

City of Sacramento

Legislation Text

File #: 2019-00657, **Version:** 1

Title:

Rejection of Bids for 2019 Street Seal Coat Project (R15190000)

File ID: 2019-00657

Location: Districts 1, 3, and 7

Recommendation:

Pass a Motion rejecting bids for 2019 Street Seal Coat Project.

Contact: Josh Werner, Assistant Engineer (916) 808-8158; Nader Kamal, Engineering Services Manager, (916) 808-7035, [Department of Public Works](#)

Presenter: None

Attachments:

1-Description/Analysis

2-Location Map

Description/Analysis

Issue Detail: The 2019 Street Seal Coat Project was advertised on April 17, 2019, and one bid was received on May 22, 2019, for \$1,737,422 from Pavement Coatings. The bid was substantially higher at 42% over the Engineer's Estimate of \$1,227,012.

Rejecting the one bid received will allow for the project to be re-advertised in a more competitive bid environment with the expectation that more contractors will submit bids and the scope of the proposed work can be analyzed with respect to project budget constraints.

Policy Considerations: The action requested herein is consistent with City API 4002, Section 8.5(b), which requires that rejection of bids for contracts of \$100,000 or more must be approved by the City Council.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): The Community Development Department, Environmental Planning Services Division has determined that this project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under Class 1, Section 15301(c).

Projects exempted under Class 1, Section 15301(c) consist of the operation, repair or minor alteration to existing highways and streets, sidewalks, bicycle and pedestrian trails, and similar facilities.

Sustainability: Not applicable.

Commission/Committee Action: None

Rationale for Recommendation: Only one bid was received for the project. The bid amount of \$1,737,422 was substantially higher than the budgeted estimate. City staff performed outreach to several local contractors to determine whether there were specific issues with the bid requirements or other factors which may have caused them to not bid on the project. Responses received indicated that contractors were either busy or not willing to bid on this project.

A significant amount of additional local funds would need to be identified in order to award the contract at the bid amount. City staff recommends re-advertising the project in early 2020 in order to obtain more bidders at more competitive bid prices.

The Engineer's estimated construction cost for the 2019 Street Seal Coat Project was \$1,227,012.

Financial Considerations: The estimated total cost for the 2019 Street Seal Coat Project was \$1,796,000. Based on the bid received, the estimated total project construction cost with the apparent low bid is \$2,437,000.

It is recommended that this bid be rejected, and the project be re-advertised when the bidding environment will be more favorable. Staff does not recommend additional funding allocation to in the amount of \$641,000 cover the difference, at this time.

There are no General Funds planned or allocated for this project.

Local Business Enterprise (LBE): Not applicable.