



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
23**

Meeting Date: **SEPTEMBER 6, 2012**

Subject:

Award a Contract to G&G Specialty Contractors, Inc., for Quieter Home Program Phase 6, Group 8 (18 West Side and 7 East Side, Non-Historic, Single and Multi Family Homes)

Recommendation:

Adopt Resolution No. 2012-0101, consenting to relieving Nuera Contracting and Consulting, LP from its bid and awarding a contract to G&G Specialty Contractors, Inc., in the amount of \$1,651,740, for Phase 6, Group 8, Project No. 380608, of the San Diego County Regional Airport Authority's Quieter Home Program.

Background/Justification:

The Quieter Home Program ("Program") provides sound attenuation treatment to residences within the highest noise-impacted neighborhoods surrounding San Diego International Airport ("SDIA"). The Phase 6, Group 8, project includes installation of new acoustical windows, doors, insulation, and ventilation improvements to reduce aircraft-related noise levels inside the homes. This project will provide sound attenuation to 18 west side and 7 east side, non-historic, single and multi family homes.

To date, the Program has completed 2,304 residences, of which 579 are historic and 1,725 are non-historic; 1,508 residences are located west of SDIA and 796 are located east of SDIA.

Project No. 380608 was advertised on June 5, 2012, and bids were opened on July 10, 2012. The following bids were received (refer to Attachment A):

| Company | Total Bid |
|-----------------------------------|------------------|
| G&G Specialty Contractors, Inc. | \$1,651,740 |
| Nuera Contracting & Consulting LP | \$1,342,679 |

The Engineer's estimate was advertised as \$1,265,055. The estimate was reviewed and determined that the costs for hazardous material abatement and testing were not included, as well as the labor hours for the mechanical and electrical systems in the multi family homes. A revised Engineer's estimate is \$1,539,246 (refer to Attachment A).

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The apparent low bidder, Nuera Contracting & Consulting LP, requested to be relieved from its bid proposal dated July 10, 2012, due to a clerical error that would have put its bid total lower than needed. A copy of Nuera Contracting & Consulting LP's letter (Attachment "B") is attached to this Staff Report.

Staff reviewed Nuera's bid and Nuera's letter (Attachment B) detailing the basis of the request to be relieved of its bid. Based upon this information, staff relieved Nuera of its bid because: (1) the bid contains a mistake which makes the bid materially different than what Nuera intended; (2) the mistake was made in filling out the bid and not due to an error in judgment, not due to carelessness in inspecting the site or in reading the specifications.

The next apparent low bidder is G&G Specialty Contractors, Inc. The bid of \$1,651,740, is considered responsive, and G&G Specialty Contractors, Inc., is considered responsible. Award to G&G Specialty Contractors, Inc., is, therefore, recommended in the amount of \$1,651,740.

Fiscal Impact:

Adequate funds for FY2013 and FY2014 expenditures, under the G&G Specialty Contractors, Inc. contract, are included within the operating budget in the Authority's Quieter Home Program. Sources of funding include Airport Improvement Program Grants and Passenger Facility Charges.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is a "project" subject to the California Environmental Quality Act ("CEQA"), Pub. Res. Code Section 21065. The individual projects under the Quieter Home Program are part of a class of projects that are categorically exempt from CEQA: 14 Cal. Code Regs. Section 15301 – "Existing Facilities: Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination."

- B. This Board action is a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106. The individual projects under the Quieter Home Program will consist of treatments to single-family and multi-family dwellings. Improvements to single-family homes are exempt from coastal permit requirements under Pub. Res. Code Section 30610(a) and 14 Cal. Code Regs. Section 13250 – "Improvements to Single-Family Residences." The proposed improvements to multi-family residences are exempt from coastal permit requirements under Pub. Res. Code Section 30610(b) and 14 Cal. Code Regs. Section 13253 – "Improvements to Structures Other than Single-Family Residences and Public Works Facilities that Require Permits."

