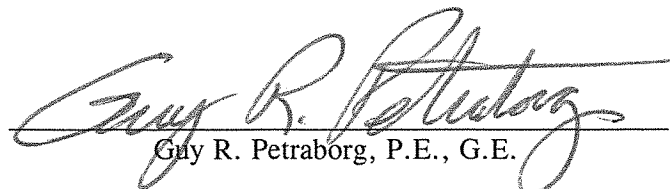
The District engaged Caldwell, Flores, Winters, Inc. and Raymond James to assist in the issuance of approximately \$30 million of Revenue Bonds to be used for funding the construction of the Truck Yard and CNG Fueling Facility Project and the Materials Recovery Facility Improvement Project. These bonds were issued on May 21, 2015. Portions of the Bond funding was used in 2015 and 2016 for the Electrical Supply Distribution and Truck Yard/CNG Fueling Facility projects construction. The remaining Bond Funds, approximately \$14 million dollars, will be used for the Materials Recovery Facility Improvement Project until the bond funds are exhausted and then by unrestricted cash reserves for progress payments for the completion of construction. The \$5.6925 million contract proposed herein will utilize a portion of the remaining Bond funding balance to complete the contract scope of work. The status of project funding will be updated once the Site Improvements and MRF Office Improvements contract bid amounts are received for those two contracts.

STRATEGIC PLAN

The concept of the MRF Improvement Project was developed as a key part of the 2010 Strategic Planning Alternative Funding Options List. It is central to the District’s mission to “Turn Waste Into Resources in the most cost effective and environmentally sound manner to benefit the community.” Additionally, the MRF Improvement Project is necessary to assist the District’s member agencies in accomplishing the Public Policy objectives that the state has adopted to reach the 75% recycling and waste diversion goal.

CONCLUSION

It is therefore recommended that the Board of Directors authorize the award of a contract for the construction of the MRF Building Improvement Project to the qualified low bidder, Ausonio, Inc., of Castroville, CA, for the amount of \$5,692,500.00.


 Guy R. Petrabor, P.E., G.E.