



COLORADO
 Department of Transportation
 Division of Engineering Support

TO: SHOSHANA M. LEW, EXECUTIVE DIRECTOR
 FROM: MARKOS ATAMO PE, CMA BRANCH MANAGER
 CC: JOSHUA LAIPPLY, PE, CHIEF ENGINEER
 DATE: 4/10/2019
 SUBJECT: AWARD TO LOW RESPONSIBLE BIDDER C.R.S. 43-1-113 (16)
 PROJECT: NHPP 0503-087 (20401) US 50 PASSING LANES EAST OF SALIDA

Pursuant to C.R.S. 43-1-113(16), it has been determined that it's in the best financial and economic interest of the State to award Region 2's project NHPP 0503-087 (20401) to the low bidder A & S Construction Co. ("A&S").

Project Description: This Region 2 project is located on US 50 in Fremont County from MP 232.3 to MP 237.4 for completing new pullouts and passing lanes. The project work includes earthwork, aggregate base course, asphalt removal, hot mix asphalt paving, drainage improvements, guardrail replacement, signing & striping, erosion control, and traffic control. The project was solicited under a design bid build (low bid) project delivery method where only two bids were received with A&S being the lowest responsive bidder.

Financial Impact: A&S's bid proposal totaled \$4,173,000.00 compared to the CDOT engineer's estimate of \$3,544,791.70. The project risks rejection by Statute since there were only two bidders and their proposals are 117.72% and 134.13% of the engineer's estimate. Region 2's construction phase budget for the project is \$5,710,000.00.

Cost Analysis: An analysis of the bid schedule revealed that three of the bid line items identified below were significantly higher than the CDOT engineer's estimate.

Bid Item Description	QTY	Unit	Unit Price		Total Cost Difference	% Over Eng. Estimate
			Low Bid	Eng. Est.		
Removal of Asphalt Material	10,149	SF	\$8.00	\$2.00	\$60,894.00	400%
Embankment Material (CIP)	19,921	CY	\$25.00	\$15.00	\$219,131.00	178.57%
Hot Mix Asphalt	13,599	TN	\$87.00	\$82.00	\$67,995.00	106.10%

For the above bid item materials the engineer's estimate used historical data from similar projects with comparable quantities. In verifying A&S's bid offer, research revealed that the long distance for hauling these materials to and from the project work site to the locations for pickup and disposal resulted in higher than anticipated bid pricing. In addition, the hot mix asphalt plant located in Salida increased pricing by 6% from February to March of this year with the increased cost reflected in the bid pricing from both bidders. Based on the cost analysis, EEMA and Region 2 consider A&S's proposed prices to be fair and reasonable, and recommends proceeding with the award to them.

Other Considerations: Given the overall location of the work with long material hauling distances along with A&S's bid being \$581,764.90 lower than the only other bidder, re-advertisement of the project is unlikely to result in more competition or reduced pricing. As a result, it is recommended that the project's award be authorized.

- I recommend award
- I do not recommend award

 Date 4/10/19
Markos Atamo, PE, CMA Branch Manager

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

 Date 4/18/19
Shoshana M. Lew, Executive Director

cc: Jerad Esquibel, Director, Division of Project Support
Randy Jensen, Federal Highways Administration
RB Simmons, Engineering Contracts
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