Equal Opportunity Program:

The Authority's small business program promotes the use of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has a Disadvantaged Business Enterprise ("DBE") Plan as required by the Department of Transportation, 49 CFR Part 26. The DBE Plan calls for the Authority to submit an annual overall goal for DBE participation on all federally funded projects.

This project utilizes federal funds; therefore, it will be applied toward the Authority's overall DBE goal. G&G Specialty Contractors, Inc. is proposing 5.7% DBE participation on QHP Phase 6, Group 8.

Prepared by:

DAN FRAZEE
DIRECTOR, AIRPORT NOISE MITIGATION

TITLE: QUIETER HOME PROGRAM PROJECT NO. 380608
 BIDS OPENED: July 10, 2012, 02:00pm
 ENGINEER'S ESTIMATE: \$1,539,246.00

| CONTRACTOR: | | | | | G&G Specialty Contractors, Inc. | | | | Nuera Contracting & Consulting LP | | | | |
|--------------------------|-----------------|---|----------------|-----------------|--|--------------------------------|--------------------------------------|--|--|--|--------------------------------------|---------------------|-----------|
| ADDRESS: | | | | | 4633 S. 36th Street, Phoenix, AZ 85040 | | | | 12975 Brookprinter Place, Suite 160, Poway, CA 92064 | | | | |
| GUARANTEE OF GOOD FAITH: | | | | | Hartford Fire Insurance Company | | | | | | | | |
| Res No. | Bid Item Number | | Dwelling Units | Unit of Measure | General Construction (In Figures) | HVAC Construction (In Figures) | Electrical Construction (In Figures) | TOTAL (In Figures) | General Construction (In Figures) | HVAC Construction (In Figures) | Electrical Construction (In Figures) | TOTAL (In Figures) | |
| 380608.05 | Borders Savitz | 3051 Malaga St. | 1 | Lump Sum | 28,201.00 | 7,436.00 | 2,427.00 | 38,064.00 | 19,703.00 | 7,703.00 | 2,430.00 | 29,836.00 | |
| 380608.19 | Gittin/Pham | 3427 Wisteria Dr. | 1 | Lump Sum | 39,231.00 | 18,646.00 | 3,818.00 | 61,695.00 | 28,728.00 | 18,913.00 | 3,522.00 | 51,163.00 | |
| 380608.12 | Graves | 3009 Goldsmith St. | 1 | Lump Sum | 40,023.00 | 14,872.00 | 6,440.00 | 61,335.00 | 28,183.00 | 15,406.00 | 6,409.00 | 49,998.00 | |
| 380608.28 | Herring | 3350 Wisteria Dr. | 1 | Lump Sum | 31,082.00 | 11,885.00 | 2,737.00 | 45,704.00 | 23,973.00 | 12,152.00 | 2,742.00 | 38,867.00 | |
| 380608.14A | Krebill | 2964 Columbia St. | 1 | Lump Sum | 35,876.00 | 8,133.00 | 6,003.00 | 50,012.00 | 20,701.00 | 8,399.00 | 5,632.00 | 34,732.00 | |
| 380608.14B | Krebill | 1215 W. Quince St. | 1 | Lump Sum | 19,570.00 | 7,361.00 | 4,117.00 | 31,048.00 | 10,950.00 | 7,627.00 | 3,984.00 | 22,561.00 | |
| 380608.15 | McIlraith | 2372 Plum St. | 1 | Lump Sum | 32,901.00 | 7,436.00 | 3,680.00 | 44,017.00 | 25,819.00 | 7,703.00 | 3,470.00 | 36,992.00 | |
| 380608.32 | O'Hara | 3701 Oleander Pl. | 1 | Lump Sum | 24,095.00 | 6,997.00 | 2,404.00 | 33,496.00 | 8,901.00 | 7,234.00 | 2,406.00 | 18,541.00 | |
| 380608.22A | Scalco | 140 Hawthorn St. | 1 | Lump Sum | 27,857.00 | 7,361.00 | 1,944.00 | 37,162.00 | 18,609.00 | 7,627.00 | 1,911.00 | 28,147.00 | |
