

Department of Transportation

Mitchell Region Office

PO Box 1206
Mitchell, SD 57301-7206 605/995-8129
FAX: 605/995-8135

August 30, 2007

Mrs. June Hansen
Civil Rights Officer
Department of Transportation
700 Broadway Avenue East
Pierre, South Dakota 57501

RE: 000I-271, Minnehaha & Lincoln Counties – PCN I0T5
Night Winter Road Inspection and Snow & Ice Control Services
I29, I90 & I229 Looping the City of Sioux Falls and on
I90 from I229 to the Minnesota State Line

Dear Mrs. Hansen:

Enclosed is a Contract Proposal and plans for the above referenced project that is being let to contract by the informal bidding procedure in the Mitchell Region on **September 13, 2007**.

We have sent a proposal to the DBE/WBE Contractor listed below:

Buskerud Construction Inc.

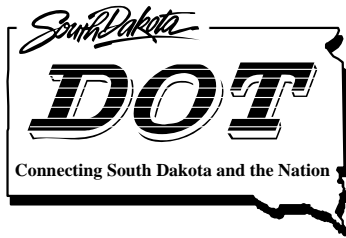
If you know of any other interested Contractors, please advise us.

Very truly yours,

DEPARTMENT OF TRANSPORTATION
Thomas L. Week
Region Engineer

Monte D. Rice
Region Design Engineer

cc: _____ – Construction and Maintenance
Bjorneberg – Project Development
Smith/Carlson/Aalberg - Sioux Falls Area



Department of Transportation

Mitchell Region Office

PO Box 1206
Mitchell, SD 57301-7206 605/995-8129
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August 30, 2007

TO: Interested Bidders

RE: 000I-271, Minnehaha & Lincoln Counties – PCN IOT5
Night Winter Road Inspection and Snow & Ice Control Services
I29, I90 & I229 Looping the City of Sioux Falls and on
I90 from I229 to the Minnesota State Line

The South Dakota Department of Transportation (SDDOT) desires to solicit bids for Night Winter Road Inspection and Snow & Ice Control Services on I29, I90 & I229 Looping the City of Sioux Falls and on I90 from I229 to the Minnesota State Line. Refer to the enclosed plans for location and details of the work to be done.

A Contract Proposal (DOT 123) form and an Equipment Data Sheet are enclosed for submission of your bid. Be sure to have the Contract Proposal signed and notarized as indicated. FAX bids will not be accepted.

The contract unit price bid per each for Mobilization 1, 2 or 3 shall not exceed \$2,000 (\$6,000 total).

Pursuant to South Dakota Administrative Rules 70:07:02, Classification and Bidding Capacity Rating for Highway Contracts, and Section 2.1 of the SDDOT Standard Specifications For Roads and Bridges, all bidders on highway construction projects over \$99,999.99, per year, shall be prequalified.

Contractors may apply for prequalification by fully completing and executing a Prequalification Statement on forms furnished by the Department. Prequalification Statement forms must be obtained from the Division of Fiscal and Public Assistance (Call Dave Knigge at 605-773-4555 to obtain prequalification application). Completed Prequalification Statement application must be sent to the Classification and Rating Committee at the Becker-Hansen Building, 700 East Broadway, Pierre, SD 57501 at least fourteen (14) days prior to the day of the letting.

Bidders on projects let through the informal process (being let using a DOT 123 contract form) are excluded from having to submit a request for Plans and Bid Proposal form as required in Standard Specification Section 2.3, showing the bidders status at the time as to their ability to handle the work for which they are submitting a bid. All other portions of Section 2.3 are to remain in effect.

In lieu of being prequalified, Bidders may complete a SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION EXPERIENCE QUESTIONNAIRE. The questionnaire can be obtained from any of the Region offices of the SDDOT or at the following link: <http://www.sddot.com/pe/projdev/docs/ExperienceQuestionnaire.pdf>. The questionnaire shall be submitted prior to or at the time of bidding to the office conducting the letting.

