GRAND JUNCTION SHARED USE PATH

As part of MIT’s Kendall Square PUD-5 zoning petition in 2013, MIT agreed to provide $500,000 in construction funds to the Cambridge Redevelopment Authority (CRA) for construction of a segment of the Grand Junction Shared Use Path between Binney and Main Street. The CRA has engaged Fay, Spofford & Thorndike (FST) as the project engineer and Halvorson Design Partnership as the landscape architect. The design has been developed, refined and coordinated with multiple utilities and the railroad during the first half of 2015 as well as presented in public during several 2015 CRA Board Meetings and a City Council Transportation Subcommittee Meeting on March 25, 2015. The CRA advertised the bid for construction services on June 17, 2015. On July 9, 2015, sealed bids for the subject project were received and publicly opened at the Cambridge Public Works Department (DPW). On July 15, 2015 FST prepared a Letter of Recommendation of Award after a review of the bids was completed in consultation with DPW and the CRA.

SUMMARY OF BIDS

There were three bids:

- Mattuchio Construction: $673,790.00 + Alternate #1 $25,000 (total with Alternate #1: $698,790.00)
- D’Allessandro Corp. $784,857.55 + Alternate #1 $23,000 (total with Alternate #1: $807,857.55)
- MacKay Construction $870,697.00 + Alternate #1 $54,600 (total with Alternate #1: $925,285.00)

WHY DID THE PRICES COME IN SO MUCH HIGHER THAN THE FST ESTIMATE?

Some potential reasons for this, based on an analysis of the bid documents, project history, as well as conversations with City of Cambridge DPW and our engineer FST:

- The original FST estimate for the project in mid-May was around $430 base bid and $445k with Alternate #1. Subsequent updates to the project design, and how the railroad and utilities would be handled between mid-May and mid-June along with clarifications to the contractors found in the bid addenda added up to $503k base bid and $518k with Alternate #1.
- DPW has said that bids during 2015 are coming in significantly higher than recent years, likely due to a new post-recession supply and demand condition. There is a lot more construction work to go around this year, and pricing is becoming less competitive, contractors can charge more because the work is nice to have but they don’t necessarily need it as much as they did in the recession. For example, the City’s normally around $600k blanket sidewalk contract came in at over $800k this year.
- Some items came in consistently higher than the FST cost estimate across all 3 bids. For example, soil and waste management, earth excavation, some parts of the chain link fence bid item, the porous pavement walkway surface, mobilization, and construction staking were among the consistently higher items.

CAN THE CRA SELECT THE LOWEST BIDDER BUT NEGOTIATE THE PRICE ON AN INDIVIDUAL LINE ITEM?

No. The CRA needs to either accept the bid as-is or change the project and re-bid it.
WHAT CAN BE DONE TO BRING THE COST DOWN TO $500,000?

The only way to bring the cost down that substantially from the lowest bid ($673,790.00) would be to substantially change the design of the project and then re-bid the project.

IF WE ACCEPT THE LOWEST BID AND MOVE FORWARD WHAT CAN BE DONE TO CONTROL COSTS?

Scope: We can eliminate a very limited amount of scope to reduce costs in small ways as we move forward, for example, lowering the quantity of granite blocks, or choosing not to construct the Alternate #1 – but we cannot make substantial changes to the nature of the project without re-bidding it. Reductions in scope must be reasonable.

Construction Management: Controlling costs during construction will be primarily done through detail-focused construction management by DPW and CRA with assistance from FST and Halvorson. DPW will ensure that the contractor is doing the work correctly per plans, specs and codes, and that if the contractor makes a mistake, they correct it at the contractor’s cost and do not attempt to enter a change order. DPW/CRA will ensure that the contractor is adhering to their schedule, and that we are not running into anything unexpected. The contractor has obligations to be telling us if there are unforeseen conditions. Generally if a project goes sour there are telltale signs along the way, usually a problem is not being fully communicated. Most situations can be avoided with constant communication updates.

