



DATE: July 7, 2015

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Shoreline Maintenance Storage Plan,
Project 14-34 – Reject Bids**

RECOMMENDATION

Reject all bids received for the Shoreline Maintenance Storage Plan, Project 14-34.

BACKGROUND

The Shoreline Maintenance Storage Plan project was created to consolidate material storage in Shoreline at Mountain View Regional Park to: (1) conceal material storage from public view; (2) consolidate storage into a more efficient footprint; and (3) place stored materials into a lighted storage building instead of shipping containers. The existing shipping containers are old and need to be replaced soon; most are leaking and do not include interior lighting. The result will be improved material storage and an improved appearance in the park.

On April 14, 2015, Council approved plans and specifications, authorized bidding, and appropriated an additional \$236,000 to the project.

ANALYSIS

On June 4, 2015, staff received three bids ranging from \$794,333 to \$919,650 (see Attachment 1 – Bid Results). The low bid of \$794,333 was submitted by Granite Rock Company of San Jose and is 53 percent higher than the Engineer's Estimate of \$520,500. Nearly all of the individual bid items were higher than the Engineer's estimates, which staff believes is due primarily to the current construction climate and the fact that the designer did not adequately incorporate this factor into the cost estimate. The construction industry and economy in the Bay Area are thriving, as evidenced by the cost rise of materials, labor, and the high bids received lately.

Two add alternates were included in the project: (1) changing the shoulder of the entry road to the material bins from soil to aggregate, and (2) increasing the pavement depth from 3" to 4". The bids received from the low bidder, Granite Rock, are \$1,164 and

\$5,208, respectively. The aggregate shoulder and thicker pavement section would be more durable and save maintenance costs in the future. The base bid of \$794,333 plus the add alternates (\$6,372) would result in a total construction contract amount of \$800,705.

Staff considers it unlikely that rebidding the project would result in better prices, so does not recommend doing so at this time. Staff evaluated the project scope for value engineering opportunities, and bringing the cost to within the existing budget could only be done by significantly reducing the project scope.

The Shoreline Maintenance Storage Plan, Project 14-34, is funded with \$912,000 from the Shoreline Regional Park Community (Shoreline Community) Fund. To award the contract, an additional \$240,000 would need to be appropriated to this project. Because the bids were considerably higher than the Engineer's Estimate and the budget, staff recommends rejecting all bids at this time and bringing this project forward for funding consideration in the context of the entire Capital Improvement Program in spring 2016. In the meantime, staff will consider ways to achieve the project objectives for an amount closer to the approved project budget.

FISCAL IMPACT

Shoreline Maintenance Storage Plan, Project 14-34, is funded with \$912,000 from the Shoreline Community Fund.

The estimated project cost is as follows:

Construction (including the two add alternates and 10% construction contingency)	\$ 825,705
PG&E Fees	10,000
Consultant Design and Environmental Services	116,000
City Project Management and City Inspection	100,000
Inspection and Testing	10,000
Permits, Printing, Etc.	10,000
Project Contingency	<u>10,000</u>
Subtotal	1,081,705
City Administration @ 6.5%	<u>70,300</u>
TOTAL PROJECT COST (ROUNDED)	<u>\$1,152,000</u>

Based on the bids received, the budget shortfall is \$240,000.

ALTERNATIVES

1. Proceed with the construction by appropriating and transferring \$240,000 from the Shoreline Regional Park Community Fund to the Shoreline Maintenance Storage Plan, Project 14-34. Award the construction contract to low bidder Granite Rock Company of San Jose for the Shoreline Maintenance Storage Plan, Project 14-34, in the amount of \$800,705, including Add Alternates 1A and 2A, and approve an additional construction contingency of \$25,000.
2. Do not proceed with the project.
3. Provide other direction.

PUBLIC NOTICING – Agenda posting.

Prepared by:

Jennifer K. Rose
Project Manager

Reviewed by:

Lisa Au
Principal Civil Engineer

Approved by:

Michael A. Fuller
Public Works Director

Daniel H. Rich
City Manager

JKR/TS/5/CAM
978-07-07-15CR-E

Attachment: 1. Bid Results

cc: APWD – Hosfeldt, PCE – Au, PCE – Macaraeg, PM – Rose, EAII – Patel, SC/T,
RM – Marchant, SLCM, SRC – Achabal, F/c (14-34)