Region personnel will determine from the questionnaire if the low responsive bidder is capable of performing the work intended. If it is determined that the low bidder does not have the capacity (experience or equipment) to complete this work, they will be determined to be nonresponsive, and the bid awarded to the next responsive bidder.

If you submit a bid for these projects, a bid bond, certified check, cashier's check, or bank draft will be required for NOT LESS THAN FIVE (5) PERCENT OF THE TOTAL AMOUNT OF THE BID. Except for the lowest bidder on the project, all guarantees will be returned immediately following the receipt and checking of all bids.

A Certificate of Insurance will be required from the successful bidder prior to beginning work.

All bid proposals must be returned in the enclosed self-addressed envelope to Thomas L. Week, Region Engineer, 1300 S. Ohlman St., Post Office Box 1206, Mitchell, South Dakota 57301-7206 before 1:30 P.M. on Thursday, September 13, 2007.

Proposal and Plans (and Addenda, when applicable) can be accessed at the following link: http://www.sddot.com/pe/projdev/bidlet_lettings_regional.asp. It is the Contractor's responsibility to obtain any addenda pertaining to this contract prior to submitting a bid. Addenda, if and when applicable to this contract, will be posted on this website with the contract.

Questions regarding the plans and/or proposal should be directed to:
Craig Smith or Larry Carlson at 605-367-5680 or Monte Rice at 605-995-8129.

The SDDOT reserves the right to reject any or all bids.

Please verify that all required information is complete prior to mailing bid documents.

Very truly yours,

DEPARTMENT OF TRANSPORTATION

Thomas L. Week

Region Engineer

Monte D. Rice

Region Design Engineer

cc: _____ – Construction and Maintenance
Hansen - Civil Rights
Reiss – Planning & Programs
Smith/Carlson/Aalberg - Sioux Falls Area
Bjorneberg - Project Development

NOTICE TO ALL BIDDERS

TO REPORT BID RIGGING ACTIVITIES, CALL: 1-800-424-9071

THE U.S. DEPARTMENT OF TRANSPORTATION (DOT) OPERATES THE ABOVE TOLL-FREE "HOTLINE" MONDAY THROUGH FRIDAY, 8:00 A.M. TO 5:00 P.M., EASTERN TIME. ANYONE WITH KNOWLEDGE OF POSSIBLE BID RIGGING, BIDDER COLLUSION, OR OTHER FRAUDULENT ACTIVITIES SHOULD USE THE "HOTLINE" TO REPORT SUCH ACTIVITIES.

THE "HOTLINE" IS PART OF THE DOT'S CONTINUING EFFORT TO IDENTIFY AND INVESTIGATE HIGHWAY CONSTRUCTION CONTRACT FRAUD AND ABUSE AND IS OPERATED UNDER THE DIRECTION OF THE DOT INSPECTOR GENERAL.

ALL INFORMATION WILL BE TREATED CONFIDENTIALLY AND CALLER ANONYMITY WILL BE RESPECTED.

* * * *

**SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION
CONTRACT PROPOSAL**

DOT-123
(5/05)
1 of 2

CODE	PROJECT			MAINT UNIT	CONTROL REFERENCE	AFE	FUNCTION	BEGIN MRM	END MRM
	PRE	ROUTE	AGR						
		000I		271		IOT5	2524		

CITY AND/OR COUNTY: Minnehaha & Lincoln Counties **BUDGET SOURCE:** Contract Maintenance

FINALS ENGINEER REVIEW REQUIRED: YES NO
REGION MATERIALS CERTIFICATION REQUIRED: YES NO
CERTIFIED INSPECTORS/TESTERS REQUIRED: YES NO
TO BE INSTALLED ON CM&P: YES NO

TYPE, PURPOSE AND LOCATION OF WORK: Night Winter Road Inspection and Snow & Ice Control Services on Interstates 29, 90 & 229 Loop around Sioux Falls and I90 from I229 to Minnesota. Involves inspecting, sanding and plowing of the interstate, ramps and crossroads and notifying SDDOT management when road conditions require additional winter maintenance. I29 MRM 76.2 to 84.4, I90 MRM 396.9 to 412.5 & I229 MRM 0.0 to 10.7.

