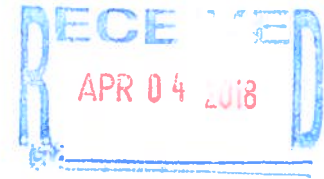




COLORADO
 Department of Transportation
 Division of Engineering Support



TO: MICHAEL LEWIS, EXECUTIVE DIRECTOR
 FROM: MARKOS ATAMO PE, CMA BRANCH MANAGER
 CC: JOSHUA LAIPPLY, PE, CHIEF ENGINEER
 DATE: 4/4/2018
 SUBJECT: AWARD TO LOW RESPONSIBLE BIDDER C.R.S. 43-1-113 (16)
 PROJECT: FSA R200-247 (22167) US 287 CENTERLINE RUMBLE STRIP INSTALLATION

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 FSA R200-247 (22167) to the low bidder Diamond Surface, Inc. ("Diamond").

Project Description: This Region 2 project is located on US 287 from the state line to the R2 border and consists of the installation of centerline rumble strips in Baca, Kiowa, Prowers Counties.

Financial Impact: Diamond's bid proposal totaled \$611,952.80 compared to the CDOT engineer's estimate of \$390,000.00. The project risks rejection by statute since there were only two bidders and their proposals are 157% and 176% of the engineer's estimate. Region 2 has the additional funds for the project award to Diamond.

Cost Analysis: An analysis of the bid schedule revealed that two bid line items for mobilization and epoxy pavement markings were significantly higher than the CDOT engineer's estimate. The bid line item for mobilization used historical data to estimate a lump sum price of \$46,157.60. Although Diamond and the second low bidder's mobilization bid pricing is much higher than the engineer's estimate, both their bids for mobilization are comparable at \$112,905.00 and \$100,000.00. The mobilization pricing from both bidders reflects the higher costs for mobilizing to a project site that is located in a more rural, distant area of Colorado. The bid line item for epoxy pavement markings also used historical data to estimate the \$75.00/per gallon price for the total 1,532 gallons of epoxy material needed to complete the work ($\$75.00 \times 1,532 = \$114,900.00$). The bid pricing from both Diamond and the second low bidder for the epoxy pavement markings are also much higher than the engineer's estimate at a total of \$191,500.00 and \$160,860.00 respectively. Diamond confirmed their bid reflects the pricing proposed by their subcontractor for completing this part of the work. Both bidders proposed higher costs for this bid item based the additional expense associated with the remote location of the work.

Based on the above, EEMA and Region 2 consider Diamond's proposed prices for both the mobilization and epoxy pavement marking material bid items to be fair and reasonable.

Other Considerations: Given the location of the work, re-advertisement is unlikely to result in more competition or reduced pricing for this project. Based upon the justification of the proposal costs, it is recommended that the project's award be authorized.

- I recommend award
- I do not recommend award

 Date 4/4/18
 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

4/9/18

cc: Jerad Esquibel, Director, Division of Project Support
Randy Jensen, Federal Highways Administration
Marci Gray, Engineering Contracts
Central Files