

Board of Directors
Monterey Regional Waste Management District

RESOLUTION NO. 2017-12

**A RESOLUTION AUTHORIZING EXECUTION OF A CONTRACT WITH
AUSONIO, INC., FOR CONSTRUCTION OF THE
MATERIALS RECOVERY FACILITY OFFICE IMPROVEMENT PROJECT**

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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 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 March 30, 2017, said second call for Bids were opened publicly and were reviewed by a District staff and its consultants; and

WHEREAS, on March 30, 2017, a single Bid was received from Ausonio, Inc. and that Bid significantly exceeded the authorized project funding; and

WHEREAS, on April 21, 2017, the Board rejected said Bid from Ausonio, Inc. and directed District staff to revise the project scope and to solicit proposals from two or more contractors for construction of the revised project scope; and

WHEREAS, on April 21, 2017, following adjournment of the Board Meeting, District staff contacted two contractors, Ausonio, Inc. and Pueblo Construction, to solicit construction Proposals for the revised project scope; and

WHEREAS, on May 5, 2017, District staff received a Proposal from Ausonio, Inc, for construction of the revised MRF Office Improvements; and

WHEREAS, on May 10, 2017, District staff received confirmation from Pueblo Construction that they declined to prepare a Proposal for construction of the revised MRF Office Improvements; and

WHEREAS, District staff have reviewed Ausonio's Proposal for construction of the revised MRF Office Improvements and recommend the District's approval of said Proposal; and

WHEREAS, the Board has received and reviewed staff memorandum and recommendation, attached hereto as Exhibit "A", which indicates that the apparent low qualified Proposal, 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 Proposal from the lowest responsible, responsive contractor meeting specifications of the District, Ausonio, Inc., and awards the contract for the construction of the MRF Office Improvement Project to said contractor at the price and on the terms specified in said Proposal of \$1,118,921.00. The Proposal 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 Office 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 May 19, 2017 by the following votes:

AYES:

NOES:

ABSENT:

ATTEST:

Bruce Delgado, Chair

Timothy Flanagan
General Manager/Board Secretary



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by: *[Signature]* Date: 5/12/17
General Manager

DATE: May 12, 2017
TO: General Manager
FROM: Director of Engineering & Compliance - District Engineer
SUBJECT: Award Construction Contract for Materials Recovery Facility Phase III Office Improvement Project

RECOMMENDATION: That the Board of Directors authorize the award of a contract for the construction of the Materials Recovery Facility Phase III Office Improvement Project to the qualified low bidder, Ausonio, Inc., of Castroville, CA, for the bid amount of \$1,118,500.

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 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 I the industrial building improvements; Phase II the site improvements around the MRF; and Phase III the MRF office addition remodeling. This Staff Report is presenting the Phase III portion of the project for the MRF office building improvements scope of work which has been revised to accomplish the office space additions at the ground level as opposed to a second level addition.

The Phase I work generally involves construction for building improvements to the existing MRF industrial building to facilitate new processing equipment installation. The Phase II work generally involves site improvements, grading, and paving around the MRF buildings. The Board has awarded construction contracts for both Phases I and II. Phase I construction began in February 2017 and is in-progress; Phase II improvements are expected to start in June 2017. The revised Phase III MRF Office Improvements generally involves remodeling existing restroom facilities and offices, new electrical lighting fixtures, new mechanical heating equipment, and a ground floor level addition to provide a new office space for District staff. The project has been designed to CalGREEN standards.

RECEIPT OF BIDS

On March 28th at 3 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 March 30th at noon, the District publicly opened the sealed bid from Ausonio, Inc. of Castroville, CA. The base bid amount was \$1,690,000.00. The sole bid from Ausonio, Inc. significantly exceeds the project budget of \$950,000.

REJECTION OF BIDS

At the April 21st Board meeting, staff recommended the rejection of the sole construction Bid of \$1,690,000 from Ausonio, Inc. of Castroville, CA and requested Board approval to revise the scope of work and solicit construction Proposals from two or more contractors. The Board of Directors approved the Bid rejection and directed staff to revise the project scope and to solicit proposals for construction of the revised scope of work for the office improvements.