| 380608.22B | Scalco | 146 Hawthorn St. | 1 | Lump Sum | 23,460.00 | 6,967.00 | 3,646.00 | 34,073.00 | 15,086.00 | 7,234.00 | 3,372.00 | 25,692.00 | |
| 380608.23 | Schwartz | 2310 Poinsettia Dr. | 1 | Lump Sum | 26,135.00 | 7,436.00 | 2,875.00 | 36,446.00 | 18,621.00 | 7,703.00 | 2,878.00 | 29,202.00 | |
| 380608.25 | Tracey | 2416 & 2418 Union St. | 2 | Lump Sum | 51,248.00 | 14,872.00 | 3,669.00 | 69,789.00 | 31,593.00 | 15,330.00 | 3,674.00 | 50,597.00 | |
| 380608.31 | Wilson | 2003-2021 2nd Ave. & 202-218 Grape St. | 19 | Lump Sum | 345,231.00 | 58,520.00 | 9,200.00 | 412,951.00 | 184,182.00 | 58,250.00 | 9,200.00 | 251,632.00 | |
| 380608.01 | Beard | 2437 Caminito Zocalo | 1 | Lump Sum | 26,091.00 | 7,511.00 | 3,048.00 | 36,650.00 | 17,576.00 | 7,778.00 | 3,051.00 | 28,405.00 | |
| 380608.03 | Bobenieth | 4022 Camto Dehesa | 1 | Lump Sum | 27,703.00 | 7,511.00 | 3,059.00 | 38,273.00 | 17,934.00 | 7,778.00 | 3,063.00 | 28,775.00 | |
| 380608.07 | Caboz | 2359 Camto Agrado | 1 | Lump Sum | 26,699.00 | 7,511.00 | 3,059.00 | 37,269.00 | 18,346.00 | 7,778.00 | 3,063.00 | 29,187.00 | |
| 380608.09 | Freeman | 2484 Camto Venido | 1 | Lump Sum | 17,038.00 | 6,967.00 | 3,059.00 | 27,064.00 | 13,983.00 | 7,234.00 | 3,063.00 | 24,280.00 | |
| 380608.10 | Gerhart | 2476 Camto Venido | 1 | Lump Sum | 25,442.00 | 7,511.00 | 3,059.00 | 36,012.00 | 17,487.00 | 7,778.00 | 3,063.00 | 28,328.00 | |
| 380608.13 | Keith | 2311 Camto Andada | 1 | Lump Sum | 26,402.00 | 7,511.00 | 3,059.00 | 36,972.00 | 18,232.00 | 7,778.00 | 3,063.00 | 29,073.00 | |
| 380608.16 | Narciso | 4031 Camto Dehesa | 1 | Lump Sum | 25,070.00 | 7,511.00 | 3,059.00 | 35,640.00 | 17,640.00 | 7,778.00 | 3,063.00 | 28,481.00 | |
| 380608.17 | Narciso | 2461 Camto Zocalo | 1 | Lump Sum | 26,635.00 | 6,967.00 | 3,059.00 | 36,661.00 | 18,334.00 | 7,234.00 | 3,063.00 | 28,631.00 | |
| 380608.24 | Soniga | 2361 Camto Seguro | 1 | Lump Sum | 26,206.00 | 6,967.00 | 3,059.00 | 36,232.00 | 17,218.00 | 7,234.00 | 3,063.00 | 27,515.00 | |
| 380608.26 | Wade | 2386 Camto Afuera | 1 | Lump Sum | 31,901.00 | 7,511.00 | 3,059.00 | 42,471.00 | 17,738.00 | 16,177.00 | 3,063.00 | 36,978.00 | |
| 380608.27 | Woods | 2313 Camto Recodo | 1 | Lump Sum | 28,781.00 | 8,133.00 | 3,059.00 | 39,973.00 | 17,275.00 | 0.00 | 3,063.00 | 20,338.00 | |
| 380608.21 | Tabachki | 134 Wets Hawthorn St. and 2105 & 2107 Front | 19 | Lump Sum | 109,709.00 | 53,732.00 | 8,740.00 | 172,181.00 | 33,417.00 | 53,751.00 | 8,740.00 | 95,908.00 | |
| Subtotal | | | | | | | | 1,531,190.00 | Subtotal | | | 1,073,859.00 | |
| | | | | | | | | Allowance for Structural, HVAC, Elect. Repairs | 80,000.00 | Allowance for Structural, HVAC, Elect. Repairs | | | 80,000.00 |
| | | | | | | | | Bldg & Utility Permits & Fees | 38,000.00 | Bldg & Utility Permits & Fees | | | 38,000.00 |
| | | | | | | | | Allowance for 150 "Req'd" Shirts | 2,550.00 | Allowance for 150 "Req'd" Shirts | | | 2,550.00 |
| TOTAL BID | | | | | | | | 1,651,740.00 | TOTAL BID | | | 1,194,409.00 | |

