

TRUCKEE TAHOE AIRPORT DISTRICT POLICY INSTRUCITON

PI NUMBER ~~541402~~

~~Formerly PI 541~~

Effective: February 16, 2005

Revised: September 22, 2011

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SUBJECT: PROJECT PLANNING - CONSTRUCTION CONTRACT MANAGEMENT

PURPOSE: To establish a policy on management requirements and authorities regarding capital construction contracts

POLICY:

1. The District routinely develops, releases for bid, and supervises the execution of capital construction projects to enhance or maintain airport facilities for the community. Capital construction may be either new construction or major maintenance of infrastructure. The Board of Directors will direct planning, approve all projects for bid, accept and reject bids, sign contracts, and determine associated levels of funding. The staff, with appropriate assistance, shall make recommendations, provide plans and documents, advertise and receive bids, and supervise contract execution. The District's goals are to: accurately and completely forecast contract costs and requirements to meet District needs and avoid price increases; fairly and diligently supervise work to ensure adequacy; and support local businesses.
2. Planning. The Board shall determine necessary projects for the upcoming fiscal year and integrate funding during the budget development cycle in August/September. Staff shall develop prioritized capital construction recommendations utilizing Board guidance and priorities, the Master Plan, maintenance assessments, and other relevant inputs. Preliminary budget estimates shall be provided by the District Engineer. Upon acceptance of recommendations, the District Engineer is authorized to develop plans and bid documents. Enclosure 1 identifies the general planning and decision points associated with capital projects.
3. Bids and Contracts.
 - a. The Board reserves the right to conclude no-bid contracts consistent with laws, policies and governing regulations.
 - b. Bids. The Board General Manager shall approve all plans and bid documents prior to release for bid to ensure they are consistent with District priorities, needs, and funding. Upon approval of bid documents, and Board direction for competitive bid, the staff shall advertise in local and regional media, and may provide area plan check houses with appropriate documents. The bid period shall be no less than thirty (30) days unless the Board directs otherwise (e.g. for emergency repairs).
 - c. Contracts. The Board shall accept and/or reject bids and the Board President shall sign contracts with the successful bidder. With permission of the Board President, the Board

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Vice President may sign if the Board President is not available. Staff shall provide analysis and recommendations to aid determinations of “responsibility”. The District reserves the right to accept the lowest responsible bidder submitting a responsive bid, and not necessarily the lowest cost bid. The Board reserves the right to reject any and all bids.

4. Contract Supervision. To ensure that the requirements of the contract are fulfilled in a workmanlike manner, the General Manager, in accordance with the Airport Act, shall supervise the project and may delegate authority for daily supervision to competent staff and/or consultant project manager. The General Manager shall inform the Board about this authority during the approval process for bid documents. Normally, the staff will act in the capacity of supervising project manager, and shall have the following authorities:
 - a. Initiate, suspend, or resume work consistent with safety and performance criteria, and shall ensure proper and satisfactory materials testing.
 - b. The designated project manager, normally the Director of Operations and Maintenance or the consulting engineer, shall be authorized to request, approve, and sign change orders up to five percent (5%) of the total initial bid price. These change orders shall be coordinated with the District engineer and General Manager, and the Board shall be informed of change order details at the next regularly scheduled meeting.
 - c. The General Manager shall be authorized to approve and sign change orders exceeding five percent (5%) of the total initial bid price, not to exceed ten percent (10%). The same coordinating and reporting requirements in paragraph 4. b. apply.
 - d. The Board reserves the authority to request, approve, and sign all change orders exceeding ten percent (10%) of the total initial bid price, or any single item exceeding four percent (4%) of the total initial bid price on contracts exceeding \$500,000.
 - e. Staff shall ensure proper completion of all contract and punch list items prior to acceptance, and issue appropriate completion documents.
5. Funding. The Board shall determine funding mechanisms for capital projects. In coordination with the District ~~Controller~~Director of Finance and Administration, the Engineer shall provide funding options. Should grant funding be accepted for a project, all requirements and assurances of the grant shall be met.

~~Michael Golden~~Kathleen Eagan, President

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