



COLORADO
Department of Transportation
Office of the Chief Engineer

TO: SHOSHANA M. LEW, EXECUTIVE DIRECTOR
FROM: MARKOS ATAMO, PE, CES BRANCH MANAGER
CC: STEPHEN HARELSON, PE, CHIEF ENGINEER S/H
STEPHEN BOKROS, PE, CES UNIT MANAGER S/B
DATE: 09/9/2021
SUBJECT: AWARD TO LOW RESPONSIVE BIDDER C.R.S. 43-1-113 (16)
PROJECT: SHE 0701-251 (23675) REGION 3 I-70 CABLE BARRIER AND GUARDRAIL SAFETY UPGRADES

Pursuant to C.R.S. 43-1-113(16), it has been determined that it is in the best financial and economic interest of the State to award Region 3's project SHE 0701-251 (23675) to the low bidder Siete, Inc.

Project Description: This Region 3 project located in Garfield County for tensioned cable barrier and guardrail safety improvements on I 70 at MM 97-99, and MM 102-108. The project was solicited under a design bid build (low bid) project delivery method where only two bids were received with Siete, Inc. (Siete) being the lowest responsive bidder.

Financial Impact: Siete's low bid proposal totaled \$2,755,466.00 compared to the CDOT engineer's estimate of \$2,213,575.00. The project risks rejection by Statute since there were less than three bids received and the low bidder's proposal was 124.48% of the engineer's estimate. Region 3 has verified they have funding available for the award of the project to Siete.

Cost Analysis: An analysis of the bid schedule revealed that the bid line items identified below resulted in the overall bid from Siete being more than 10% over CDOT's engineer's estimate for the project.

Bid Item Description	QTY	Unit	Unit Price Eng. Est. & Low Bid		Total Cost Difference	% Over Eng. Estimate
TENSION CABLE BARRIER (TL-4)	10,033.00	LF	\$20.00	\$37.00	\$170,561.00	8%
CONCRETE SLOPE & DITCH PAVING	279.00	CY	\$600.00	\$1,200.00	\$167,400.00	8%
GUARDRAIL TYPE 3 (31 INCH)	29,650.00	LF	\$30.00	\$34.00	\$118,600.00	5.5%

The engineer's estimate for the above bid items was based on historical data from similar projects with comparable quantities. In verifying Siete's bid offer their tension cable barrier material supplier price reflected market volatility currently being experienced in that industry resulting in higher-than-normal costs to complete this work for the project. The concrete slope & ditch paving bid pricing was impacted by material cost increases and labor shortages for this specific type of work. The guardrail bid item reflected their current supplier bid prices were also impacted by current market material cost increases being experienced in that industry, especially steel prices. According to the NYSE American Steel Index there was a 15% increase in Steel prices per ton between July to August 2021, this is due to uncertainties, surging global demand and pandemic restrictions.

The project will improve needed roadway safety in Region 3. It is imperative that this project be awarded as soon as possible. Re-advertisement would risk delaying these important safety improvements.

Based on the cost analysis, CES and Region 3 consider Siete's overall proposed bid pricing to be fair and reasonable.

The region concurred with the analysis and verified funding is available.

Staff Review & Recommendation: Given the overall project dynamics mentioned above, re-advertisement of the project is unlikely to result in more competition or reduced pricing. The Region 3 Project Management Team's analysis and recommendation to award the project is provided in the attached memorandum to this request. As a result, staff recommends proceeding with the award of the project to Siete, Inc.

I recommend award  Markos Atamo (Sep 9, 2021 11:14 MDT) Date 09/09/21

Markos Atamo, PE, CES Branch Manager

I authorize award of the referenced project

I do not authorize award of the referenced project

 Shoshana Lew (Sep 10, 2021 12:59 MDT) Date 09/10/21
Shoshana M. Lew, Executive Director

cc: Stephen Bokros, Cost Estimating Services
Markos Atamo, Construction Engineering Services
Jerad Esquibel, Project Support Services
RB Simmons, Construction Contract Services
Records Center