Note: Addendums No. 1 noted

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 Miscalculation by contractor - contractor bid \$1,342,679.00,

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SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

ATTACHMENT B

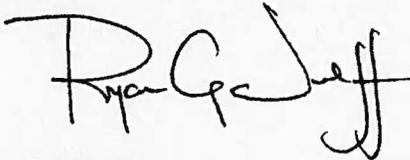
P.O. BOX 82776, SAN DIEGO, CA 92138-2776
619.400.2400 WWW.SAN.ORG

June 23, 2012

Dear Mr. Fritz:

The Airport Authority received your letter dated July 16, 2012 wherein you request that Nuera Contracting and Consulting LP ("Nuera Contracting") be relieved from its bid based upon your representation that a mistake was made in the bidding documents. After careful review of your letter and the Nuera Contracting and Consulting's bid and pursuant to Public Contract Code sections 5101, 5103 and 5106, the Airport Authority finds it is in its best interest to relieve Nuera Contracting from its bid. Nuera Contracting and Consulting LP is hereby relieved from the bid it submitted for the project entitled Quieter Home Program Phase 6 Group 8 and will therefore not be considered for an award.

Sincerely,



Ryan G. Wolff
Procurement Analyst
San Diego County Regional Airport Authority



SAN DIEGO
INTERNATIONAL
AIRPORT

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Nuera Contracting and Consulting LP

July 16, 2012

Ryan G. Wolff
Procurement Analyst
San Diego County Regional Airport Authority
P.O. Box 82776
San Diego, CA 92138-2776

RE: Quieter Home Program Phase 6, Group 8
Project No. 380608
Bid Package Proposal dated 07-10-2012

Nuera Contracting and Consulting LP submitted the above referenced Bid Package Proposal for the Quieter Home Program Phase 6, Group 8.

Unfortunately, an inadvertent clerical error has occurred during the completion of the required bid documents which has made the proposal amount materially different than we intended it to be. While completing Bid Schedule A, we provided the requested Bid Total lump sum amount for the entire 25-residence package which included General, Mechanical and Electrical construction costs, owner-provided allowances and GC expenses/fees. Bid Schedule A required a total of General, Mechanical and Electrical Construction dollars per residence. Nuera misinterpreted the requirements for completing the individual residence totals and did *not include* owner-provided allowances or GC expenses/fees in the sum for each residence. Therefore, when summing the individual residence totals, the grand total is 11% lower than our Bid total lump sum amount. We did not understand that the San Diego County Regional Airport Authority official bid amount is based on the sum of the 25 separate residence totals. We are unable to contract this scope of work for the lower total. This error was entirely related to completion of the bid forms and did not occur due to any Nuera error in judgment, carelessness in inspecting the site of the work or reading the design plans or technical specifications.

Under the terms of Public Contracting Code sections 5101 and 5103, this letter is a formal request that the San Diego County Regional Airport Authority allow Nuera Contracting and Consulting LP to withdraw our proposal dated July 10, 2012 in order to be relieved of the above described mistake in our bid submission.

