## **OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION**

## <u>Resolution Approving the Selection of Kokosing Construction Company, Inc. for</u> <u>Project No. 39-25-01 for the Total Amount of \$56,307,400.93</u>

WHEREAS, the Ohio Turnpike and Infrastructure Commission ("Commission") published a notice in accordance with law to advertise an invitation to bid on a contract for Mainline Pavement Reconstruction from Milepost 154.10 to Milepost 159.80, in Cuyahoga County, Ohio, and designated as Project No. 39-25-01; and

WHEREAS, on January 29, 2025 the Commission received two (2) bids to perform the Contractor's obligations on the Project, and the report of the Commission's Pavement Replacement Program Manager, Hill International and Major Projects Engineer concerning the review and analysis of the bids is before the Commission; and

WHEREAS, both bids were in excess of ten percent (10%) above the Engineer's estimate and, pursuant to Article 5, Section 5.1.2 of the Instructions to Bidders, the Commission convened the Construction Contracts Award Committee ("CCAC") to determine if the bid prices are within reasonable conformance with the Engineer's estimate and a bid price may be accepted by the Commission upon a recommendation by the Committee; and

WHEREAS, the CCAC met on February 5, 2025, and after considering the Commission's Consultant's evaluation memorandum and information provided by the Commission's Engineering staff, the CCAC determined that the apparent low bid submitted by Kokosing Construction Company, Inc. ("Kokosing") should be accepted for the reasons set forth in the CCAC memorandum dated February 5, 2025, which is before the Commission and summarized below:

- There is only a 3.5% difference between the bidders submitted pricing, which represents competitive and consistent pricing;
- A delay in awarding the Project would negatively impact the completion timeframe of the project. Specifically, rebidding the project would result in the project not being awarded until the April 21, 2025, Commission Meeting, which would make the contract execution in the early-May 2025 timeframe and increase costs to ensure timely completion (i.e., accelerated construction costs in 2025 and/or increased cost for any 2026 and 2027 work);
- The largest disparities were Maintaining Traffic, Pavement Removal As Per Plan, Asphalt Concrete Base, and Asphalt Concrete Base for Shoulders.
  - General Section The Engineer's Estimate for these items was \$13,975,486.00 and Kokosing's bid for these items was \$21,538,688.00
  - The Pavement Replacement Program Manager underestimated the bid amount for the aforementioned items given the reasonings indicated in their recommendation memo. The historical pricing from other PR projects is no longer valid and the inflation factor applied to the bid items was not enough to cover the increased costs associated with the means and methods necessary to complete the scope of work for Project No. 39-25-01. Below is a recap of the Bid items:

<u>Ref. No. 1 – Item SP 614 Maintaining Traffic:</u>

There was a typo in the Engineer's Estimate from Hill International. In the past five(5) years historical the average price of MAINTAINING TRAFFIC has been \$2,549,141.67, wherein the Engineer's Estimate had \$300,000.00.

Ref. No. 11 – Item 202 Pavement Removal As Per Plan:

This item is also higher than the historical average unit price. The cost may be due to the location and the haul distances of the proposed waste sites. Another factor could be the potential for higher cost in the third year due to inflation. The unit price for (Ref. No. 11) is \$19.50 where the historical average bid unit price is \$12.50 on previous projects

Ref. No. 123 - Asphalt Concrete Base, PG 64-22 & Ref No. 124 Asphalt Concrete Base, PG 64-22 (Shoulders):

Both items are higher than program historical bid prices. Hill used the most recent historical prices for the review to aid in the pricing for the Engineer's Estimate of these items. A potential reason these unit prices may be higher than the historical unit prices may be the uncertainty of the inflation and the potential for fuel price increases in the next three years.

- Pricing and availability of construction labor and materials is not expected to decrease in the foreseeable future;
- There are no scope items that could be removed to still accomplish the intent and the requirements of the Project;
- Awarding the Project to the low bidder, Kokosing, will not adversely affect the Commission's Capital Program or financial condition;
- Kokosing has committed to exceed the SBE goal for the Project;
- Kokosing's bid appears balanced; and
- Kokosing appears to have the capacity to perform the Project.

WHEREAS, the CCAC reports that Kokosing submitted the apparent low bid on the Project in the total bid amount of \$56,307,400.93 and includes Waste Site Deduct Alternate and the Temporary Access Deduct Alternate, which it recommends the Commission accept and approve authorization for the Executive Director or Chief Engineer/ Deputy Executive Director to award; and

WHEREAS, the Director of Contracts Administration determined that bids for the Project were solicited on the basis of the same terms and conditions and the same specifications, that selecting the bid of Kokosing conforms to the requirements of Ohio Revised Code Sections 153.54, 5537.07 and 9.312, and Kokosing submitted a performance bond with good and sufficient surety; and

WHEREAS, the Office of Equity and Inclusion has found that Kokosing has made a good faith effort to attain the participation of small or otherwise disadvantaged businesses on the Project and has made a commitment to exceed the SBE participation goal of 20% for the Project; and

WHEREAS, Commission action is necessary to approve the Contract in accordance with Article V, Section 1.00 of the Commission's Bylaws because the amount of the bids received will require expenditures under the Project that will exceed \$150,000.00; and

WHEREAS, the CCAC recommends the Commission select Kokosing as the lowest responsive and responsible bidder for the Project; and

WHEREAS, the Commission's Chief Engineer /Deputy Executive Director concurs with the CCAC's recommendation that the Commission approve the award of the Project to Kokosing as the lowest responsive and responsible bidder; and

WHEREAS, the Commission has duly considered such recommendations.

## NOW, THEREFORE, BE IT

RESOLVED, by the Ohio Turnpike and Infrastructure Commission that the bid of The Kokosing Construction Company, Inc. for Project No. 39-25-01 in the amount of \$56,307,400.93, which includes credits for Waste Site Deduct Alternate and the Temporary Access Deduct Alternate, is approved as the lowest responsive and responsible bid received and the Executive Director or Chief Engineer/Deputy Executive Director is authorized to execute a contract based on said bid.

(Resolution No. 10-2025 adopted February 18, 2025)