

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: GREG DWYER, ASSOCIATE CIVIL ENGINEER
TRANSPORTATION AND PUBLIC WORKS
SUBJECT: REJECT ALL BIDS – FULTON RD RECONSTRUCTION –
OCCIDENTAL RD TO W 3RD ST

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, reject all bids for Construction Contract No. C00780 for the Fulton Road Reconstruction – Occidental Road to W 3rd Street.

EXECUTIVE SUMMARY

This resolution will reject all bids submitted for the Fulton Road Reconstruction – Occidental Road to W 3rd Street, per City Code § 3-44.100. The recommendation to reject all bids is necessary because the lowest bid received was 70% over the engineer's estimate.

BACKGROUND

This project will reconstruct Fulton Road between Occidental Road and W 3rd Street using hot mixed asphalt or roller compacted concrete technology. Roller compacted concrete has the benefit of reduced costs and longer service life.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

1. The project was advertised on July 12, 2018 and bids were received on August 2, 2018. The project was bid with hot mixed asphalt and roller compacted concrete alternates. The determination of the lowest bid price was the base bid (elements common to both methods) plus Alternate 1 (hot mixed asphalt) or the base bid plus Alternate 2 (roller compacted concrete). A total of three (3) bids were received for

each alternate. Bids received for the base bid plus Alternate 1 (hot mixed asphalt) ranged from \$5,085,625.50 to \$5,367,618.45. The low bid was 37% over the Engineer's estimate.

Bids received for the base bid plus Alternate 2 (roller compacted concrete) ranged from \$3,961,985.10 to \$4,312,121.00. The low bid of \$3,961,985.10 for the base bid plus Alternate 2 (roller compacted concrete) was 70% over the engineer's estimate.

2. The recommendation to reject all bids is necessary because the bids received for the base bid plus Alternate 1 - hot mixed asphalt and base bid plus Alternate 2 - roller compacted concrete were 37% and 70% over the engineer's estimate, respectively.
3. The primary reason the bids came in high was due to the economy. Base bid and Alternate 1 – hot mixed asphalt estimates were based on bids from similar sized projects last summer, adjusted for inflation. No projects of similar scope and size have been bid since the October fire. Contractors are stating that their bids are competitive, and prices will likely continue to increase. High bid prices for the storm drain components were in part due to the potential risk of damaging adjacent asbestos cement water mains. Material suppliers are stating that their prices haven't increased much and that contractors are bidding high because of their workloads and the busy time of year. The oil price index has increased but is not a major contributing factor to the higher bids.

Roller compacted concrete is a new product in this area. Representatives from the California Nevada Cement Association have promoted this product as a lower cost alternative to hot mixed asphalt and a longer service life. They also provided a cost estimate which was used as a basis for the engineer's estimate.

There are limited contractors who can perform roller compacted concrete work, which requires specialty equipment not found locally. A mobile batch plant is required to produce roller compacted concrete. The higher bid prices were due in part to the relatively small size of this project compared with the cost of mobilizing a batch plant. Contractors needed to secure their own location which could have been a factor. Higher traffic control costs were likely due to longer cure times and the subsequent need for extended road closures and detours.

4. The project will be rebid this winter as a roller compacted concrete project. Bids received for roller compacted concrete showed a significant cost savings over hot mixed asphalt construction. Prices have historically been lower during the winter when construction work slows, and contractors are planning work for the upcoming construction season. Additional information and details will be added to get bids more consistent with the engineer's estimate.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Location Map
- Attachment 2 –Summary of Bids
- Resolution

CONTACT

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