



Staff Report

Date: September 27, 2016

To: City Council

From: Valerie J. Barone, City Manager

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

Prepared by: Bernard D. Enrile, Associate Civil Engineer
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Subject: **Considering award of on-call construction contract for Citywide On-Call Sidewalk Replacement Pilot Program, Project No. 2341, to Kerex Engineering Inc. of Pleasant Hill, and authorizing Direct Project Reimbursements. (Funded by Measure J and Project Reimbursements)**

This Project qualifies for a Categorical Exemption pursuant to the California Environmental Quality Act Guidelines Sections 15301 – Existing Facilities, 15302 – Replacement or Reconstruction, and 15304 - Minor Alterations to Land.

Report in Brief

The Capital Improvement Program 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 project is specified as a one-year “on-call” services contract with a renewable option for up to two additional years upon mutual agreement of the Contractor and the City of Concord.

The pilot program, reviewed through the Policy Development and Internal Operations Committee (Hoffmeister/Leone), would provide an opportunity for residents to utilize the City’s Contractor to repair damaged sidewalks, curbs, gutters and driveways in front of their properties.

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Kerex Engineering Inc. (Kerex) was the sole bidder and submitted a responsive and responsible bid in the amount of \$284,500. Kerex has an appropriate and valid contractor license and satisfactory work references.

Recommended Action

Staff recommends that the City Council take the following actions:

1. Award an On-Call Construction Contract to Kerex Engineering Inc. of Pleasant Hill for Citywide On-Call Sidewalk Replacement Pilot Program, Project No. 2341 for one year and a not to exceed amount of \$250,000, and authorize the Mayor to execute the agreement subject to approval of the City Attorney; and
2. Authorize payment of task orders through this on-call contract as needed, from existing operating accounts and capital project accounts or from funds received from third parties for work conducted under this contract.

Background

The Plans, Specifications, and Estimate (PS&E) package for this project was structured as an “on-call” services contract for the replacement of sidewalk, driveways, curbs and gutters. 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 for each work item. For example, the prospective bidder was asked to provide a per unit cost for the removal of concrete sidewalk on a square foot basis, and a per unit cost for the installation of concrete sidewalk on a square foot basis.

Determination of the lowest responsive and responsible bidder was based on the total bid for the estimated quantities. Actual work will be outlined on work orders issued to the contractor, as needed, with a limited window for repair. The Contractor would then be paid as each work order is completed based on the unit prices. This bidding and payment process has been used and successfully implemented for the Citywide Sewer Lateral Replacement Program (Project No. 2244). The On-call Sidewalk Replacement Project is specified as a one-year “on-call” services contract with a renewable option for up to two additional years upon mutual agreement of the Contractor and the City of Concord.

The pilot program, reviewed through the Policy Development and Internal Operations Committee, would also provide an opportunity for City residents to utilize the City’s Contractor to repair damaged sidewalks, curbs, gutters and driveways in front of their properties.

This project was initially let for bid as required by State law and City policy with bids opened on May 5, 2016. Only one bid was received in the amount of \$420,400, and was

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50% higher than the Engineer’s estimate of \$287,750. At its meeting on June 28, 2016, the City Council rejected the sole bid and authorized staff to modify the project specifications and re-advertise the project in order to solicit more acceptable bids.

Analysis

Bid

Bids associated with the re-advertisement were opened on August 11, 2016. One bid was received in the total amount of \$284,500. The Engineer’s Estimate is \$278,750. Kerex Engineering Inc. of Pleasant Hill was the only bidder and submitted a responsive and responsible bid. A summary of the bids by schedule is as follows:

| Bid Schedule | Engineers Estimate | Kerex Engineering |
|---------------------|---------------------------|--------------------------|
| Base Bid | \$275,000 | \$284,500 |

Staff contacted the low bidder to obtain confirmation of their bid amount. Kerex Engineering confirmed that they are ready to perform the work as bid. Staff has completed its analysis of Kerex Engineering’s bid, and determined that they possesses an appropriate and valid contractor’s license; and is not on any debarred list. Additionally, they are registered with the Department of Industrial Relations as required by SB 854, have satisfactory references and are experienced in the construction of similar projects.

On-Call Contract

Assigning work under an On-Call Construction Contract is done through a specific “Work Order”. Each “Work Order” has a clearly defined scope of work, project cost, and delivery schedule and can only be issued with Operating or Capital funds that have already been approved by Council, or which will be reimbursed under the resident funded repairs pilot program. With the Council’s approval of the On-Call Construction Contract, the Public Works Director would be authorized to issue the Work Orders. The On-Call Construction Contract would expire on September 27, 2017, with the option for a mutually agreed upon one-year extension. The On-Call Construction Contract also limits the maximum annual cumulative value of work performed through all assigned Work Orders up to \$250,000 per year. It is clear to Kerex that the agreement does not guarantee any future work with the City. The On-Call Construction Contract framework has been used successfully with the Citywide Sewer Lateral Replacement Program (Project No. 2244).

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CEQA¹

The project involves reconstruction of existing structures or facilities where the new structures/facilities will be located on the same site and has the same purpose, and involving negligible or no expansion of capacity, and is categorically exempt from the CEQA per CEQA Guidelines Sections 15301 – Existing Facilities, 15302 – Existing Facilities, and 15304 - Minor Alterations to Land. The Notice of Exemption will be filed with the County Clerk’s Office after Council approval of contract award.

Financial Impact

The award of the On-Call Construction Contract does not directly appropriate or expend funds. Funding for each work order would need to be in place prior to issuance of the work order and will be provided from existing Capital or Operating budget allocations or via reimbursement from individual property owners. The On-Call Construction Contract award limits the maximum annual cumulative value of work performed through all assigned Work Orders up to \$250,000 per year.

Public Contact

The City Council Agenda was posted.

Attachment

1. Bid Summary

¹ California Environmental Quality Act of 1970, Public Resources Code § 21000, et seq. as amended (“CEQA”) and the CEQA Guidelines at Title 14, Chapter 3 of the California Code of Regulations as amended (“CEQA Guidelines”).

**City of Concord
Bid Sheet**

**PROJECT #2341(Rebid)
On Call Citywide Sidewalk Replacement**

**Bid Opening:
Thursday,
August 11, 2016
2:00 p.m.**

City Manager's Conference Room

Engineer's Estimate: \$275,000

To be awarded:

| COMPANY | TOTAL BID |
|---|-----------|
| Kerex Engineering, Inc. Post Office Box 23831 Pleasant Hill, CA 94523 | \$284,500 |
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