



DATE: May 23, 2017

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Rengstorff Park Community Center – First Phase, Project 17-32 – Reject Bids**

RECOMMENDATION

1. Reject all bids received for the Rengstorff Avenue at Stanford Avenue/MVCC Driveway New Signal Installation and Rengstorff Avenue at Leland Avenue Traffic Signal Modification, CIP Project 17-32.
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

The Community Center project proposes to add approximately 6,800 square feet to the existing 21,800 square foot building, for a total square footage of approximately 28,600. In addition to the building improvements, the project includes a new signalized driveway on Rengstorff Avenue aligned with Stanford Avenue and new water, sewer, and electrical services for the park.

The project is to be implemented in two phases. The first phase includes construction activities on Rengstorff Avenue (off-site work): installation of a new driveway and traffic signal at the intersection of Rengstorff Avenue and Stanford Avenue and utilities such as a new water main, sewer lateral, and electrical service. The second phase (on-site work) would include the remodel and expansion of the Community Center building, reconfiguration and repaving of the parking lot, and landscaping.

On March 21, 2017, the City Council approved plans and specifications for the first phase and authorized staff to advertise the project for bids.

ANALYSIS

On April 27, 2017, the City received two bids for the first phase. The apparent low bid was submitted by St. Francis Electric, LLC, of San Leandro, for \$1,519,677 and the second bid was submitted by Tennyson Electric, Inc., of Livermore, for \$1,720,684.

Both bids are higher than the Engineer's Estimate of \$948,000 by \$571,677 and \$772,684, respectively. St. Francis Electric, LLC's bid was deemed nonresponsive by failing to list experience in working on projects of similar scope valued at \$500,000 or more within the last five years. This leaves the project with one responsive bid from Tennyson Electric, Inc.

Staff has evaluated the bids and interviewed several other contractors regarding why they did not submit bids. Based on this analysis, staff believes that two relatively high bids were received because:

- Contractors are very busy this summer and being selective about the projects they bid;
- The project title mentions the signal portion of the project but not the utility portion that was added later to the project scope. This resulted in less bidding consideration from underground contractors;
- The combination of signal and utility work together with the project location makes the project challenging for some contractors

Staff believes that more favorable bids may be received by rebidding the project for construction to start in August 2017 to align with shutdown of the Community Center for the remodeling project. A relatively more favorable bidding climate generally exists for fall work after school projects are completed in the summer.

Staff also believes that revising the project title to clearly state the combination of signal and off-site utility work will attract more bidders for the project. Staff, therefore, recommends rejecting the bids.

Bids for the second phase will be opened on May 18, 2017.

FISCAL IMPACT

Construction of the Rengstorff Avenue at Stanford Avenue/MVCC Driveway New Signal Installation and Rengstorff Avenue at Leland Avenue Traffic Signal

Modification, Project 17-32, is funded with \$918,000 from a variety of sources. Awarding the contract to the sole responsive bidder would result in a deficit of approximately \$836,000, excluding administrative overhead costs.

ALTERNATIVES

1. Reject the bid from St. Francis Electric, LLC, and award the construction contract to Tennyson Electric, Inc., of Livermore. This alternative would reduce the remaining overall project budget.
2. Provide other direction.

PUBLIC NOTICING – Agenda posting

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