

MEMORANDUM



Date: August 31, 2023 Job# E110-90

To: Eric Weck, P.E.
Engineering Manager
Mission Springs Water District

From: Steven Ledbetter, P.E.
TKE Engineering, Inc.

Subject: Supplemental Environmental Project Bid Review Summary

TKE has completed its review of the three bid proposals submitted for the Supplemental Environmental Project (SEP Project), MSWD Project No. 23-003-S TM2. Below is a summary of each bid submittal and our findings related to responsiveness and a comparison of the engineer's estimate and low bid amount.

Legacy Craft Construction Inc. (Legacy):

The bidder submitted all required bid documentation, including the Acknowledgement of Addenda form. Legacy has 3 years' experience, but has only provided one private resident reference for one project. Additionally, said private project reference was for a total contract amount of \$27,590.00; less than 10% of the cost for the proposed SEP Project. In addition, the list of manufacturers provided includes Valencia Pipe Company and Fernco.

Legacy's designation of subcontractors list includes one (1) sub for ABS pipe installation equating to approximately 35% of the total contract work. However, Legacy holds a "B" General Building contractors license. According to the California Contractors State License Board, a "B" General Building Contractor cannot:

- Enter a prime contract for any project involving trades other than framing or carpentry unless:
 - The prime contract requires at least two other, unrelated building trades or crafts; or
 - The "B" General Building contractor holds the appropriate license classification or subcontracts with an appropriately licensed specialty contractor to perform the work.
- Enter a sub-contract involving trades other than framing or carpentry unless:
 - The sub-contract requires at least two other, unrelated trades or crafts; or
 - The "B" General Building contractor holds the appropriate license classification.

- Include framing or carpentry in calculating the two unrelated trades necessary for the "B" General Building contractor to be able to take a prime or sub-contract for a project involving other trades.

Based on the above information from the California Contractors State License Board, Legacy has not met their obligations to prime the proposed SEP Project. Legacy has only provided one (1) unrelated trade/craft contractor.

Legacy submitted the lowest bid at \$351,965.00. However, based on the above, TKE finds that Legacy has not met the bid requirements and, following review and confirmation by MSWD legal, recommends their bid be rejected due to non-responsiveness.

RE Chaffee Construction, Inc. (RE Chaffee):

The bidder submitted all required bid documentation, including the Acknowledgement of Addenda form. RE Chaffee has 16 years' experience and has provided 16 project references. They are not utilizing any subcontractors. In addition, RE Chaffee's list of manufacturers includes Charlotte Pipe and Fernco. RE Chaffee holds the following contractor licenses: "A" General Engineering, "B" General Building, and "C57" Well Drilling.

RE Chaffee submitted the second lowest bid at \$390,877.00. While RE Chaffee did not have the lowest bid price, they have generally met the bid requirements and are deemed the lowest responsive and responsible bidder. Therefore, we recommend MSWD award the SEP Project to RE Chaffee.

Tri-Star Contracting II, Inc. (Tri-Star):

The bidder submitted all required bid documentation, including the Acknowledgement of Addenda form. Tri-Star has 15 years' experience and has provided four (4) project references. Their designation of subcontractors list includes one (1) sub for tank pumping equating to approximately 2.5% of the total contract work. In addition, the list of manufacturers includes Standard Pipe and Campus. Legacy holds an "A" General Engineering contractor license.

TKE finds that Tri-Star has generally met the bid requirements and is deemed both responsive and responsible. Tri-Star's bid of \$465,142.00 was approximately \$74,265.00 (or 19%) higher than RE Chaffee's bid; as such, they are not the low bidder.

Engineer's Estimate vs. Bid Amounts:

The lowest responsive and responsible bid by RE Chaffee of \$390,877.00, is approximately 77% higher than TKE's engineers' estimate of \$221,000.00.

It appears that the higher bid prices from the engineer's estimate are due to the low volume of work at each site and the varying location of the work sites. The specifications limit the

contractor from working on more than eight (8) sites at one time and construction at each site must be completed within 5-days. It appears the cost to mobilize all equipment and tools to an individual site and complete the required work within a reasonable time frame (5-days) is burdensome to contractors. In addition, the equipment and tools vary from site to site, depending on field conditions.

The engineers' estimate included a total cost for each of the 21 properties of approximately \$10,524.00; however, RE Chaffee's cost was approximately \$18,613.00 for each property.

Recommendation:

Based on the above analysis, TKE recommends, following review and confirmation by MSWD legal, the District reject Legacy's bid due to non-responsiveness and award the project to RE Chaffee as the lowest responsive and responsible bidder. While their bid price is higher than anticipated, it's in line with the other bid received. It's apparent that the various locations of work throughout MSWD's service are creating construction inefficiencies that are driving up costs. It will be challenging to overcome this reality due to the nature of the SEP Project scope of work.