Please advise us of your decision in this matter as soon as possible.

Sincerely,

Walter Fritz
President
Nuera Contracting and Consulting LP

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RESOLUTION NO. 2012-0101

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY CONSENTING TO RELIEVING NUERA CONTRACTING AND CONSULTING, LP FROM ITS BID AND AWARDING A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC., IN THE AMOUNT OF \$1,651,740, FOR PHASE 6, GROUP 8, PROJECT NO. 380608, OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY'S QUIETER HOME PROGRAM

WHEREAS, the San Diego County Regional Airport Authority ("Authority") has established a residential sound insulation program, known as the Quieter Home Program ("Program"), to reduce aircraft noise levels in the homes of residents living within the highest noise-impacted neighborhoods surrounding San Diego International Airport; and

WHEREAS, Phase 6, Group 8, of the Program, will include installation of new acoustical windows, doors, insulation, and ventilation improvements to reduce aircraft-related noise levels inside the homes; and

WHEREAS, Phase 6, Group 8, of the Program provides sound attenuation to 18 west side and 7 west side, non-historic, single and multi family homes; and

WHEREAS, the Authority issued a Bid Solicitation Package relating to Phase 6, Group 8, on June 5, 2012; and

WHEREAS, on July 10, 2012, the Authority opened sealed bids received in response to the Bid Solicitation Package, and the apparent low bidder was Nuera Contracting & Consulting LP ("Nuera"); and

WHEREAS, on July 16, 2012, Nuera requested to be relieved of its bid on the basis that a mistake was made and that the mistake made the bid materially different than what Nuera intended it to be and that the mistake was made in filling out the bid and not due to an error in judgment, or to carelessness in inspecting the site of work, or in reading the design plans or technical specification; and

WHEREAS, the San Diego County Regional Airport Authority Board ("Board"), finds that Nuera's bid contains a mistake and that the mistake made the bid materially different than what Nuera intended it to be and that the mistake was made in filling out the bid and not due to an error in judgment, carelessness in inspecting the site of work, or reading the design plans or technical specification; and

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WHEREAS, pursuant to Public Contract Code §5101, the Board consents to relieving Nuera of its bid for the reasons set forth in this Resolution and the facts contained in Nuera's letter dated July 16, 2012, a copy of which is attached to the staff report as "Attachment B" and incorporated herein by this reference; and

WHEREAS, the next apparent low bidder G&G Specialty Contractors, Inc., submitted a bid of \$1,651,740; and the Authority's staff has duly considered the bid and has determined G&G Specialty Contractors, Inc., is responsible, and that its bid is responsive in all material respects; and

WHEREAS, Board believes that it is in the best interest of the Authority and the public that it serves to award G&G Specialty Contractors, Inc., the contract for Phase 6, Group 8, upon the terms and conditions set forth in the Bid Solicitation Package.

NOW THEREFORE BE IT RESOLVED that the Board hereby consents to relieving Nuera Contracting and Consulting, LP from its bid for the reasons contained herein; and

BE IT FURTHER RESOLVED that the Board hereby awards a contract to G&G Specialty Contractors, Inc., in the amount of \$1,651,740, for Phase 6, Group 8, Project No. 380608, of the San Diego County Regional Airport Authority's Quieter Home Program; and

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee hereby is authorized to execute and deliver such contract to G&G Specialty Contractors, Inc.; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents hereby are authorized, empowered, and directed to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing; and

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority finds that this is a "project" as defined by the California Environmental Quality Act ("CEQA"), Pub. Res. Code Section 21065; and is a "development," as defined by the California Coastal Act, Pub. Res. Code Section 30106 and that the individual Quieter Home Program projects are categorically exempt from the CEQA under Cal. Code Regs. Section 15301(f), "Existing Facilities," and are exempt from coastal permit requirements under Pub. Res. Code Sections 30610(a) and 30610(b) and 14 Cal. Code Regs. Section 13250 and 13253.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a special meeting this 6th day of September 2012, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
**DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK**

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL