

MEMORANDUM

TO: CITY COUNCIL

FROM: GEOFF ENGLISH, PUBLIC WORKS DIRECTOR

BY: MIKE LINN, CAPITAL PROJECTS ENGINEER

SUBJECT: CONSIDERATION OF AN AWARD OF CONTRACT TO PICKARD & BUTTERS CONSTRUCTION, INC. FOR THE CORPORATION YARD ADMINISTRATION BUILDING PROJECT, PW 2013-12

DATE: OCTOBER 28, 2014

RECOMMENDATION:

It is recommended the City Council:

1. Award a contract for the subject project to Pickard & Butters Construction, Inc. in the amount of \$396,796;
2. Authorize the City Manager to approve change orders for 10% of the contract amount, \$39,680 for unanticipated costs during the construction phase of the project (total construction costs = \$396,796 + \$39,680 = \$436,476); and
3. Direct the City Clerk to file a Notice of Exemption.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The 2014/2015 Capital Improvement Program Budget includes \$525,000 for the subject project. The architect's estimate for the Base Bid of the project was \$410,000. Staff estimates the total project costs as follows:

Design Expenses	\$	44,702
Construction Contract	\$	396,796
Construction Contingencies	\$	39,680
Furniture, Fixtures & Equip.	\$	10,000
Contract Administration	\$	3,500
Estimated Project Costs	\$	494,678

BACKGROUND:

On October 8, 2013, the Council approved conceptual design plans for the renovation of the Corporate Yard and authorized staff to distribute requests for proposals for architectural and engineering design services. On January 14, 2014, Council approved a design contract with Harris Architecture & Design. On April 15, 2014, the Planning

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Commission adopted a resolution approving Conditional Use Permit No. 13-004 for the Corporation Yard project.

The original project scope of work involves the construction of a new single story 2,000 square foot administration building consisting of framed construction with prefinished metal panel exterior finish, standing seam metal roof, and associated finishes and utility connections to provide a fully functioning building. The bid documents also include two additive alternates for remodeling specific areas of the existing building.

On August 18, 2014, nine bids were opened bids for the project. Staff reviewed the bid documentation and determined that the majority were non-responsive, due to the Greenbook requirement (the City's base document for construction contract administration) that the general contractor performs 50% of the project with their own force. The bids also exceeded the Architect's Estimate, eliminating the possibility of incorporating the additive alternates as part of the contract award. On September 9, 2014, the City Council evaluated the information and rejected all bids accordingly. Acting on Council's direction, staff revised the scope of work to include solely the new administration building, revised the specification language to adjust the self-performance percentage to 35%, and advertised the project for a second bid.

ANALYSIS OF ISSUES:

On October 20, 2014, 9 bids were opened for the Corporation Yard Administration Building Project. The lowest responsive bid, from Pickard & Butters Construction, Inc., was in the amount of \$398,796.

On October 21, 2014, staff received a bid protest letter from the second low bidder, Effect Contractors (see Attachment No. 3). Staff, in conjunction with the City Attorney's office, reviewed the letter and has determined that the protests relate to matters that constitute minor irregularities, are immaterial and therefore can be waived for the following reasons:

- The "List of Subcontractors" form does not include a specific entry for the type of work performed, but this can be easily determined from the license classification. Additionally, the contractor filled in each subcontractor's license number but did not indicate the license classification. Since the license classification, and thus the nature of the work, can be independently identified from the California State License Board's website, it is considered an immaterial provision and may be waived without prejudicing the other bidders.
- The "List of Subcontractors" included two HVAC (heating, venting, and air conditioning) contractors. Staff has verified that the two contractors are actually performing separate work activities under separate license classifications; Pacific Air is installing the HVAC (C-20). Top Notch Heating and Air Conditioning is installing the metal roof and metal building siding (C-43).

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Based on the above analysis of the bid protest, and staff's satisfactory review of the bid documentation, staff recommends award of a construction contract to Pickard & Butters Construction, Inc.

The contract time is 190 calendar days. Work is expected to begin in early December, 2014 and complete in June, 2015.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendations to award a construction contract to Pickard & Butters Construction, Inc. for the subject project;
2. Do not award a construction contract for the project; or
3. Provide direction to staff.

ADVANTAGES:

The lowest responsive bid is in line with the Architect's Estimate and can be performed within the current project budget.

DISADVANTAGES:

The Corporation Yard will remain in full operation during the construction. Public Works must adapt their operations and logistics accordingly.

