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Title: CONSIDER REJECTION OF BIDS FOR PROJECT NO.1632 - COMMUNITY CENTER FOLDING WALL SYSTEM, AND LIGHTING AND AUDIO-VISUAL SYSTEM

Sponsors:

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Attachments: 1. Coiling Wall Plans, 2. Caltec Corps Bid

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, January 09, 2024

Consent

SUBJECT:

CONSIDER REJECTION OF BIDS FOR PROJECT NO.1632 - COMMUNITY CENTER FOLDING WALL SYSTEM, AND LIGHTING AND AUDIO-VISUAL SYSTEM

I. SUMMARY

Project 1632: Community Center Folding Wall System, and Lighting - Audio Visual System is part of the City’s Capital Improvement Program. The project includes the removal of the existing coiling wall and replacing it with a new folding wall system. It also includes the installation of a new lighting system and a new Audio-Visual system (Exhibit No.1) The Invitation for Bids (IFB) was advertised in a newspaper of local circulation and through the PlanetBids Portal. One bid was received from Caltec Corp. and opened on November 6, 2023, at the City Clerk’s office, the bid amount is \$3,450,000.00.

Given that only one bid was received, and the amount is significantly higher than the project budget, staff is requesting City Council to reject the bid submitted by CalTec Corp. and authorize staff to re-advertise the project in two parts allowing specialty contractors to bid the project within their individual trade. This should also increase the number of bidders willing to bid on the project allowing for more competitive bids.

II. RECOMMENDATION

1. REJECT all bids received in response to RFP No. IFB-22-40.
2. AUTHORIZE staff to re-advertise the project for construction bid in an effort to receive more competitive bid amounts.

III. ALTERNATIVES

1. DO NOT reject the bid.
2. TAKE another action the City Council deems appropriate and consistent with the requirements of the law.

IV. BACKGROUND

Project 1632: Community Center Folding Wall, and Lighting/Audio Visual System is part of the City's adopted 5-year Capital Improvements Program (CIP) projects. The project includes the removal of the old coiling wall and replacing it with a new folding wall system. It also consists of the installation of new lighting and Audio-Visual upgrades.

Westberg and White, Inc. has completed the Plans, Specifications, and estimates (PS&E) for these improvements. The project has been advertised by the Purchasing Division three times due to lack of participation from prospective bidders. It was first advertised on the PlanetBids Portal from September 7, 2022, to October 6, 2022. Three (3) contractors participated in the Pre-Bid Walk held by the City, however, no bids were received on the due date on October 6, 2022.

Given that no contractor submitted bids when the project was first advertised, the City Attorney's office advised staff that it was permissible under the bidding statutes for City to solicit bids from individual contractors by way of contacting them personally and requesting bids. On January 18, 2023, the City received a bid from CWS Systems Inc. for \$2,990,000.00. The City reviewed this bid and determined it was unbalanced and much higher than the original engineer's estimate of \$1,900,000.00 and not acceptable.

Therefore, on March 9, 2023, Public Works Engineering Division went out to bid for this project the second time. Two contractors participated at the second pre-bid walk - CWS Systems Inc. and Pacific Sound Control but only one bid was received which was opened at the City Clerk's Office on April 20, 2023. Public Works Engineering Division determined that CWS Systems Inc. was the lowest responsive and responsible bidder, with a total bid amount of \$2,645,000.00. The project is subject to compliance with the City's Project Labor Agreement and the bid amount reflects the same.

With the City only receiving one bid, staff reviewed the PS&E and bidding documents to see if plans and bid descriptions can be further revised in order to more accurately assess the bids being received and the engineering estimates being provided. The City Council rejected the bid received from CWS Systems, Inc. and authorized staff to re-advertise the project again for construction bids with a wider outreach in order to secure more competitive bids.

On October 19, 2023, Public Works Engineering Division went out to bid for this project the third time. On November 13, 2023, the city received one Bid from CalTec Corp. in the amount of \$3,450,000.00 (Exhibit No. 2), this Bid was substantially higher than the previous bids.

Staff reviewed the bids, since the project includes two distinct specialties (folding wall, and lighting/audio visual system) that require the general contractor to award a subcontractor with a substantial portion of the work for another construction trade, a higher bid is received every time the project is advertised due to the profit imposed by the general contractor to his sub-contractor. Because of that, staff believes that it is to the city's cost benefit to advertise the project as two separate projects which will allow the trades to bid on their respective specialties without marking up for subcontractors. Advertising the project as two separate projects may also help attract more bidders since each trade may participate in the bid without having to partner with another trade.

Staff is requesting that the City Council reject the bid submitted by CalTec Corp. and authorize staff to re-advertise the project as two separate projects: one as the Folding Wall Panel, and the other as Lighting and A/V Upgrade Project.

V. FISCAL IMPACT

None.

VI. EXHIBITS

1. Folding Wall Plans (pgs. 4 - 42)
2. Caltec Corp. Bid (pgs. 43-70)

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