

**REPORT TO MAYOR AND COUNCIL****TO THE HONORABLE MAYOR AND COUNCIL:**

DATE: May 24, 2011

**SUBJECT: REJECT BIDS RECEIVED FOR PROJECT NO. 1288 (MEADOW HOMES SPRAY PARK IMPROVEMENTS) AND APPROVE PROJECT REBID****Report in Brief**

Bids were opened for Project No. 1288 (Meadow Homes Spray Park Improvements) at 10:00 AM on Thursday, April 28, 2011. Six (6) bids were received; ranging from \$1,025,426 to \$1,418,686, as shown on the Bid Results (Attachment 2). As detailed below, the low bid contained errors causing a withdrawal, the second lowest bid contained errors making it non-responsive, and the third lowest bid was almost \$112,000 (3%) higher than the Engineer's Estimate.

Staff contacted the two lowest bidders and confirmed that there were no deficiencies with the City's bid documents for Project No. 1288. Based on this information, staff recommends rejecting all bids and quickly rebidding the project to take advantage of the current favorable economic bidding climate.

Staff recommends that the City Council reject all bids received for Project No. 1288 (Meadow Homes Spray Park Improvements); and direct staff to re-bid the project.

**Background**

The scope of Project No. 1288 (Meadow Homes Spray Park Improvements) includes the demolition of the existing pool, construction of a 3,000 square-foot spray park, installation of a water recovery/treatment system, replacement of the restroom facility and various ADA-related site improvements (base bid work). During the design process for the project, it became clear that the budget might not be adequate to complete all proposed work items, which included a "wish list" of items compiled during the public outreach sessions. In an attempt to include as many of these items as possible, staff directed the designer to develop the following four (4) bid alternates:

- Bid Alternate "A" includes concrete pads in place of irrigation and landscaping for the main picnic area and the other picnic table area;
- Bid Alternate "B" includes a barbecue grill and picnic tables for the main picnic area, as well as the other picnic table area;
- Bid Alternate "C" includes concrete seatwalls in place of planned landscape area; and
- Bid Alternate "D" includes the construction of overhead shade structures for the main picnic area and the other picnic table area.

The basis of award was specified in the bid documents to be the total of the base bid work, plus all four (4) bid alternates. The alternates would be considered for inclusion in the final construction contract ***if*** the low bid came

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in lower than the Engineer's Estimate. Based on the Engineer's Estimate, the current project budget is sufficient to complete only the base bid work. If any of the bid alternate items are to be included, the base bids will have to be significantly lower than the Engineer's Estimate.

The bid opening was held at 10:00 AM on Thursday, April 28, 2011. Six (6) bids were received; ranging from \$1,025,426 to \$1,418,686 as shown on the Bid Results (Attachment 2). The Engineer's Estimate for the base bid was \$1,150,000. The Engineer's Estimate for the total of the base bid and the four (4) bid alternates was \$1,222,472. Western Water Features, Inc. of El Dorado Hills submitted the apparent low base bid of \$1,025,426.

**Discussion**

During bid analysis, staff determined that Western Water Features (Western) appeared to have significant math errors in their total bid price. Western acknowledged that they misinterpreted the format of the bid alternates and included incorrect deductive amounts. They offered to revise their bid, but by law bid revisions after bid opening are not permitted. Since they chose not to perform the work at their stated bid price, Western decided to withdraw their bid.

Due to the withdrawal of Western's bid, Elite Landscaping (Elite) was then the apparent low bidder. Elite did not list their prefabricated restroom supplier, Public Restroom Company (PRC), as a subcontractor. Per the contract documents, Section 37G.1. "...*The design/build supplier [of the prefabricated restroom facility] shall construct the building offsite as a permanently relocatable building, transport it to the final required destination, and install the building turnkey,...*". Performing the installation of the restroom facility means that PRC becomes a subcontractor, in addition to a supplier. Section 4104 of the Public Contract Code states that subcontractors performing work in excess of ½ of 1% of the work must be listed in the bid proposal. Elite submitted a bid of \$148,000 for Bid Item No. 35 (Prefabricated Restroom Building) which constitutes approximately 13% of the total bid price. Since this amount exceeds the required threshold and since Elite did not list PRC as a subcontractor, their bid is considered non-responsive. Therefore, staff recommends Elite's bid be rejected as non-responsive.

