August 14, 2017

TO: ACHD Commissioners, ACHD Director, ACHD Deputy Directors

FROM: David Rader, Project Manager

SUBJECT: 2017 Microseal

ACHD Project No. 517036
Bid Date: March 15, 2017
Consent Agenda Item: August 16, 2017 Commission Meeting

Executive Summary
Staff is requesting that ACHD Commission award the contract to the next high bidder, Boswell Asphalt Paving Solutions.

Facts & Findings
On April 5, 2017 ACHD Commission awarded the 2017 Microseal contract to RL Young Paving. The 2017 Microseal contract requires the contractor to perform a test application of the Microseal prior to a production application. RL Young Paving was unsuccessful in performing 2 test strips on 2 separate days, July 14 and July 17. Staff notified RL Young Paving that contract termination would be pursued by ACHD staff if a successful test strip was not conducted by July 28. RL Young paving informed ACHD that they would not be able perform a test strip by the July 28th deadline. ACHD Staff notified RL Young paving via letter on July 27 immediately to cease and desist work for the 2017 Microseal and that contract termination would be pursued.

ACHD Staff has successfully resolved the matter with RL Young by executing a Mutual Contract Termination and Release of Claims Agreement jointly terminating the Contract effective July 27, 2017 (the date of ACHD’s Notice of Termination) and each party waiving any claim it may have against the other. No compensation will be exchanged between the parties.

Fiscal Implications
There is $215,800 in the FY17 budget and $11,000 in FY18 for construction. Staff will request a FY18 First Budget Adjustment increase in the amount of $37,200. This will allow for the contract to be awarded to the next highest bidder. This includes a 3% contingency on the construction contract and a total construction budget of $264,000.

Policy Implications
This project was approved as part of the FY17 Budget and the 2017-2021 Integrated Five Year Work Plan, adopted by the Commission on October 26, 2016.
Schedule Implications
Substantial completion of the project is set for October 26, 2017 based on a notice to proceed (NTP) date of August 17, 2017.

Alternatives
1. Award the contract to the next highest bidder, Boswell Asphalt Paving Solutions.
2. Do not award the contract to Boswell Asphalt Paving Solutions and instruct Staff to re-bid the project.
3. Terminate the project.

Recommendation
Staff recommends Alternative 1: Award the contract to next highest bidder, Boswell Asphalt Paving Solutions.

cc: Project File
    Justin Bledsoe
    Breann Shearer
    Karl Augustine