Change Orders: Within the CRA’s contract, as included in the bid package, Article 11 of the General Terms and Conditions entitled Changes in the Work – specifies when a change order would be allowed, what constitutes a change, whether the contractor gets more time for the change, the role that the engineer plays in approving the change, etc. DPW will review unforeseen conditions that the contractor uncovers for their eligibility as change orders. DPW is diligent in doing the homework necessary to justify change orders. For unit price items, DPW will keep very close track of those quantities. If all parties do not agree to a change order, we can issue a Work Change Directive, which is outlined in a procedure in Article 11.3 of the General Terms. Additionally, section 11.4 of the General Terms specifies what constitutes Minor Changes in the Work, which the engineer has the authority to make – “…so insignificant as to not affect the Contract Sum or the Contract Time and which are not inconsistent with the intent of the Contract Documents.”

HAS THE CITY OF CAMBRIDGE DONE WORK WITH THE LOWEST BIDDER?

Yes, the City of Cambridge has done work with Mattuchio, and DPW would recommend them for quality work. DPW also contacted references in Mansfield and Braintree. Mattuchio has participated in the following jobs in Cambridge recently:

- 4 remedial sewer repair contracts starting in 2009
- Mattuchio has worked as subcontractors for others – including recent ADA improvements to Porter Square T Station and certain MIT ductbank replacement work along Ames Street.

DID ALL BIDDERS COMMIT TO CONSTRUCTION SCHEDULE THIS SUMMER/FALL?

Schedule: The schedule was clearly listed in the General Terms and Conditions of the contract as included in the bid package under Supplemental Conditions #7: “The Contractor shall substantially complete the project during the 2015 construction season. Landscaping, plantings and punchlist may be completed in the spring.”

Weekly Look Ahead: The contractor will have to submit a 3-week work ahead schedule to DPW/CRA which includes what activities are coming up during the next 3 weeks and this must be updated every week.
Notice to Proceed: Once we have a signed contract with the contractor the next step is the Notice to Proceed. The contractor has 7 days from the receipt of the Notice to Proceed to begin mobilization. They have to work continuously on the contract, they cannot work in fits and starts.

Contract Completion and Liquidated Damages: There is a 10-month limitation on total completion of the work. Liquidated damages provision for this contract is $1500 per day if they haven’t completed within 10 months.

**DID THE LOWEST BIDDER COMPLY WITH OUR MBE/WBE AND RESPONSIBLE EMPLOYER CERTIFICATION?**

Mattuchio They met the 10% requirement minority business participation rate and filled out MBE Form #1: Contractor Certification of Compliance and MBE Form #2: Letter of Intent to Participate, as well as Responsible Employer Certification Form, and the ADA Compliance Form. A letter was included in their bid submission from the Executive Office for Administration and Finance / Supplier Diversity Office confirming that Mattuchio is a certified woman-owned business enterprise (WBE).

**CAN A CONTRACTOR ASK FOR MORE MONEY FOR AN ITEM IF THE DESIGN DOES NOT CHANGE?**

No. A change order can only be for something that is the result of unforeseen conditions that causes a scope/design change, something not called for in the original bid. The full wording is under Article 11 of the General Terms and Conditions of the contract as included in the bid package.

**CAN A CONTRACTOR ASK FOR MORE MONEY FOR AN ITEM IF THE QUANTITY CHANGES?**

Quantities are always considered estimates. The contractor is bound to hold to their unit price as bid up to a 25% increase in quantity. After a 25% increase in quantity, a change order may be required.

Section 11.3.8 of the General Terms and Conditions addresses changes in quantity that would impact the ability to receive volume discounts on products. 11.3.8 reads as follows: “If unit prices are stated in the Contract Documents or are subsequently agreed upon, and if quantities originally contemplated are so changed in a Proposed Change Order or Work Change Directive that the application of such unit prices to quantities of Work proposed will cause substantial inequity to the CRA or the Contractor, the applicable unit prices shall be equitably adjusted.”

**CAN A CONTRACTOR ASK FOR MORE MONEY IF THE COST OF A MATERIAL GOES UP AFTER THE BID?**

No, they are bound to the unit price in their bid if the quantity does not substantially change.