With the withdrawal of Western's bid and the rejection of Elite's bid, Suarez and Munoz (Suarez) becomes the low bidder. Suarez's total bid of \$1,261,977 is approximately \$112,000 (3%) higher than the Engineer's Estimate. As mentioned above, accepting a base bid that is higher than the Engineer's Estimate precludes the possibility of including any of the bid alternates. Staff has reviewed the last nine (9) months of bid analyses used to award the City's CIP projects. The results of this review show that due to the financial climate, the City has benefitted from a low-bidding trend among contractors bidding for City projects. As the table below shows, over the last nine (9) months, the average low bid on the City's CIP projects has been almost 27% lower than the Engineer's Estimate:

Date	CIP Project	# of Bids Received	Low Bid	Engineer's Estimate	% Difference
08/17/10	2167 Whitman Road Rehabilitation	8	\$219,556	\$280,000	22%
09/03/10	2010 Surface Seal Program - Pavement Management Contract	2	\$519,528	\$883,835	41%
09/30/10	2177 Bocce Courts @ Baldwin Park	7	\$366,450	\$393,240	7%
12/17/10	2192 Citywide Accessibility Improvements	10	\$263,734	\$374,678	30%
01/26/11	2081 Camp Concord Pave Loop Road	7	\$219,556	\$280,000	22%
<b>AVERAGE DIFFERENCE</b>					<b>27%</b>

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Based on this information, staff recommends rejecting all bids received for Project No. 1288 and re-bidding the project as soon thereafter as possible to take advantage of the current low bid climate. Additionally, the project schedule includes completion of the project in October 2011 to avoid delays due to inclement weather. To retain that completion date, it is necessary to re-bid the project immediately so that construction can begin in late June/early July, 2011.

The project is Categorically Exempt from the requirement for preparation of an environmental document as provided for in Sections 15301, 15302, and 15303 of the California Environmental Quality Act (CEQA). CEQA exemption 15301(d) refers to restoration of a deteriorated facility to meet current standards of public health and safety. Section 15302(b) refers to replacement of a commercial facility with a new structure of substantially the same size. Section 15303(e) refers to construction of new facilities as accessory structures such as swimming pools. The Notice of Exemption was filed with the County Recorder's Office on August 2, 2007.

**Fiscal Impact**

The project budget, which consists of \$468,000 in Healthy Community grant funds, \$1,050,600 in Measure WW grant funds, and \$180,533 in Parkland funds, is sufficient to fully fund the cost of construction.

**Public Contact**

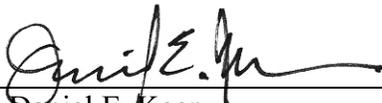
The Notice to Contractors describing the project and scheduled bid opening was published in the Contra Costa Times on April 8, 12 and 19, 2011 and posted on ebidboard.com and several area builder's exchanges on April 5, 2011. The City Council Agenda was posted.

**Recommendation for Action**

Staff recommends that the City Council reject all bids received for Project No. 1288 (Meadow Homes Spray Park Improvements); and direct staff to re-bid the project.

