



# County of Monterey

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

## Board Report

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**File #:** A 12-149, **Version:** 1

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- a. Award a contract to Telfer Oil Company, the lowest responsible bidder, for the Procurement (Delivery and Application) of Asphalt Emulsion for the Seal Coat 2012 Project, Project No. 13-551327, in the total amount of \$433,628.28;
- 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.

### RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

- a. Award a contract to Telfer Oil Company, the lowest responsible bidder, for the Procurement (Delivery and Application) of Asphalt Emulsion for the Seal Coat 2012 Project, Project No. 13-551327, in the total amount of \$433,628.28;
- 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:

On May 1, 2012, the Board approved the Plans and Special Provisions for the Procurement (Delivery and Application) of Asphalt Emulsion for the Seal Coat 2012 Project, Project No. 13-551327 (Project). The Project was subsequently advertised and bids were solicited. The bids were opened on May 29, 2012, and the lowest responsible bidder was Telfer Oil Company in the amount of \$433,628, four percent (4%) below the Engineer's Estimate of \$450,000 for the Project.

The contract for the procurement of emulsion is a component of the Seal Coat 2012 Project. The contract consists of the purchase, delivery, and spreading of asphalt emulsion to various roads countywide.

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. Three additional bids were received by the Department of Public Works: one from Western Emulsions, Inc. in the amount of \$477,638.15; one from VSS Emultech in the amount of \$503,842.82; and one from Reed and Graham in the amount of \$535,166.56. Only VSS Emultech promised to make the good-faith effort to comply

with Code Section 5.08.120. As it is 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 in the best interests of the County to do so.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel, and Contracts/Purchasing, attended the bid opening and reviewed the low bid for conformance with applicable regulations. The Office of the County Counsel, Auditor-Controller, and Risk Management, have reviewed and approved the Contract and Bonds as to form, fiscal terms, and insurance provisions, respectively.

FINANCING:

There is no financial impact to the General Fund. Sufficient appropriations are included in the FY 2012-13 Road Fund budget (Fund 002, Unit 8195) for this Project. The estimated total cost for this contract is \$433,628.28, with a contingency of 10% of the base bid in the amount of \$43,362, for an estimated total contract amount of \$476,990.28.

Prepared by: Jonathan L. Pascua, P.E., Interim Senior Civil Engineer, (831) 755-8963

Approved by:

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Paul H. Greenway, P.E., Acting Director of Public Works

Approved by:

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Benny J. Young, RMA Director

Dated: July 20, 2012

Attachments: Project Budget; Bid Summary; Contract for Public Work and Bonds; Location Map