ESTIMATE OF QUANTITIES AND COST

BID ITEM NUMBER	ITEM	QUANTITY	UNIT	UNIT PRICE	AMOUNT
900E0197	Mobilization 1	1	Each		
900E2400	Winter Road Inspection	1000	Hour		
900E2402	Standby Time	10	Hour		
900E2410	Sanding Road	750	Hour		
900E2418	Snow Plowing and Sanding Road	550	Hour		
900E2420	Snow Plowing	150	Hour		
SUBTOTAL FOR 2007 - 2008					
900E0198	Mobilization 2	1	Each		
900E2400	Winter Road Inspection	1000	Hour		
900E2402	Standby Time	10	Hour		
900E2410	Sanding Road	750	Hour		
900E2418	Snow Plowing and Sanding Road	550	Hour		
900E2420	Snow Plowing	150	Hour		
SUBTOTAL FOR 2008 - 2009					
900E0199	Mobilization 3	1	Each		
900E2400	Winter Road Inspection	1000	Hour		
900E2402	Standby Time	10	Hour		
900E2410	Sanding Road	750	Hour		
900E2418	Snow Plowing and Sanding Road	550	Hour		
900E2420	Snow Plowing	150	Hour		
SUBTOTAL FOR 2009 - 2010					
TOTAL					

The Department of Transportation reserves the right to terminate this contract based on unsatisfactory performance by the Contractor. The Department will continually monitor the Contractor's performance during the duration of this agreement. Should the Department desire to terminate the contract, the Contractor shall be notified in writing.

Also, it is understood and agreed that funding for this agreement is dependent upon future appropriations of the South Dakota Legislature. In the event sufficient funding is not available, the State may terminate this agreement.

CONTRACT PROPOSAL

CODE	PROJECT			MAINT UNIT	CONTROL REFERENCE	AFE	FUNCTION	BEGIN MRM	END MRM
	PRE	ROUTE	AGR						
		000I		271		IOT5	2524		

CONTRACTOR'S PROPOSAL STATEMENT

The undersigned does hereby agree to furnish the labor and/or material in the quantities, at the unit price, for the purpose, in the place and in accordance with attached provisions upon approval of this Proposal by the State Transportation Commission. This document becomes the Contract when signed by the Contractor and a Department of Transportation Representative. The Contractor agrees to provide services in compliance with the Americans with Disabilities Act of 1990. The Contractor agrees to provide a certificate of insurance prior to commencing work, for liability coverage for the duration of the work as per the current edition of the SDDOT Standard Specifications for Roads and Bridges.

PROPOSED START DATE _____

OVERALL COMPLETION DATE _____

SUBSCRIBED AND SWORN TO BEFORE ME THE
_____, DAY OF _____, 20__

SIGNATURE _____

COMPANY _____

ADDRESS _____

NOTARY - My Commission Expires _____

FEDERAL TAX ID NUMBER _____

RECOMMENDED FOR APPROVAL:

CONSTRUCTION & MAINTENANCE ENGINEER

DATE

REGION ENGINEER

DATE

DIRECTOR OF OPERATIONS

DATE

APPROVED FOR THE TRANSPORTATION COMMISSION

NAME _____

TITLE _____

DATE _____

APPROVED as per Federal Highway Stewardship Provisions this _____ day of _____, 20__.

