

**MONTEREY COUNTY BOARD OF SUPERVISORS**

<b>MEETING:</b> May 24, 2011 – Consent	<b>AGENDA NO.:</b> 50
<b>SUBJECT:</b> <ul style="list-style-type: none"><li>a. Award a contract to Telfer Oil Company, the lowest responsible base bidder, for the Procurement (Delivery and Application) of Asphalt Emulsion for the Seal Coat 2010 Project, Contract No. 11-551120; in the total amount of \$702,596.66;</li><li>b. Approve the Performance and Payment Bonds executed and provided by Telfer Oil Company;</li><li>c. Authorize a contingency (not to exceed 10% of the Contract amount) to provide funding for approved contract change orders; and</li><li>d. Authorize the Director of Public Works to execute the contract and subject to the terms of the Public Contract Code, approve change orders to the contract that do not exceed 10% of the original contract amount and do not significantly change the scope of work.</li></ul>	
<b>DEPARTMENT:</b> RMA - Public Works	

**RECOMMENDATIONS:**

It is recommended that the Board of Supervisors:

- a. Award a contract to Telfer Oil Company, the lowest responsible base bidder, for the Procurement (Delivery and Application) of Asphalt Emulsion for the Seal Coat 2010 Project, Contract No. 11-551120; in the total amount of \$702,596.66;
- b. Approve the Performance and Payment Bonds executed and provided by Telfer Oil Company;
- c. Authorize a contingency (not to exceed 10% of the Contract amount) to provide funding for approved contract change orders; and
- d. Authorize the Director of Public Works to execute the contract and subject to the terms of the Public Contract Code, approve change orders to the contract that do not exceed 10% of the original contract amount and do not significantly change the scope of work.

**SUMMARY/DISCUSSION:**

The Board approved the Plans and Special Provisions for the Procurement (Delivery and Application) of Asphalt Emulsion for the Seal Coat 2010 Project, Contract No. 11-551120, on April 12, 2011. The project was subsequently advertised and bids were solicited. An addendum was issued to remove seventy one (71) tons of PMCRS2h in the Greenfield maintenance district. The revised Engineer's Estimate for the project is \$676,621. The bids were opened on May 2, 2011, and the lowest responsible base bidder was Telfer Oil Company in the amount of \$702,596.66. The lowest bid is approximately 4% greater than the revised Engineer's Estimate.

This contract consists of the procurement and application of PASS or equal and FastSet or equal for scrub seal and fog seal operations on selected roads in the San Miguel and Monterey maintenance districts, and PMCRS2h asphalt emulsion for chip seal operations on selected roads in the Greenfield and San Ardo maintenance districts.

Award Telfer Oil Company contract for the Procurement (Delivery and Application) of Asphalt Emulsion for the Seal Coat 2010 Project

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Accessorial charges associated with procuring emulsion for pavement-surfacing projects (scrub seal, chip seal and fog seal) are included in the contract. The contract is a component of the Seal Coat 2010 Project. The Department of Public Works' maintenance forces shall be responsible for all other project incidentals including but not limited to the control of traffic and the spreading of screenings over the applied emulsion. Approximately 43.5 miles of roads with an equivalent square yardage of 558,300 are planned for treatment.

Telfer Oil Company is unable to promise to make a good-faith effort to comply with the good-faith local hiring provisions set forth in Monterey County Code Section 5.08.120. The Contractor is contractually obligated to provide two drivers and two spreader trucks to spread the emulsion for the project; the majority of the workers are County maintenance forces. Oil spreading requires highly specialized skills to meet quality and efficiency standards of the Special Provisions. The majority of Contractors for chip seal projects use their own experienced drivers to operate their specialized spreader trucks to avoid loss while maintaining quality. Two additional bids were received by the Department of Public Works: one from Western Emulsions, Inc. in the amount of \$714,193.54, and another from VSS Emultech in the amount of \$716,435.81. Only VSS Emultech agreed to make the good-faith effort to comply with Code Section 5.08.120, which they did by placing a help wanted ad in a local paper. As it is or likely that such specialized personnel are not locally available, placing an ad in the paper does not guarantee that the drivers ultimately used by the selected contractor for this project will be hired locally. The Department of Public Works recommends acceptance of Telfer Oil Company's bid as the lowest responsive bidder as it is the best interests of the County to do so.

**OTHER AGENCY INVOLVEMENT:**

County Counsel and Contracts/Purchasing attended the bid opening and reviewed the low bid for conformance with applicable regulations. County Counsel and Risk Management approved the Contract and Bonds as to form, and insurance provisions, respectively.

**FINANCING:**

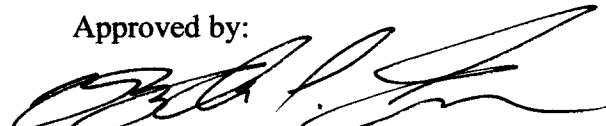
There is no financial impact to the General Fund. Sufficient appropriations are included in the FY 2010-11 Road Fund budget (Fund 002, Unit 8195) for this project. The estimated total cost for this contract is \$702,596.66, with a contingency of 10% of the base bid in the amount of \$70,259, for a total contract of \$772,855.

Prepared by:



Arturo A. Adlawan, P.E. (831) 755-4823  
Civil Engineer

Approved by:



Yazdan T. Emrani, M.S., P.E.  
Director of Public Works

Dated: May 16, 2011

Attachments: Board Order; Project Budget; Bid Summary; Contract; Bonds (on file with the Clerk of the Board); Location Map