RECEIPT OF PROPOSALS

Following adjournment of the April 21, 2017 Board Meeting, District staff contacted two contractors, Ausonio, Inc. and Pueblo Construction, to solicit construction Proposals for the revised MRF Office Improvements scope of work. District staff subsequently coordinated with the project consultant and the two contractors to convey documents that defined the revised scope of work for the purpose of providing the basis for the contractors to prepare their proposals for construction of the improvements. On May 5, 2017, District staff received a Proposal from Ausonio, Inc, for construction of the revised MRF Office Improvements in the amount of \$1,118,921.00. On May 10, 2017, District staff received confirmation from Pueblo Construction that they declined to prepare a Proposal for construction of the revised MRF Office Improvements.

PROJECT BUDGET

The recommended budget (October 2016) corresponding to the portion of work associated with this contract for the Phase III Office improvements is \$950,000 without contingency and \$1,092,500 with the recommended 15% budget contingency included. Thus, the \$1,118,921 proposed construction contract award value is 2% (\$26,421) over the \$1,092,500 budget with contingency authorized funding amount.

The \$1,118,921 contract award value for Phase III of the project will utilize unrestricted cash reserves as the Bond funds are fully committed. Furthermore, it is noted that completion of all three phases is critically important to maintain the planned financial schedule associated with the bond repayment obligations.

PROJECT SCHEDULE

District staff anticipates issuing to the contractor the Notice of Award on May 22, 2017 and the Notice-to-Proceed on May 30, 2017. The anticipated construction schedule would not cause any significant delay and is as follows:

ITEM	DATE
Bid Opening	March 30, 2017
Reject Sole Construction Bid – MRWMD Board	April 21, 2017
Notice-of-Award to Contractor	May 22, 2017
Execution of Contract	May 26, 2017
Notice-to-Proceed to Contractor (issued)	May 30, 2017
Pre-Construction Meeting	TBD
Contractor Mobilization	July 17, 2017
Issuance of County Building Permit	July 17, 2017
Substantial Completion of this Contract	September 29, 2017
Final Completion of this Contract	October 15, 2017
Substantial Completion of MRF Improvement Project (All Phases)	October 3, 2017
Final MRF Improvement Project Completion (All Phases)	November 3, 2017

PROJECT FUNDING

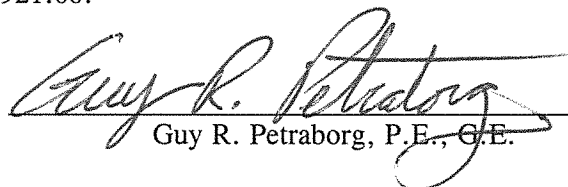
The District engaged Caldwell, Flores, Winters, Inc. and Raymond James to assist in the issuance of approximately \$30 million of Revenue Bonds to be used for funding the construction of the Truck Yard and CNG Fueling Facility Project and the Materials Recovery Facility Improvement Project. These bonds 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 \$1,118,921 contract proposed herein will utilize unrestricted cash reserves as the Bond funds have been fully committed at this time.

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

To prevent further delay of the MRF Improvement Project and to complete all phases of the project such that the MRF facility can be fully operated in the Public's interests as has been designed, it is recommended that the Board of Directors authorize the award of a contract for the construction of the MRF Office Improvement Project to Ausonio, Inc., of Castroville, CA, in the amount of \$1,118,921.00.


Guy R. Petrabor, P.E., C.E.



AUSONIO

I N C O R P O R A T E D

May 5, 2017

David Ramirez
MRWMD
14201 Del Monte Blvd.
Monterey, CA 93933

RE: MRWMD Office Improvements

David,

We are pleased to submit our quote of One Million One Hundred Eighteen Thousand Nine Hundred Twenty-one dollars (\$1,118,921.00) for the MRWMD Office Improvement project. This includes all material, labor, and equipment per the revised plan sheets A2.2 and A2.3 received 5/1/17 and our discussions.

This assumes that a pre-engineered metal building can replace structural steel frame and the existing boiler is to remain as is. This price is contingent on Ausonio working with MRWMD and JRMA on final construction drawings that reflect our discussions and assumptions.

All work is to be completed during normal business hours (7:00am to 5:00pm, Monday thru Friday) with clear unobstructed access to the work area.

Feel free to contact me with any questions or concerns.

Sincerely,
Ausonio Incorporated

Justin Pryer
Project Manager