



COLORADO
Department of Transportation
 Division of Engineering Support

Contracts & Market Analysis Branch
 4201 East Arkansas Avenue
 Denver, Colorado 80222

TO: MICHAEL LEWIS, EXECUTIVE DIRECTOR FSA 145A-061
 FROM: MARKOS ATAMO PE, CMA BRANCH MANAGER SH 145 CONCRETE WORK/ESB RAMP PROJECT
 CC: JOSHUA LAIPPLY, PE, CHIEF ENGINEER *JE for JL* 19796
 DATE: 1/12/2018 REGION 5
 SUBJECT: AWARD TO LOW RESPONSIBLE BIDDER C.R.S. 43-1-113 (16)

Pursuant to C.R.S. 43-1-113(16) as amended, it has been determined that it's in the best financial and economic interest of the State to award Region 5's Emerging Small Business (ESB) project, on SH 145 which consists of concrete work associated with sidewalk ramp upgrades, FSA 145A-061 (19796), to the low responsible bidder, Medved Global, Inc. ("Medved").

Project Description: This R5 project is located on SH 145 in the town of Dolores and consists of concrete work to upgrade sidewalks and ramps in Montezuma County.

Financial Impact: Medved's proposal totaled \$464,108.19 and the CDOT engineer's estimate is \$362,088.15. The project would normally be rejected by statute since there were only two bidders and their proposals are 128% and 146% of the engineer's estimate. The region has secured additional funds for the project.

Cost Analysis: An analysis of the bid schedule shows the two line items were significantly higher than the project estimate: the environmental health and safety management and mobilization. The estimated quantity of both items in question is 1 Lump Sum (LS). CDOT's EEMA team estimated the environmental health and safety management on the low end of a range of historical prices for this item at \$3,000 and Medved proposed \$24,224. Medved has defended their costs based on the travel expense for the individual providing the service and the risk of additional costs that could result from testing, namely a risk of removal and disposal should contaminated soil be discovered. The mobilization costs were also estimated based on the low end of historical data at \$5,000 and Medved proposed \$58,896. In relation to the overall bid, this amount is 12.7% of the total bid which is comparable to the historical average percentage for mobilization for a project this size in a remote area. Considering the aforementioned justifications, Medved's proposed price for these items are reasonable.

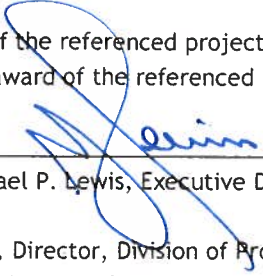
After further consideration, EEMA and Region 5 consider these items acceptably priced as proposed by Medved.

Other Considerations: Given this is an ESB project, CDOT's policy of promoting small business in our construction work is furthered by award of the project. The location of the work presents unique challenges and hampers competition. Those added challenges are especially difficult for small businesses to overcome. No savings are anticipated should the project be re-advertised. The majority of plan holders who failed to submit bids are no longer interested in the project based on workload or other considerations. Given the justification of the proposal costs and the Department's desire to promote small businesses, it is recommended that the project's award be authorized.

- I recommend award
- I do not recommend award

 Date 1/12/18
 Markos Atamo, PE, CMA Branch Manager

- I authorize award of the referenced project
- I do not authorize award of the referenced project



Michael P. Lewis, Executive Director

Date

1/19/18

cc: Jerad Esquibel, Director, Division of Project Support
Marci Gray, Engineering Contracts
Central Files