



August 1, 2022

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Agreement for Partial Demolition and Reconstruction Services of a Commercial Building for the State Route 55 Improvement Project Between Interstate 5 and Interstate 405

Overview

On April 11, 2022, the Orange County Transportation Authority issued an invitation for bids for partial demolition and reconstruction services of a commercial building necessary for the State Route 55 Improvement Project between Interstate 5 and Interstate 405. Bids were received in accordance with the Orange County Transportation Authority's public works procurement procedures. Board of Directors' approval is requested to execute the agreement.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-2-2154 between the Orange County Transportation Authority and Golden Gate Steel, Inc., doing business as Golden Gate Construction, the lowest responsive, responsible bidder, in the amount of \$2,046,700, for partial demolition and reconstruction services of a commercial building for the State Route 55 Improvement Project between Interstate 5 and Interstate 405.

Discussion

As part of the State Route 55 Improvement Project between Interstate 5 and Interstate 405 (Project), the freeway widening will impact existing overhead electrical and telecommunication lines owned and operated by Southern California Edison. These overhead lines will be relocated to the east in close proximity to an office building situated on an industrial property located at 1123 Warner Avenue, in the City of Tustin. As part of the Project, a utility easement was acquired to relocate the overhead lines. Contractor services are needed to remove and reconstruct a portion of the building outside of the acquired utility easement to provide sufficient clearance from the new power

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lines, in accordance with California Public Utilities Commission General Order 95. The building and features are shown on Attachment A.

Procurement Approach

This procurement was handled in accordance with the Orange County Transportation Authority's (OCTA) Board of Directors (Board)-approved procedures for public works projects. These procedures, which conform to both federal and state requirements, require that contracts are awarded to the lowest responsive, responsible bidder after a sealed bidding process.

Invitation for Bids (IFB) 2-2154 was released on April 11, 2022, through OCTA's CAMM NET system. The project was advertised on April 11 and April 18, 2022, in a newspaper of general circulation. A pre-bid conference was held on April 19, 2022 and was attended by ten firms. Six addenda were issued to provide the pre-bid conference registration sheets, respond to bidders' questions, and handle administrative issues related to the IFB. On May 16, 2022, six bids were received and publicly opened.

One bid (lowest bid) was not considered for award since bidder withdrew its bid. The remaining five bids were reviewed by staff from both the Contracts Administration and Materials Management and Real Property departments to ensure compliance with the contract terms and conditions, as well as technical specifications. The list of bidders and bid amounts are presented below:

<u>Firm and Location</u>	<u>Bid Amount</u>
Golden Gate Steel, Inc. doing business as (dba) Golden Gate Construction Norwalk, California	\$2,046,700
Newman Midland Corp Long Beach, California	\$2,156,530
Two Brothers Construction Corp Buena Park, California	\$2,300,000
Kazoni, Inc. dba Kazoni Construction Costa Mesa, California	\$2,381,000
Dalke & Sons Construction, Inc. Riverside, California	\$2,424,680

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The engineer's estimate for the work was \$1,375,242. The recommended firm's bid is 49 percent above the engineer's estimate. The engineer's estimate was based on limited available information due to building access restrictions. Prospective bidders were informed that access for construction would be subject to restrictions in place due to ongoing legal matters between the property owner and OCTA. The engineer's estimate did not include costs for fulfilling health and safety requirements and surveying that may have contributed to the estimate being lower than all of the bids. Additionally, uncertainty in economic conditions affecting construction jobs may have contributed to higher bid prices. The bids received were considerably higher than the engineer's estimate but considered competitive. Therefore, the bid submitted by Golden Gate Steel, Inc., dba Golden Gate Construction (Golden Gate Construction) is considered fair and reasonable.

The bidder is a licensed general contractor with an appropriately licensed subcontractor for all asbestos removal services. References noted successful delivery of recent work. The recommended firm's bid met the requirements of the IFB, as well as all federal and state requirements.

State law requires award to the lowest responsive, responsible bidder. As such, staff recommends award to Golden Gate Construction, the lowest, responsive, responsible bidder, in the amount of \$2,046,700, for the partial demolition and reconstruction services of a commercial building.

Fiscal Impact

Funding for the Project is approved in OCTA's Fiscal Year 2022-23 Budget, Capital Programs Division, Account No. 0017-FF101-OKU-9081, and is funded with a combination of federal, state, and local funds.

Summary

Staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Agreement No. C-2-2154 between OCTA and Golden Gate Construction, the lowest responsive, responsible bidder, in the amount of \$2,046,700, for partial demolition and reconstruction services of a commercial building necessary for the Project.

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Attachment

- A. Project Location Map – Demolition and Reconstruction of a Portion of
1123 Warner Avenue, Tustin

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