PROJECT DEVELOPMENT ENGINEER

EQUIPMENT DATA SHEET

Project: 0001-271 PCN I0T5 Routes: I29, I90 & I229

Truck #1

Truck Manufacturer _____ Year _____

Plow Manufacturer _____ Size _____ Year _____

Sander Manufacturer _____ Capacity _____ Year _____

Truck #2

Truck Manufacturer _____ Year _____

Plow Manufacturer _____ Size _____ Year _____

Sander Manufacturer _____ Capacity _____ Year _____

Truck #3

Truck Manufacturer _____ Year _____

Plow Manufacturer _____ Size _____ Year _____

Sander Manufacturer _____ Capacity _____ Year _____

Truck #4

Truck Manufacturer _____ Year _____

Plow Manufacturer _____ Size _____ Year _____

Sander Manufacturer _____ Capacity _____ Year _____

Truck #5

Truck Manufacturer _____ Year _____

Plow Manufacturer _____ Size _____ Year _____

Sander Manufacturer _____ Capacity _____ Year _____

RESPONSIBLE INDIVIDUAL(S)

	NAME	OFFICE PHONE NUMBER	CELLULAR PHONE NUMBER
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____

TO BE RETURNED WITH BID PROPOSAL

STATE OF SOUTH DAKOTA
DEPARTMENT OF TRANSPORTATION
SPECIAL PROVISION
FOR
FUEL COST ADJUSTMENT

JULY 13, 2006

Delete Section 9.12 of the Standard Specifications for Roads and Bridges and replace with the following:

General

Compensation adjustments for motor fuels and burner fuels consumed in prosecuting the contract shall be determined by the Engineer in accordance with the provisions set forth herein.

Compensation adjustments will be assessed for the cost of the motor fuels and burner fuels whenever the Current Fuel Index (CFI) is outside the range of 85 percent to 115 percent of the Base Fuel Index (BFI). Compensation adjustments for burner fuel will only be made when asphalt concrete bid items are paid for on the estimate.

The Contractor is not required to notify the Department at the time of submitting bids whether he will or will not participate in the fuel cost adjustment program. Prior to execution of the contract, the successful bidder shall submit the Fuel Adjustment Affidavit - Form DOT-208 to the Department.

Determination of whether to participate in the Fuel Adjustment program is the decision of the Prime Contractor. If the Prime Contractor decides not to participate, or if he has a fixed fuel cost for any of the fuel types, no compensation adjustments will be made for the subcontractors by the Department. The Fuel Adjustment Affidavit shall include the anticipated fuel cost of subcontractors, if the Prime Contractor chooses to participate in the fuel cost adjustment program. If compensation adjustments are made, the prime contractor shall ensure that all subcontractors including second and lower tier, are included in the adjustments in proportion to the percentage of work and anticipated fuel cost by that subcontractor.

Each week the Department will record the average wholesale price for No. 2 fuel oil (diesel), regular unleaded gasoline, and propane (LPG), Freight On Board (FOB) South Dakota terminals, as listed in the "Oil Price Information Service" (OPIS) publication.

The BFI price for motor fuels and burner fuel to be used in the contract will be the average of the recorded wholesale fuel prices for the four most recent weekly reporting periods prior to the week of the bid letting.

The CFI price for motor fuels and burner fuel to be used for each progress payment will be the average for the recorded wholesale fuel prices for the four most recent weekly reporting periods available at the time when the progress payment is prepared.

Burner fuel adjustment will use the BFI and CFI as determined for No. 2 fuel oil (diesel), except when the contractor lists the burner fuel as propane (LPG) on Form DOT-208, Fuel Adjustment Affidavit. In that case, the BFI and CFI will be as determined for propane (LPG).

Compensation adjustments will not be assessed for fuel items which the contractor has obtained a fixed fuel cost, or if the contractor elects not to participate in fuel adjustments on Form DOT-208, Fuel Adjustment Affidavit. Fixed fuel costs are defined as a fuel cost that has been set and will remain the same for the entire length of the contract.

Compensation adjustments made in accordance with these provisions may be made on progress payments without a prior approved Construction Change Order.

