



DATE: September 5, 2017

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Hackett and Wagner Avenues Reconstruction, Projects 16-30 and 17-33 – Reject Bids and Direct Staff to Rebid**

RECOMMENDATION

1. Reject all bids received for the Hackett and Wagner Avenues Reconstruction, CIP Projects 16-30 and 17-33.
2. Direct staff to rebid the project and authorize the City Manager to award the construction contract to the lowest responsible bidder if the low bid is within the project budget.

BACKGROUND

Ten (10) streets in the Rex Manor Neighborhood were identified in 2007 as approaching the end of their useful lives. Since 2008, eight streets – Elsie Avenue, Peacock Avenue, Burgoyne Street, San Luis Avenue, San Ramon Avenue, Vassar Avenue, Doane Avenue and Drew Avenue – have been reconstructed.

This project proposes to reconstruct Hackett Avenue from Farley Street to the end and Wagner Avenue between Farley Street and Burgoyne Street, including the removal and reconstruction of rolled curb and gutters, curb ramps, sidewalks, driveways, storm drain inlets, curb ramps, and asphalt concrete pavement.

On June 27, 2017, Council approved plans and specifications and authorized staff to advertise the project for bids.

ANALYSIS

On August 2, 2017, staff received five bids ranging from \$1,724,887 to \$2,017,882 (see Attachment 1). The apparent low bid was higher than the Engineer's Estimate of \$1,350,000 by \$374,887 and was deemed nonresponsive because it exceeded 10 percent (10%) of the total bid for mobilization and demobilization costs. The City's contract

documents require that the price for mobilization and demobilization not exceed 10 percent of the total bid to prevent front-loading payment to the contractor early in the project.

The second bid of \$1,806,518 was also considerably higher than the Engineer’s Estimate. The major items that accounted for the higher bids include mobilization, traffic control, and roadway excavation and grading. Staff believes these items may have bid higher due to the busy construction market and difficulty in hiring labor.

Because the remaining bids were much higher than the Engineer’s Estimate and the budget, staff recommends rejecting all bids at this time. Staff believes that more favorable bids may be received by rebidding the project for construction to start in November 2017 and allow more flexibility in the contractor’s project schedule.

FISCAL IMPACT

Hackett and Wagner Avenues Reconstruction, CIP Projects 16-30 and 17-33, have a combined total budget of \$1,701,000. There is no fiscal impact associated with the recommended actions. Rejection of bids and authorizing staff to rebid will allow the City to attempt to solicit bids more consistent with the project’s budget.

ALTERNATIVES

1. Award the construction contract to the apparent second low bidder. The estimated total project costs would be:

Construction (including 10 percent contingency)	\$1,806,518
Consultant Services	43,000
City Project Management	75,000
Construction Inspection and Testing	70,000
Miscellaneous	<u>4,000</u>
Subtotal	1,998,518
City Administration @ 6.5%	<u>129,910</u>
TOTAL	<u><u>\$2,128,428</u></u>

The budget shortfall would be \$427,428. There is a sufficient balance in the Gas Tax Fund to cover this shortfall.

2. Provide other direction.

PUBLIC NOTICING – Agenda posting.

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Attachment: 1. Preliminary Bid Results

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