ENVIRONMENTAL REVIEW:

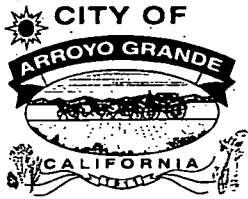
The project is categorically exempt from CEQA pursuant to Section 15301(d) and 15303 (c).

PUBLIC NOTIFICATION AND COMMENTS:

The agenda was posted at City Hall on Thursday, October 23, 2014. The agenda and staff report was posted on the City's website on Friday, October 24, 2014.

Attachment:

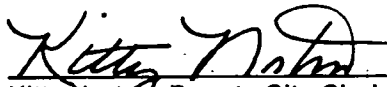
1. Bid Tabulations
2. Notice of Exemption
3. Bid Protest Letter from Effect Contractors dated October 21, 2014



CITY OF ARROYO GRANDE
BID OPENING LOG SHEET

DEADLINE: MONDAY, OCTOBER 20, 2014 - 2:00 PM
PROJECT NAME: CORPORATION YARD ADMINISTRATIVE BUILDING PROJECT
PROJECT NO. PW 2013-12
ARCHITECT'S ESTIMATE: \$410,000.00

<u>SUBMITTED BY:</u>	<u>TOTAL</u>
Holland Construction San Luis Obispo, CA	\$429,495.00
GLR Construction Santa Maria, CA	\$412,265.75
Pickard & Butters, Inc. Atascadero, CA	\$398,796.00
Quincon, Inc. Grover Beach, CA	\$411,140.00
James V. Shepard Co. Paso Robles, CA	\$429,426.00
Pueblo Construction, Inc. Santa Barbara, CA	\$497,264.00
J&P Construction Santa Maria, CA	\$412,478.00
Effect Contractors Nipomo, CA	\$401,700.00
Carroll Building Co. San Luis Obispo, CA	\$413,400.00


Kitty Norton, Deputy City Clerk



c: Director of Community Development
Director of Public Works
Capital Projects Engineer
City Manager

Notice of Exemption

To: Office of Planning and Research
1440 Tenth Street, Room 121
Sacramento, CA 95814

From: (Public Agency) City of Arroyo Grande
300 East Branch Street
Arroyo Grande, CA 93420

County Clerk
County of San Luis Obispo
County Government Center
San Luis Obispo, CA 93408

Project Title: Corporation Yard Administration Building Project PW 2013-12

Project Location - Specific: 1375 Ash Street

Project Location - City: Arroyo Grande Project Location - County: San Luis Obispo

Description of Project: Constructing a new administration building adjacent to the existing facility within the facility's parking lot

Name of Public Agency Approving Project: City of Arroyo Grande - Community Development Dept.

Name of Person or Agency Carrying Out Project: Michael Linn, P.E.

Exempt Status: (check one)

- Ministerial (Section 12080(b)(1); 15268);
Declared Emergency (Sec. 21080(b)(3); 15269(a));
Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
Categorical Exemption. State type and section number: Section 15301(d) and 15303 (c)
Statutory Exemptions. State code number:

Reasons Why Project Is Exempt: The new administration building is sited on an existing parking lot adjacent to the existing facility buildings, enclosed within the facility's perimeter fence.

Lead Agency

Contact Person: Michael Linn, P.E. Area Code/Telephone/Extension: (805) 473-5444

If filed by Applicant:

- 1. Attach a certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: Teresa McClish
Community Development Director
Date:

- Signed by Lead Agency Date received for filing at OPR:
Signed by Applicant



**EFFECT
CONTRACTORS**

116 West Chestnut St., Nipomo, CA 93444
805 878 2231 ph 805 929 1193 fax
License 835977

RECEIVED ATTACHMENT 3

OCT 21 2014
ARROYO GRANDE
CITY CLERK

October 21, 2014

City of Arroyo Grande
Attn. Mike Linn
300 East Branch
Arroyo Grande, CA 93420

Dear Mike:

Please consider this letter as formal notification of a protest by Effect Contractors regarding the project "Corporation Yard Administration Building, Project No.PW 2013-12". We respectfully demand that the Bid submitted by Pickard & Butters, Inc. be rejected as non-responsive due to Pickard & Butters, Inc.'s failure to declare the "Work" to be performed by the Subcontractors listed on page Bid-9 List of Subcontractors. In addition to the above Pickard & Butters, Inc. failed to list the License Classification as called for on the List of Subcontractors form. Checking the License Classifications for the Subcontractors listed, Pickard & Butters, Inc. has listed two C20 HVAC Subcontractors (Top Notch Heating & Pacific Air) for the same work on this project.

Sincerely:

Greg Geiser
Owner

"Working effectively to make your plans a reality"