

EVALUATION OF BID PROPOSALS

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FOR: PHASE II REGIONAL TRANSMISSION MAIN SEGMENT B

Bid File No.3451
Bid Opening:4/4/17

<u>BIDDERS</u>	<u>BID AMOUNT</u>
1. Mountain Cascade 555 Exchange Ct. Livermore, CA 94551	\$5,145,030.00* ☹ (non-responsive)
2. W.A. Rasic 4150 Long Beach Blvd. Long Beach, CA 90807	\$5,324,300.00* ☹ (non-responsive)
3. Floyd Johnston Construction Co. Inc. 2301 Herndon Clovis, CA 93611	\$5,577,623.00 ☺

*NOTE: The low bidder and second lowest bidder have both been determined to be non-responsive due to not filing the required Disadvantaged Business Enterprise (DBE/GFE) with lack of the Good Faith Effort documentation that is necessary as required by the project funding authority.

Each bidder has agreed to allow the City sixty-four (64) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Monday, June 5, 2017 by 5:00 P.M.

The Engineer's Estimate/Budget Allocation for this expenditure is \$3,800,000. The bids ranged from 35% to 47% above the Engineer's Estimate/Budget Allocation. If the overage is greater than 10% or only one bid was received, give explanation:

As the Engineer's Estimate was being prepared and finalized for this project, the City was in the process of constructing several other large-diameter welded-steel pipeline projects (King's River Pipeline, Friant-Kern Canal Pipeline, and the two other Phase 2 Regional Transmission Mains segments) that were larger in scope and size than this segment. The estimate for this project was prepared to be consistent with those projects' bids and budget prices received from pipe manufacturers. However, because this segment is smaller in scope and size than the other projects being constructed by the City, interest from the prequalified contractors was very low, which resulted in only three bidders. The lack of competition and the scope and size of the project account for the difference between the Engineers Estimate and the lowest responsive and responsible bid.

BACKGROUND OF PROJECT (To be completed by Evaluating Department/Division. Explain need for project/equipment):

On February 26, 2015, the City Council adopted a five-year water utility rate plan to finance the construction of a five-year water capital plan totaling approximately \$429 million. The five-year capital

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plan included the construction of the Phase 2 Regional Transmission Mains that will convey water from the SESWTF to the existing water distribution system through a network of approximately 13 miles of large diameter pipelines. The Project is the third of four Phase 2 Regional Transmission Main segments that will be constructed and it includes the construction of approximately 1.25 miles of 20- to 42-inch diameter pipeline.

On January 7, 2016, the City Council authorized the Director of Public Utilities to accept and execute a \$63,100,000 SRF Low-Interest Loan through the SWRCB for construction of the Phase 2 Regional Transmission Mains. The SRF low-interest loan will fully finance the construction of the Phase 2 Regional Transmission Mains.

On April 4, 2017, three sealed bid proposals were received and publicly opened. The bid proposal prices were between \$5,145,030 and \$5,577,623. However, the two lowest bidders were non-responsive because they failed to meet Good Faith Effort requirements, and the third bid was \$1,777,623, or 47%, above the engineer's estimate of \$3,800,000.

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

☐ Award a contract in the amount of \$ _____
to _____
as the lowest responsive and responsible bidder.

Remarks:

☒ Reject all bids. Reason: the two lowest bidders were non-responsive because they failed to meet Good Faith Effort requirements, and the third bid was \$1,777,623, or 47%, above the engineer's estimate of \$3,800,000.


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Department Head Approval


Title Director of Public Utilities
Date 5/3/17

The DBE Coordinator did not approve Good Faith Efforts (GFE) of the two (2) low bidders.


DBE Program Coordinator 5/3/17
Date

☒ Approve Dept. Recommendation

☒ Approve Finance/Purchasing Recommendation


☐ Disapprove

☒ Disapprove

☐ See Attachment

FINANCE DEPARTMENT

CITY MANAGER


Purchasing Manager 5-4-17
Date


City Manager or Designee 5/5/17
Date


Finance Director 5/4/17
Date

FISCAL IMPACT STATEMENT

PROGRAM:

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	_____	_____
Indirect Cost	_____	_____
TOTAL COST	_____	_____
Additional Revenue or Savings Generated	_____	_____
Net City Cost	_____	_____
Amount Budgeted (If none budgeted, identify source)	_____	_____