

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	08/22/16	Open	Action	08/15/16

Subject: Awarding the Contract for Station Modifications for UTDC Vehicles Phase 2 Project to California Cut and Core

ISSUE

Whether or not to award the Contract for Station Modifications for UTDC Vehicles Phase 2 Project to California Cut and Core.

RECOMMENDED ACTION

Adopt Resolution No. 16-08-____, Awarding the Contract for Station Modifications for UTDC Vehicles Phase 2 Project to California Cut and Core.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	112,203.00
Budget Source:	Capital	Next FY:	\$	
Funding Source:	Prop 1B/PTMISEA	Annualized:	\$	
Cost Cntr/GL Acct(s) or Capital Project #:	GL Account: 910800 WBS: R085.06.03.01	Total Amount:	\$	112,203.00
Total Budget:	\$	112,203.00		

DISCUSSION

Sacramento Regional Transit District (RT) began running the newly refurbished UTDC vehicles in revenue service on the Light Rail Blue Line once the extension opened on August 24, 2015. RT was aware, based on measurements of a UTDC vehicle and the mini-high platforms, that some mini-high platforms would require cutting because there was not adequate clearance between the UTDC vehicle and the ramp to open the front doors. In September 2014, after a competitive bidding process, RT awarded a contract to California Cut and Core to cut 29 ramps on both the Blue Line and the Gold Line to provide the required clearance. As RT began testing the UTDC vehicles, it became apparent that, due to slight differences in the door size between different UTDC vehicles, additional ramps would require cutting to operate the UTDC vehicles on the Gold Line. Some additional ramp work was done under a Contract Change Order to the 2014 contract.

However, there are still 21 mini-high ramps on the Gold Line that do not have adequate clearance between the vehicle and the ramp to open the front doors. Plans and specifications were developed and an Invitation to Bid was issued to cut the identified ramps along the Gold Line. On June 16, 2016, RT received one bid from California Cut and Core for \$112,203. The Engineer's Estimate was \$70,000. The single bid is 60.3% over the Engineer's Estimate.

Approved:

Presented:

Final 07/17/16

General Manager/CEO

Director, Civil and Track Design

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If this were a federally-funded project, RT would be required to perform a cost analysis of the single bid to determine whether the bid price is fair and reasonable prior to making a recommendation for award. While that is not a requirement for this state-funded procurement, Staff has nonetheless analyzed why only a single bid was received, why it was higher than the Engineer’s Estimate, and whether design changes or re-bidding are warranted to attempt to obtain a lower price.

On Phase 1 of this overall project there was not an aggressive contracting market, as only two bids were submitted. The low bid then from California Cut and Core was 16.4% over the Engineer’s Estimate, but the second bid was a much higher, coming in at 109.5% over the Engineer’s Estimate. The second bidder on Phase 1 had bid very competitively on previous RT projects and was awarded contracts as the low bidder on two previous major RT construction contracts. This history indicates that potential bidders for the platform modification work are assessing the project and its risks differently than the design engineer, and potentially including higher mark-ups for contingencies, overhead, and risk. The Engineer’s Estimate was based on escalating the Phase 1 low bid by approximately 15%.

RT conducted extensive outreach for the Phase 2 project. Procurement notified 363 contractors of the bidding opportunity and sent the ITB to 13 firms. However, only 1 firm attended the pre-bid meeting and that firm ultimately did not bid. RT contacted the firm that attended the pre-bid conference but did not bid. The firm indicated that it had performed some background research and developed initial estimates for the work, but ultimately determined that it could not submit a competitive bid.

The bid from California Cut and Core for Phase 2 is higher per ramp than for Phase 1, suggesting the firm determined, based on its experience and profits (or lack thereof) from Phase 1, that it was necessary to include additional mark-ups for risks, as well as contingencies and overhead.

In regards to the question of whether design changes or re-bidding is warranted, Staff concluded that the design is straight forward and cannot be changed to reduce cost and that re-advertisement and re-bidding of the Phase 2 project would result in increased costs for administration and construction management, delay project completion, and potentially lead to even higher increased bid prices due to the lack of a competitive bidding environment and higher costs for labor and materials. Most critically, the Phase 2 work needs to be started and completed so all the UTDC vehicles can be put into revenue service throughout the system as soon as possible to permit Operations to consistently deliver service.

This project included a 25% goal for Small Business Enterprise (SBE) participation. California Cut and Core is SBE certified by the State of California Department of General Services (DGS).

Staff recommends award of the Contract for Station Modifications for UTDC Vehicles Phase 2 to California Cut and Core for an amount not to exceed \$112,203.00.

RESOLUTION NO. 16-08-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

August 22, 2016

**AWARDING THE CONTRACT FOR STATION MODIFICATIONS FOR UTDC
VEHICLES PHASE 2 PROJECT TO CALIFORNIA CUT AND CORE**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Contract for Station Modifications for UTDC Vehicles Phase 2, between the Sacramento Regional Transit District, therein referred to as "RT," and California Cut and Core therein referred to as "Contractor," whereby Contractor agrees to cut mini-high ramps, as specified, for an amount not to exceed \$112,203.00, is hereby approved.

THAT, the Chair and the General Manager/CEO are hereby authorized and directed to execute said Contract.

JAY SCHENIRER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary