



Legislation Details (With Text)

File #: ID19-1857 **Version:** 1 **Name:**
Type: Action Item **Status:** Passed
File created: 6/5/2019 **In control:** City Council
On agenda: 7/25/2019 **Final action:** 7/25/2019
Title: Reject all bids for the Maroa Heights Phase II Water Main Replacement Project - Bid File 3640 (Council District 2 and Fresno County)
Sponsors: Public Works Department
Indexes:
Code sections:
Attachments: 1. 19-1857 BidEvalSigned.pdf, 2. 19-1857 VicinityMap.pdf

Date	Ver.	Action By	Action	Result
7/25/2019	1	City Council	approved	

REPORT TO THE CITY COUNCIL

July 25, 2019

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THROUGH: RANDALL W. MORRISON, PE, Assistant Director
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SUBJECT

Reject all bids for the Maroa Heights Phase II Water Main Replacement Project - Bid File 3640 (Council District 2 and Fresno County)

RECOMMENDATIONS

Staff recommends that City Council reject all bids for the Maroa Heights Phase II Water Main Replacement Project.

EXECUTIVE SUMMARY

This project will install 8" and 12" water mains, fire hydrants and water services in a former County water district in the vicinity of North Maroa Avenue and West Shaw Avenue. Several water mains are located in easements at the rear or side of the properties and with the proposed project these aging

water mains will be abandoned and replaced with new water mains constructed within the street right-of-way and water services relocated accordingly. The new water mains will provide more consistent water pressure, reduce the frequency of service interruptions caused by failures and improve access for maintenance.

The low bidder, Dawson-Mauldin, LLC, was determined to be non-responsive due to not having listed a subcontractor with a valid C-10 license at the time of bid opening. West Valley Construction Company, Inc. submitted the lowest responsive and responsible bid of \$3,874,226, which was \$574,538 above the low bid. It was determined by the Department of Public Utilities (DPU) that this bid is above the amount budgeted for the project and rejecting all bids and rebidding the project would be the best option to ensure a successful competitive bid process and reasonable construction contract pricing. Staff recommends that Council reject this bid and direct staff to rebid the project.

BACKGROUND

The Maroa Heights Phase II Water Main Replacement Project will install 8" and 12" water mains, fire hydrants and water services within the neighborhood of a former County water district in the vicinity of North Maroa Avenue and West Shaw Avenue. Several of the existing water mains in this former County water district area are located in easements at the rear or side of private properties with limited access. Additionally, due to the age of the existing mains, numerous water main failures have occurred interrupting water service to customers. Under the proposed project, the new water mains and services will be constructed within the street right-of-way to improve access for City maintenance staff to more quickly respond to future repair needs.

In addition to the City's water improvements, this project includes the installation of a 15" storm drain for the Fresno Metropolitan Flood Control District (FMFCD) per the District's request and funding. The storm drain work was added to eliminate any future disturbance and inconvenience to residences. FMFCD was notified in advance of the City's proposed project and they indicated they had a project need that was located within the boundaries of the project, and it was suggested that we combine construction projects to economize the cost of the work and reduce potential impacts to the residents in the area. FMFCD prepared the plans, specifications and estimate for the storm drain improvements which they submitted for inclusion in our water main replacement bid package.

The Maroa Heights Phase II water job was included in the City's adopted budget for Fiscal Year 2019. The project was designed by Public Works staff after the Water Enterprise Funds were budgeted. The engineering design and permitting phase took approximately eleven months to complete.

A Notice Inviting Bids was published in the Business Journal and posted on the City's website on May 6, 2019 and sent to thirteen (13) building exchanges. Specifications were distributed to three (3) prospective bidders. Three (3) sealed bids were received and opened in a public bid opening held at City Hall on May 21, 2019 with bid proposals ranging from \$3,299,688.00 to \$4,168,888.00. Dawson-Mauldin Construction, Inc., of Fountain Valley, California submitted the apparent low bid (\$3,299,688.00) but was deemed non-responsive for not listing a subcontractor with a C-10 license at the time of bid opening. West Valley Construction Company, Inc., of Fresno, California, with a bid of \$3,874,226.00, was then determined to be the lowest responsive and responsible bidder for the project. West Valley Construction's lowest responsive and responsible bid price is 34% above the Engineer's Estimate.

Staff evaluated the bids and consulted with various departments within the City of Fresno and concluded that due to an abundance of available large construction projects at bid time, contractors have been bidding projects on average of 25% to 35% high on projects such as this. In addition to the higher bid price, there was a large variance in the three bids received and two out of the three were deemed non-responsive. Staff feels that rebidding the project will ensure a more successful competitive bid process. Staff is recommending that the Council reject all bids for the Maroa Heights Phase II Water Main Replacement Project and direct staff to rebid the project.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines, Section 15378, the rejection of all bids does not qualify as a “project” as defined by the CEQA requirements.

LOCAL PREFERENCE

Local preference was not implemented because this item is the rejection of all bids received.

FISCAL IMPACT

A rejection of all bids will result in additional staff costs in order to rebid the project. The adopted project budget has sufficient funding to cover the additional staff costs in order to rebid the project. There will be no impact to the General Fund.

Attachments:
Bid Evaluation
Vicinity Map