



DATE: July 24, 2017

TO: Mayor and City Council

FROM: Interim Director of Public Works

SUBJECT: Municipal Parking Lot No. 2 Improvement, Project No. 05248 – Rejection of Lone Bid

RECOMMENDATION

That Council adopts the attached resolution rejecting the lone bid received for the Municipal Parking Lot No. 2 Improvement Project.

SUMMARY

The City received one bid for the Municipal Lot No. 2 Improvement Project (Muni Lot 2) that was significantly higher than the engineer's estimate. Staff requests that Council reject this bid and combine the project with the Municipal Parking Lot No. 1 Improvement Project to potentially increase interest from contractors with the goal of receiving lower bids.

BACKGROUND

Muni Lot 2 is a high utilization parking lot in the Downtown area. It requires additional accessible parking stalls to comply with the Americans with Disability Act (ADA) regulations. In addition to ADA stalls, this project includes construction and reconstruction of existing curb ramps, signage installation, striping of pedestrian crossings, restriping with wheel stops, parking light upgrades, additional landscape planters, asphalt pavement rehabilitation, and utility provisions for future Electric Vehicle (EV) charging stations.

DISCUSSION

The pre-bid conference for this project was mandatory due to the complexity of the work and construction staging in maintaining minimum impact on the availability of parking stalls during business hours. Four (4) contractors attended the pre-bid conference on July 3, 2018. However, only one (1) bid was received. This lone bid was received from Golden Bay Construction, Inc., of Hayward, California, at \$626,682.50 which is 109.8% above the engineer's estimate of \$298,752.

The lack of responsive bids was partly due to an abundance of ongoing regional construction projects. As a result, potential bidders were unable to submit bids in time. To obtain more favorable construction unit prices and reductions in overall cost, staff recommends rejecting

the lone (high) bid received and combining Muni Lot 2 with the Municipal Parking Lot No. 1 Improvement Project, which is currently in the design phase in order to potentially benefit from economies of scale.

ECONOMIC IMPACT

These projects are fully funded by the City’s Capital Improvement Program without any additional contributions from the public.

FISCAL IMPACT

Rejecting the submitted bid will not have a direct fiscal impact. It will, however, position the City to combine construction projects and re-bid them at a more convenient time for contractors, which staff predicts will result in more cost-efficient bids.

Budget Appropriations

Municipal Parking Lot No. 2 Improvement Project (#05248)	Fund 450	\$ 500,000
Municipal Parking Lot No. 1 Improvement Project (#05286)	Fund 450	\$ 650,000
	Total	\$1,150,000

The recommended FY 2019 Capital Improvement Program includes funding for both projects in the Street System Improvement Fund.

STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to one of the Council’s Strategic Initiatives.

SUSTAINABILITY FEATURES

The action taken for this report will not result in a physical development, purchase or service, or a new policy or legislation. Any physical work will depend upon future Council action.

PUBLIC CONTACT

If Council adopts the attached resolution, staff will send a letter notifying Golden Bay Construction, Inc., that their bid was rejected.

NEXT STEPS

The tentative schedule for the combined project is as follows:

Prepare Construction Bid Documents	October 2018
Advertise for Construction Bids	January 2019
Award Construction Contract	February 2019
Begin Construction	March 2019
Complete Construction	June 2019

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Recommended by: Alex Ameri, Interim Director of Public Works

Approved by:



Kelly McAdoo, City Manager