



MEMORANDUM

TO: CITY COUNCIL

FROM: GEOFF ENGLISH, PUBLIC WORKS DIRECTOR

BY: JILL MCPEEK, CAPITAL IMPROVEMENT PROJECT MANAGER

SUBJECT: CONSIDERATION TO REJECT BIDS FOR THE 2016 STREET REPAIRS PROJECT, PW 2016-03

DATE: AUGUST 23, 2016

RECOMMENDATION:

It is recommended the City Council: 1) Reject all bids received for the subject project; and; 2) Direct staff to solicit new bids after modifications are made to the bid schedule.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

An allocation of \$870,000 is available in the Capital Improvement Program budget pavement management program account for FY 2016/17. It is anticipated that approximately \$35,000 will be carried over from FY 2015/16 for a total available budget of \$905,000.

It is estimated that approximately \$239,500 will be needed for the 2016 Street Resurfacing project, construction management and inspection for both of the 2016 streets projects, and design of the 2017 streets projects, leaving \$665,500 available for construction and contingencies for this 2016 Street Repairs project (not including the Le Point Parking Lot). The proposed improvements for the Le Point Parking Lot, which total \$51,549 plus contingencies, will be funded from the Parking Improvement Fund.

BACKGROUND:

Staff designed the 2016 pavement management projects to include separate projects for Street Repairs and Street Resurfacing (slurry seals).

For the 2016 Street Repairs project, street surface repairs which involve the grinding and repaving of isolated pavement failures are to be performed on several streets. Dependent upon the encountered condition, additional material may need to be removed from the roadway subgrade and stabilized as needed. The roadway structural section is then rebuilt through the placement and compaction of base rock and asphalt pavement. Two streets, Oro Drive and Collado Corte, are included in the project that will receive full width pavement overlays. These two road segments have deteriorated to the point that a routine slurry seal surface treatment would not be an adequate resurfacing.

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Additionally, because pavement overlays are considered an alteration of a street under the Americans with Disabilities Act (ADA), the work triggers the City's obligation to provide ADA compliant curb ramps where pedestrian walkways intersect the resurfaced street. Therefore, curb ramps are provided on these two streets. A total of thirteen (13) curb ramps are required to be upgraded as part of the overlay work on Oro Drive and Collado Corte due to this Federal requirement.

For the 2016 Street Resurfacing project, a slurry seal application will be applied to the street segments that received repairs as part of the 2016 Street Repair project.

Since resurfacing contractors are typically not equipped to perform roadway repairs or reconstruction, it is prudent to have the work separated into two projects to be performed by two prime contractors. That helps eliminate the need for a prime contractor to hire subcontractors and pass along potential mark-up costs to the City.

ANALYSIS OF ISSUES:

The 2016 Street Repair and the 2016 Street Resurfacing projects included a schedule of streets in the base bid and two additive alternates in the event favorable bids were received. The project specifications stipulated that contract award would be determined solely on the Base Bid.

On August 12, 2016, five bids were received for the 2016 Street Repairs project. The apparent low bidder did not include Area B1 of the Base Bid and, therefore, was deemed non-responsive. Based on the total pavement budget available, it is estimated that there will not be enough funds to complete the Base Bid for both projects should the second low bidder be considered.

Total Budget Available	<u>\$ 905,000</u>
2016 Street Repairs Bid (w/Contingencies)	781,800
2016 Street Resurfacing (w/Contingencies)	138,000
Const Mgt / Inspection / Advertise / Copies	61,500
2017 Street Projects Design	<u>40,000</u>
Budget Shortfall	\$ 116,300

Therefore, it is recommended that the City Council reject all bids and direct staff to modify the Base Bid in the bid package and rebid the 2016 Street Repair project.

ALTERNATIVES:

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

1. Reject all bids and direct staff to solicit new bids after modifications are made to the bid schedule;
2. Reject all bids and direct staff to solicit new bids with the current bid schedule;

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3. Award a construction contract to the second low bidder and appropriate \$116,300 from General Fund reserves; or
4. Provide direction to staff.

ADVANTAGES:

Modifying the bid schedule may yield more competitive pricing without significant impacts to the project objectives.

DISADVANTAGES:

Rejecting the bid and rebidding the project will delay the project further into the fall and winter months.

ENVIRONMENTAL REVIEW:

The project is categorically exempt from California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15301(c) for repairs and maintenance of existing streets.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in accordance with Government Code Section 54954.2.

Attachment:

1. Bid Opening Log Sheet



Attachment No. 1

CITY OF ARROYO GRANDE BID OPENING LOG SHEET

DEADLINE: FRIDAY, AUGUST 12, 2016 – 2:00 PM
PROJECT NAME: 2016 STREET REPAIRS
PROJECT NO.: PW-2016-03
ESTIMATED CONSTRUCTION COST: \$648,000

<u>SUBMITTED BY:</u>	<u>BASE BID</u>	<u>ALT#1</u>	<u>ALT#2</u>	<u>TOTAL</u>
1. V. Lopez Jr. & Sons Santa Maria, CA	\$696,425.02	\$83,156.24	\$74,158.40	\$853,739.67
2. R. Burke Corporation San Luis Obispo, CA	\$545,062.40	\$72,674.00	\$69,476.00	\$687,212.40
3. Souza Construction, Co San Luis Obispo, CA	\$940,161.80	\$110,275.00	\$93,103.20	\$1,143,540.00
4. Papich Construction, Co Pismo Beach, CA	\$867,530.90	\$132,740.00	\$181,786.00	\$1,182,056.90
5. S. Chaves Construction San Luis Obispo, CA	\$832,405.28	\$100,889.15	\$87,622.50	\$1,202,916.93

A handwritten signature in cursive script that reads "Glenda Boner".

Glenda Boner, Administrative Secretary

C: Director of Public Works
Capital Improvement Project Manager
City Manager
City Website