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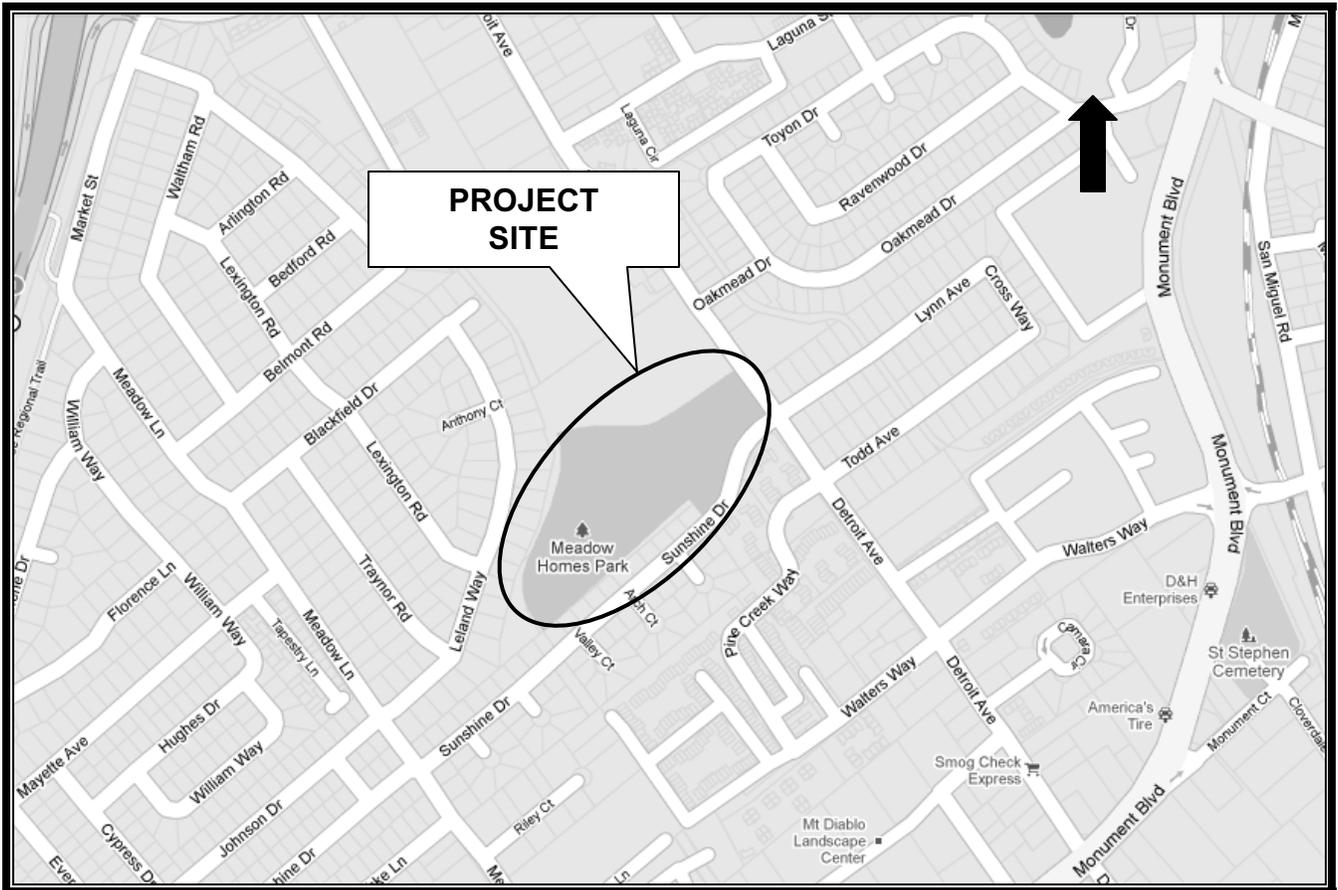


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City Manager  
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Attachment 1 – Location Map

Attachment 2 – Bid Results



**LOCATION MAP**  
**PROJECT NO. 1288**  
**MEADOW HOMES SPRAY PARK IMPROVEMENTS**  
**NO SCALE**

**City of Concord  
Bid Sheet**

**PROJECT #1288**

**Meadow Homes Spray Park Improvements**

**Bid Opening:**

**Thursday,  
April 28, 2011  
10:00 a.m.**

**City Manager's Conference Room**

Engineer's Estimate: \$1,150,000 (Base Bid)  
\$1,222,472 (Base Bid plus Four Bid Alternates)

To be awarded: TBD

COMPANY	TOTAL BID (Base Bid plus Four Bid Alternates)
Western Water Features, Inc. 5088 Hilldale Circle El Dorado Hills, CA 95762	\$1,025,426.90
Elite Landscaping Inc. 2972 Larkin Clovis, CA 93612	\$1,153,389.00
Suarez & Munoz Construction, Inc. 20975 Cabot Blvd. Hayward, CA 94545-1155	\$1,261,977.50
Tricon Construction, Inc. dba Tricon Aquatics 11419 Sunrise Gold Cir Ste 6 Rancho Cordova, CA 95742-6580	\$1,325,297.00
Aztec Constructors, Inc. 2021 Omega Road, Suite 200 San Ramon, CA 94583	\$1,418,071.00
W.E. Lyons Construction Co. 1301 Ygnacio Valley Road Walnut Creek, CA 94598	\$1,418,686.00

**Contact: Mark Migliore x3422**