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City Manager's Report
May 23, 2023, City Council Meeting
Prepared by: Melissa McConnell, Associate Engineer
Item #: 7.5

Subject: City Council to consider rejecting the one bid received on April 27, 2023, and readvertising the construction contract documents for public bidding for the Broadway Sidewalks Project (CIP #41606).

Recommendation: Adopt a Resolution authorizing staff to reject all bids and readvertise the construction contract documents for the Broadway Sidewalks Project (CIP #41606).

Purpose: The Engineering Department received only one bid on April 27, 2023, and has determined that it is in the public's interest to reject the bid and readvertise the project.

Strategic Plan Strategy: Strategy 4 - Update and Maintain City-Owned Infrastructure.

Background: The Broadway Sidewalks Project (CIP #41606) will improve sidewalk connectivity along Broadway between Mosquito Road and Schnell School Road, creating a safe and continuous path of travel for pedestrians. The improvements include construction of concrete curb, gutter and sidewalk, pavement section repair in select locations, and select storm drain collection and water distribution improvements.

Discussion: The Engineering Department began advertising the construction contract documents for the Broadway Sidewalks Project on March 31, 2023. A mandatory pre-bid meeting was held on-site on April 12, 2023, and three contractors were in attendance. A public bid opening was held on April 27, 2023, and only one bid was received from Central Valley Engineering & Asphalt, Inc. in the amount of \$1,896,969. The Engineer's Estimate was \$1,787,595. Following bid opening, staff performed a bid analysis that follows the typical procedures of the Engineering Department and Caltrans *Local Assistance Procedures Manual (LAPM)* because the project is federally funded. Furthermore, per the LAPM, receiving only one bid, labels the project bid as a potential "non-competitive" contract regardless of the City's compliance with the Public Contract Code that does qualify the process as competitive public bid. Since only one bid was received, the LAPM requires the City to submit a Public Interest Finding (PIF) for Caltrans approval prior to contract award. For Caltrans to approve a PIF, the local agency must demonstrate cost-effectiveness to award a "non-competitive" contract. That subsequent process typically includes a comparison of the bid amount against the Engineer's Estimate as well as a review of the Disadvantaged Business Enterprise (DBE) Commitment. Based on the DBE Commitment and Good Faith Effort package provided by Central Valley Engineering & Asphalt, Inc. only 1.17% of the contract was allocated to DBE contractors, well below the 13% contract goal that was stated in the construction contract documents and approved by Caltrans. Additionally, the Good Faith Effort package also noted that their DBE advertisement date was on 4/24/2023, only three days prior to bid opening, not giving DBE contractors ample time for

an opportunity to respond. Staff discussed these matters with Caltrans Local Assistance on May 4, 2023. Given that the City received only one bid, it was greater than the Engineer's Estimate and available funding, and it had a low DBE Commitment, Caltrans affirmed that the contract review and PIF would be scrutinized and thus advised the City to reject bids and re-advertise the project.

Staff is preparing to readvertise the project construction contract documents on May 24, 2023, which would allow for a construction start date around August 1, 2023.

Options:

1. Authorize staff to reject all bids received on April 27, 2023 and readvertise the project for public bidding, as recommended by staff.
2. Provide other direction to staff on the project.

Environmental: On December 11, 2018, City Council found the project to be exempt from the California Environmental Quality Act (CEQA) pursuant to section 15301 and 15303 of the CEQA guidelines and a Notice of Exemption has been filed.

Cost: None.

Budget Impact: None. Staff will present an item to the City Council in July for the construction contract award and final budget appropriations.



M. Cleve Morris, City Manager



Rebecca Neves, City Engineer

Attachments:

Attachment A: Resolution

Attachment B: Project Exhibit