

STAFF REPORT

SUBJECT: Rescind and Award a Contract for the LAVTA Rutan Maintenance Area Resurfacing Project

FROM: Beverly Adamo, Director of Administrative Services

DATE: October 25, 2016

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**Action Requested**

Rescind the contract for the LAVTA Rutan Maintenance Area Resurfacing Project originally awarded to DECS, Incorporated dba RyanCO Protective Coatings for \$184,124.00. Award the contract for the LAVTA Rutan Maintenance Area Resurfacing Project to Raider Painting in an amount not-to-exceed \$\$194,950.00.

**Background**

In 2013, LAVTA identified a facility refurbishment needed in the maintenance area of the Rutan facility. The project consists of resurfacing the concrete area and retiling two offices in the Rutan Maintenance facility. At that time, an Invitation for Bids (IFB) was issued for the resurfacing of the maintenance area floor. The project was not accomplished at that time because of budget restraints. In the meantime, LAVTA was able to identify and apply for California State bond funds to finance this project. On September 2, 2015, an IFB was issued for this project and on October 6, 2015 three (3) bids were received. LAVTA found that the apparent low bid was nonresponsive to the IFB's requirements and the other two bids were more than 2 times the amount of the independent cost estimate for this project. LAVTA rejected all bids and reissued the IFB under the project #2015-14 on November 16, 2015. The engineer's estimate for the subject work was \$175,000.00. Only one bid, from DECS, Incorporated dba RyanCO Protective Coatings (DECS), was received. DECS was found to have submitted a responsive bid and be a responsible bidder and the award for the project was made by the LAVTA Board of Directors at their regularly scheduled meeting on January 4, 2016.

Over the course of the next 8 months, LAVTA staff made every effort to get the contract executed and the work accomplished. Each week, contact was made with DECS, sometimes multiple times during the week, and the vendor continued to postpone the completion of the paperwork and starting the project. On September 30, Legal Counsel provided staff with a letter to issue to DECS stating that if DECS did not respond by October 4, 2016 with their intent to fulfill the agreement, LAVTA would request the Board of Directors rescind the award at the meeting on November 7, 2016.

**Discussion**

As a result of DECS' failure to execute the contract and proceed with the work, LAVTA staff obtained two additional bids on the open market for this work. The bidders' information is listed below.

<b>Company Name</b>	<b>Location</b>	<b>Grand Total Amount</b>
Raider Painting	Cathey's Valley, CA	\$194,950.00
REDRHINO	Los Angeles, CA	\$269,242.91

Raider Painting submitted the lowest bid and was found to be responsive and responsible by Legal Counsel and staff. Because the project must be completed while the maintenance area remains functional 7 days a week, construction is due to be completed within 130 calendar days from Notice to Proceed (NTP).

**Fiscal Impact**

The price submittal from Raider Painting, while above the original engineer's estimate for the project, is only \$10,826.00 above the cost of the project when staff performed a cost analysis. Based on this analysis, staff has determined that the bid is both reasonable and fair. Funding for this project is from the California State bond sales.

The project budget is \$214,445.00 and consists of the contract award of \$194,950.00 and a 10% project contingency of \$19,495.00. The contingency is being set aside in the event that there is a failing in the concrete that is not visible at this time. It is not anticipated that this will be the case or that it will be necessary to spend the funds in contingency.

**Next Steps**

Upon execution of the agreement with the Raider Painting, LAVTA will issue the NTP.

**Recommendation**

Staff recommends that Finance and Administration Committee recommend the Board approve rescind the contract award to DECS.

Staff further recommends that the Finance and Administration Committee recommend the Board: (1) award a contract to Raider Painting, the lowest responsive and responsible bidder for the LAVTA Rutan Maintenance Area Resurfacing Project #2015-14, for a total contract award of \$194,950.00; (2) authorize the Executive Director to sign the contract and issue an NTP to Raider Painting; and (3) approve a 10% project contingency of \$19,495.00 to be used at the discretion of the Executive Director.

Attachments:

1. Resolution 35-2016

**RESOLUTION NO. 35-2016**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY  
RESCINDING THE CONTRACT AWARD TO DECS, INC. AND AWARDING  
THE CONTRACT FOR THE RUTAN MAINTENANCE AREA RESURFACING  
PROJECT TO RAIDER PAINTING**

**WHEREAS**, the Livermore/Amador Valley Transit Authority (LAVTA) requires the services of a third party contractor to perform the resurfacing of the LAVTA Rutan facility maintenance area as described in LAVTA Invitation for Bids (IFB) #2015-14; and

**WHEREAS**, staff released IFB #2015-14 to solicit bids for the project; and

**WHEREAS**, DECS, Incorporated dba RyanCo Protective Coatings (DECS) was the lowest responsive and responsible bidder based on their submitted bid in the amount of \$184,124.00, and the LAVTA Board of Directors awarded this project to DECS on January 4, 2016; and

**WHEREAS**, after consistent and repeated efforts by LAVTA staff to compel DECS to complete the agreement and commence the work, DECS failed to comply; and

**WHEREAS**, LAVTA staff then solicited bids on the open market to complete the subject work; and

**WHEREAS**, two bids were received, and Raider Painting was determined to be the lowest responsive and responsible bidder based on their submitted bid in the amount of \$194,950.00; and

**WHEREAS**, staff recommends that the Board of Directors rescind the contract award to DECS, Inc. and award the contract for the resurfacing of the LAVTA Rutan facility maintenance area to Raider Painting, in the not-to-exceed amount of \$195,5000.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Livermore/Amador Valley Transit Authority hereby rescinds the award of the contract for the resurfacing of the LAVTA Rutan facility maintenance area to DECS, Incorporated dba RyanCO Protective Coatings.

**BE IT FURTHER RESOLVED** that the Board of Directors hereby awards the contract for the resurfacing of the LAVTA Rutan facility maintenance area to Raider Painting for a not-to-exceed amount of \$194,950.00.

**BE IT FURTHER RESOLVED** that the Executive Director is authorized to execute a contract with Raider Painting in a form approved by LAVTA's Legal Counsel.

**BE IT FURTHER RESOLVED** that the Board of Directors authorizes the Executive Director to expend a 10% contingency amount not to exceed \$19,495.00.

**PASSED AND ADOPTED** this 7<sup>th</sup> day of November 2016.

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Steven Spedowski, Chair

**ATTEST:**

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Michael Tree, Executive Director

**APPROVED AS TO FORM:**

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Michael Conneran, Legal Counsel