Fuel Cost Percentage Change

The biweekly change in fuel cost percentage will be determined by Equation 1 as follows:

Equation 1

$$Change_{(x, y, z)} = \left(\frac{CFI_{(x, y, z)} - BFI_{(x, y, z)}}{BFI_{(x, y, z)}} \right)$$

- (x) = Motor Fuel (Diesel)
- (y) = Motor Fuel (Unleaded)
- (z) = Burner Fuel

Change_(x, y, z) = Percent change in the respective fuel price compared to the Base Fuel Index Price set for the contract.

CFI_(x, y, z) = Current Fuel Index Price for the respective fuel type (\$\$).

BFI_(x, y, z) = Base Fuel Index Price for the respective fuel type (\$\$).

Contract Fuel Percentage

For the purpose of determining fuel cost adjustment, a percent of contract will be determined for Motor Fuel (Diesel), and Motor Fuel (Unleaded) based on the original contract prices. Burner Fuel will be adjusted based on the original contract prices of the plant mix asphalt concrete pavement bid items.

The percent of the contract will remain the same throughout the length of the contract. No changes to this percentage will be allowed for any reason. The sum of the individual fuel costs shall not exceed 15% of the Original Contract Cost. The percent of the contract will be determined by Equation 2 as follows:

Equation 2

$$\% \text{ Contract}_{(x, y, z)} = \left(\frac{\text{Affidavit Cost}_{(x, y, z)}}{\text{Original Contract Cost}_{(x, y, z)}} \right) \times 100$$

- (x) = Motor Fuel (Diesel)
- (y) = Motor Fuel (Unleaded)
- (z) = Burner Fuel

- % Contract_(x,y,z) = Percent of contract for each respective fuel item.
- Affidavit Cost_(x,y,z) = Cost from Fuel Adjustment Affidavit (Form DOT-208)
- Original Contract Cost_(x,y) = Total of the original contract bid cost excluding lane rental, and Part B of the bid (when A+B bidding is used), if applicable (\$\$).
- Original Contract Cost_(z) = Total original contract cost for all plant mix asphalt concrete pavement bid items combined, excluding bid items for asphalt binder, hydrated lime, sawing and sealing joints, compaction samples, etc. Only bid items measured by the Ton will be included in the calculation.

Compensation Adjustment

The compensation adjustments will be determined for Motor Fuel (diesel), Motor Fuel (Unleaded), and Burner Fuel separately. The calculation will be based on the current Engineer’s pay estimate, the percent of the contract for each of the respective fuel items, and the portion of the Current Fuel Index price that falls outside the 85 to 115 percent range of the Base Fuel Index price.

When the “Change_(x, y, z)” from Equation 1 is greater than 15%, Equation 3 will be used to determine the compensation adjustment for each item as follows:

Equation 3

$$FCA_{(x,y,z)} = \frac{\% \text{ Contract}_{(x,y,z)}}{100} \times \text{Estimate Cost}_{(x,y,z)} \times (\text{Change}_{(x,y,z)} - 0.15)$$

- (x) = Motor Fuel (Diesel)
(y) = Motor Fuel (Unleaded)
(z) = Burner Fuel
- $FCA_{(x,y,z)}$ = Fuel Cost Adjustment for the respective fuel item for the current Engineer's estimate (\$\$).
- $\% \text{ Contract}_{(x,y,z)}$ = Percent of contract for each respective fuel item (from Equation 2).
- $\text{Estimate Cost}_{(x,y)}$ = Amount to be paid on the biweekly pay estimate excluding all pay adjustments made for incentive, disincentive, price adjustments, pay factor adjustments, liquidated damages, and royalties.
- $\text{Estimate Cost}_{(z)}$ = Amount to be paid on the biweekly pay estimate for all plant mix asphalt concrete pavement bid items combined, excluding bid items for asphalt binder, hydrated lime, sawing and sealing joints, compaction samples, all pay adjustments made for incentive, disincentive, price adjustments, pay factor adjustments, liquidated damages, and royalties. Only asphalt concrete bid items measured by the Ton will be included in the calculation.
- $\text{Change}_{(x,y,z)}$ = Change in the respective fuel price compared to the Base Fuel Index price (from Equation 1).

