

Exhibit to Agenda Item #3

Board Finance and Audit Committee Meeting and Special SMUD Board of Directors' Meeting

Tuesday, February 27, 2018, scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

Powering forward. Together.



Requested Action

Authorize the Chief Executive Officer and General Manager to award a contract to Doug Veerkamp General Engineering, Inc. to complete Roadway Improvements in the Upper American River Project for a total contract amount not-to-exceed \$18,540,215, and for a contract term from April 1, 2018 to December 31, 2019.

Project Background

Three roadway areas will receive improvements under this Contract:

- North Union Valley Road
- Lakeshore Road
- Intersection of Wrights Lake Tie Road and Ice House Campground Road.
- Realignment and improvement of these three road segments is a FERC License Renewal Requirement (USFS 4(e) Condition 56.2).



Scope of Proposed Contract

The project consists of approximately 6.5 miles of roadway improvements including:

- Final Design and Permitting
- Vegetation/Tree Removal
- Drainage Improvements
- Roadway Realignment and Sub-Grade Installation
- Finishing with Asphalt Surface, Vehicle Control Barriers, Pullouts, and Parking Areas



Procurement Strategy

- Request for proposal (RFP) to ensure best value
- Complex construction and environmental scope
- Focused on contractor and proposed team
- Ensured adequate proposer planning
- Process emphasized importance of schedule
- Cost plus profit, overhead, and contingency

RFP Evaluation	100%
SEED	10%
Proposer Experience	10%
Similar Project Experience	15%
Project Team Experience	10%
Approach to Project	25%
Commercial Terms	30%

Procurement Process and Outreach

- **1,243** Potential Proposers notified by SMUD Electronic Bid Solicitation System (EBSS)
- Targeted outreach identified and specifically notified nine highly-qualified paving companies of the upcoming solicitation
- **20** Companies were represented at the pre-proposal conference/site visit
 - **10** potential Prime contractors
 - 10 potential Subcontractors
 - 6 that were included in the targeted outreach
- Two Pre-Proposal Meetings were held to encourage maximum participation
- Received and evaluated **1** proposal from Doug Veerkamp General Engineering, Inc. (DVGE)
- Potential Proposers were contacted to inquire as to why they did not submit proposal. Responses varied
- Posted Notification of Intent to Award on 02/02/2018

RFP Evaluation Results

Responsive Proposals Received	Pass/Fail	SEED Points	Technical Points	Price Points	Total Score	Rank	Proposal Amount	Evaluated Proposal Amount	BAFO Amount	Proposed Award Amount
		10	60	30	100					
Doug Veerkamp General Engineering, Inc.	Passed	10	53.19	30.00	93.19	1	\$18,736,615	\$18,486,615	\$18,540,215	\$18,540,215

Determination of Price Reasonableness

- SMUD completed an analysis comparing the Engineers price estimate for the construction portion of the project and the Proposed price.
 - DVGE's final price for construction = \$16, 406,115
 - The Engineer's construction estimate (completed prior to the posting of the solicitation) = \$15,914,900.
 - Total difference = \$491,215 (<4%).
- This construction price and also the Design price of \$2,134,100 are considered to be fair and reasonable

Cost Savings and SEED Participation

- After the cost analysis was performed, area's of concern were identified and DVGE was asked to take a closer look.
- A request for a Best And Final Offer (BAFO) resulted in savings of \$196,400
- DVGE reached out to seed Subcontractors and included 20% participation which results in \$3,772,080 in SEED spend

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