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City Manager's Report
August 8, 2023, City Council Meeting
Prepared by: Melissa McConnell, Senior Civil Engineer
Item #: 12.5

Subject: City Council to consider rejecting the bids received on June 20, 2023, and re-advertising 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 re-advertise the construction contract documents for the Broadway Sidewalks Project (CIP #41606).

Purpose: The Engineering Department received two bids on June 20, 2023, and has determined that it is in the public's interest to reject the bid and re-advertise 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 according to the typical procedures of the Engineering Department and Caltrans *Local Assistance Procedures Manual (LAPM)* because the project is federally funded. The bid analysis resulted in Caltrans Local Assistance and Staff recommendation to reject bids and re-advertise the project. On May 23, 2023, the City Council authorized staff's recommendation, and the bid was rejected.

The project was re-advertised, this time without a mandatory pre-bid meeting hoping that strategy would enable more contractors to submit a bid. The second public bid opening was held on June 20, 2023, and two bids were received:

1. B&M Builders - \$1,921,218
2. Central Valley Engineering & Asphalt - \$2,187,969

Staff performed another bid analysis to determine whether it was in the public's best interest to award the contract to the lowest bidder. Both bids came in noticeably higher than the first bid opening held in April, and most notably the bid from Central Valley Engineering & Asphalt was over 13% higher than their first bid. Secondly, staff reviewed the bids against the available funding. As currently programmed, the project has \$1,966,355 available for construction. To award a construction contract, and depending on the complexity of the project, typical Engineering Department procedures require that an additional minimum 10% of the bid amount is held for construction contingency to cover any unforeseen costs. In this case, to award the contract to the lowest bidder would require a minimum of \$2,017,278 in available project funding. Given the identified funding shortfall, staff reached out to Caltrans HSIP staff to see if additional HSIP funding was available. While no funding is available at the end of this current federal fiscal year, Caltrans HSIP staff graciously recognized the importance of this safety project and has committed to provide additional funding for the project in October when new HSIP funds are available at the start of the next federal fiscal year.

According to typical procedures, the construction contract documents state that bids expire 60 days after bid opening. Based on the June 20, 2023 bid opening date, the two bids will expire on August 19, 2023 and could not be held to award the contract until October.

Given the funding shortfall and the timing of the future funds available, staff is recommending rejecting all bids and re-advertising the project for public bidding again in October, concurrently with the bidding of the Broadway Maintenance Project (CIP #42003). This timeline would likely result in a construction start date in the Spring of 2024 for both contracts, pending favorable weather.

Options:

1. Authorize staff to reject all bids received on June 20, 2023 and re-advertise 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 December 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