When the "Change_(x,y,z)" from Equation 1 is less than -15%, the Equation 4 will be used to determine the compensation adjustment for each item.

Equation 4

$$FCA_{(x,y,z)} = \frac{\% \text{ Contract}_{(x,y,z)}}{100} \times \text{Estimate Cost}_{(x,y,z)} \times (\text{Change}_{(x,y,z)} + 0.15)$$

- (x) = Motor Fuel (Diesel)
(y) = Motor Fuel (Unleaded)
(z) = Burner Fuel

- $FCA_{(x,y,z)}$ = Fuel Cost Adjustment for the respective fuel item for the current Engineer's estimate (\$\$).
- $\% \text{ Contract}_{(x,y,z)}$ = Percent of contract for each respective fuel item (from Equation 2).
- $\text{Estimate Cost}_{(x,y)}$ = Amount to be paid on the biweekly pay estimate excluding all pay adjustments made for incentive, disincentive, price adjustments, pay factor adjustments, liquidated damages, and royalties.
- $\text{Estimate Cost}_{(z)}$ = Amount to be paid on the biweekly pay estimate for all plant mix asphalt concrete pavement bid items combined, excluding bid items for asphalt binder, hydrated lime, sawing and sealing joints, compaction samples, all pay adjustments made for incentive, disincentive, price adjustments, pay factor adjustments, liquidated damages and royalties. Only asphalt concrete bid items measured by the Ton will be included in the calculation.
- $\text{Change}_{(x,y,z)}$ = Change in the respective fuel price compared to the Base Fuel Index price (from Equation1).

Payment

Adjustments will be determined by the Engineer on biweekly progress payments based on when the completed work is paid for, not when the work is completed. Adjustments will be made by utilizing the following lump sum line items: Motor Fuel Cost Adjustment, Diesel; Motor Fuel Cost Adjustment, Unleaded; Burner Fuel Cost Adjustment, Propane; and Burner Fuel Cost Adjustment, Diesel.

* * * * *

For informational purposes, Form DOT-208 follows in Attachment A.

FUEL ADJUSTMENT AFFIDAVIT

Project Number _____
PCN _____
County _____

The Contractor is not required to notify the Department at the time of submitting bids whether he will or will not participate in the fuel cost adjustment program. The Fuel Adjustment Affidavit shall include the anticipated fuel cost of subcontractors.

Does your company elect to participate in a fuel adjustment for this contract for the fuels that do not have a fixed price? No adjustments in fuel prices will be made if "No" is checked.

Yes No

If yes, then check the box for each fuel type that has a fixed price. No adjustments in fuel price will be made for the boxes that are checked.

Diesel Unleaded Burner Fuel

If yes, provide the total dollars for each of the applicable fuels.

Diesel (x) \$ _____

Unleaded (y) \$ _____

Burner Fuel (z) \$ _____ Type of Burner Fuel Used:

Sum (x + y + z) = \$ _____

Note: The sum of the x, y, and z may not exceed 15% of the original contract amount.

Under the penalty of law for perjury or falsification, the undersigned, _____,
(Printed Name)

of _____,
(Title) *(Contractor)*

hereby certifies that the documentation is submitted in good faith, that the information provided is accurate and complete to the best of their knowledge and belief, and that the monetary amount identified accurately reflects the cost for fuel, and that they are duly authorized to certify the above documentation on behalf of the company.

I hereby agree that the Department or its authorized representative shall have the right to examine and copy all Contractor records, documents, work sheets, bid sheets, and other data pertinent to the justification of the fuel costs shown above.

Dated _____ Signature _____

Notarization is required only when the Contractor elects to participate in the fuel adjustment affidavit

Subscribed and sworn before me this ____ day of _____, 20____.

Notary Public

My Commission Expires