



Staff Report

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To: City Council

From: Valerie J. Barone, City Manager

Reviewed by: Victoria Walker, Director of Community and Economic Development

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Subject: **Considering rejection of bid for Citywide On-Call Sidewalk Replacement Pilot Program, Project No. 2341**

Report in Brief

The project titled “Citywide On-Call Sidewalk Replacement Pilot Program (Project No. 2341)” is intended to provide City staff with access to an on-call contractor to perform as-needed repairs to sidewalks, driveways, and curbs and gutters. The pilot program would also provide an opportunity for residents to utilize the City’s contractor to repair sidewalks in front of their homes.

One bid was received, from Wayne E. Swisher Cement Contractor Inc. in the amount of \$420,400. The total bid was approximately 50% higher than the Engineer’s Estimate of \$278,750. Staff contacted the bidder and other potential bidders to understand why additional bids were not submitted and why the bid received was so high. Respondents indicated that they were currently quite busy and could be selective about what jobs they bid on and that this bid contained uncertainty as to the amount of work per work order.

Recommended Action

Staff recommends that the Council reject the bid submitted by Wayne E. Swisher Cement Contractor Inc. of Antioch for On-Call Sidewalk Replacement Pilot Program, Project No. 2341, and authorize staff to re-bid the project as proposed.

Background

The program titled “Citywide On-Call Sidewalk Replacement Pilot Program (Project No. 2341)” is intended to provide City staff with access to an on-call contractor to perform

as-needed repairs to sidewalks, driveways, and curbs and gutters. The pilot program would also provide an option for property owners to have the City manage the replacement of damaged sidewalks, driveways, and curb and gutter, in the City right-of-way fronting their property.

The Plans, Specifications, and Estimate (PS&E) package for this project is structured as an “on-call” services contract. In order to provide prospective bidders with a biddable estimate of “on-call” services for the year, staff provided an “estimated quantities” of the various items of work needed over the year to establish “per unit” costs. Determination of the lowest responsible bidder was based on the total bid associated with the estimated quantities. Actual work would be outlined on individual work orders issued to the contractor, as needed, with a defined timeframe for completion of the work. The Contractor would then be paid for each completed work order based on the established contract unit prices. This type of on-call services contract has been used successfully for the Citywide Sewer Lateral Replacement Program (Project No. 2244).

Bids were opened for this project on Thursday, May 5, 2016. Wayne E. Swisher Cement Contractor Inc. of Antioch (Swisher) submitted the only bid; their bid was in the amount of \$420,400. The Engineer’s Estimate for the project was \$278,750.

Analysis

The bid of \$420,400 from Swisher is approximately 50% higher than the Engineer’s Estimate of \$278,750. Staff contacted the bidder, and one other potential bidder, to identify the reasons for the wide disparity between the bid and the Engineer’s Estimate, and the lack of bid from the other bidder. Staff identified the following reasons:

- ✓ The estimated minimum amount of work to be issued per work order, as stated in the Specifications is too small to be considered economical for their company. Also, the nature of uncertainty in an “on-call” service contributed to a higher bid amount.
- ✓ The contractor who did not bid was unable to secure a bid bond due to a misunderstanding in the length of term of the “on-call” contract. Staff was able to clarify the misunderstanding and the contractor expressed interest in submitting a bid if re-advertised.
- ✓ With the improved economy, there is currently a large amount of work available to private contractors allowing them to be selective. This has led to a lack of competition and also contributed to the high bid received.

Based on the above feedback from the contractors, staff has evaluated options to make the project more attractive to potential bidders. In addition to increasing the outreach to contractors during the bidding period, staff proposes the following modifications to the project specifications:

Proposed Project Modifications

- ✓ Increase the estimated minimum amount of work per work order to an amount that would be more economical for contractor mobilization.
- ✓ Increase the time of completion associated with each work order to allow greater flexibility in scheduling of work by the contractor.
- ✓ Increase the length of advertising time to a minimum of 4 weeks to allow for greater contractor outreach.

Environmental Review

Pursuant to the California Environmental Quality Act of 1970 (CEQA) Guidelines Section 15270 – Projects Which are Disapproved, CEQA does not apply to projects which a public agency rejects or disapproves.

Financial Impact

Staff will repackage the project specifications, and re-bid the project as recommended, costing approximately \$3,000. There are sufficient funds in the project to cover this cost.

Public Contact

The City Council Agenda was posted.