

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: GRANT BAILEY, ASSOCIATE CIVIL ENGINEER
TRANSPORTATION AND PUBLIC WORKS

SUBJECT: REJECTION OF BID PROTEST; CONTRACT AWARD –
BUILDING DEMOLITION – VARIOUS CITY LOCATIONS
(13 LOCATIONS)

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, 1) reject the bid protest by Asbestos Management Group of California, Inc., 2) waive any minor irregularities in the lowest bid, 3) award Contract No. C02162, Building Demolition – Various City Locations, in the amount of \$511,000.00 to the lowest responsible bidder, AFM Environmental, Inc. of West Sacramento, California, and 4) approve a 10% contract contingency, and authorize a total contract amount of \$562,100.00.

EXECUTIVE SUMMARY

This item will reject a bid protest by Asbestos Management Group of California, Inc., waive minor irregularities in the lowest bid, award a contract to AFM Environmental, Inc., of West Sacramento, California, approve a 10% contract contingency, and authorize a total contract amount of \$562,100.00 to demolish 31 city-owned structures. This item supports Council Tier 2 Goal: Create a Plan to Address Deferred Maintenance throughout the Community, by eliminating deferred maintenance costs associated with City facilities. Projects are located within City Council Districts 1, 2, 3, and 5, or beyond City limits.

BACKGROUND

In 2017 Council commissioned an assessment and maintenance analysis of city-owned structures to improve its ability to properly deploy staffing resources and develop a long-term maintenance program. A number of structures were recommended for sale/divestiture or demolition.

REJECTION OF BID PROTEST; CONTRACT AWARD – BUILDING DEMOLITION –
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In 2018 and 2019, Council authorized the razing of buildings and structures shown below. Once these authorizations were granted, staff began preparing a construction contract to demolish the structures.

This contract will demolish a total of 31 city-owned structures in and outside of City limits at the following locations:

- | | |
|--------------------------------|-------------------------------|
| 1. 2810 4 th Street | 7. 4099 Walker Road |
| a. Small commercial building | a. Storage shed |
| 2. 952 Sonoma Avenue | 8. 1027 McMinn |
| a. Single family residence | a. Single family residence |
| b. Garage | 9. 1370 Burbank Avenue |
| 3. 7630 Lakeville Highway | a. Single family residence |
| a. Single family residence | b. Single family residence |
| b. Lean-to structure | c. Storage Shed |
| 4. 7650 Lakeville Highway | d. Storage Shed |
| a. Single family residence | e. Storage Shed |
| b. Single family residence | 10. 1400 Burbank Avenue |
| 5. 1595 Meadow Lane | a. Single family residence |
| a. Single family residence | b. Barn |
| b. Barn | 11. Doyle Park |
| c. Barn | a. Shop storage building |
| d. Barn | b. Concession stand |
| e. Detached garage | c. Ballfield storage building |
| f. Gazebo | d. Storage shed |
| 6. 4090 Walker Road | e. Storage building |
| a. Single family residence | 12. Howarth Park |
| b. Barn | a. Caretaker's House |
| | 13. Juilliard Park |
| | a. Bathroom |

PRIOR CITY COUNCIL REVIEW

On July 18, 2017, Council, by Resolution 2017-142, authorized the award of a professional services agreement to Cannon/Parkin, Incorporated (CPI). The City thus retained CPI to conduct a facilities condition assessment and maintenance analysis for 114 city-owned structures. The goals of the study were to investigate the current condition of the city's facilities, identify and prioritize deficiencies, and determine the funding needed each year to properly maintain each facility while meeting the city's fiscal sustainability goals.

On May 22, 2018, Council, by motion, based on CPI findings, authorized the Director of Transportation and Public Works to raze or remove buildings and structures in Attachment 1, lines 1 – 6 and line 8 and authorized the Director of Santa Rosa Water to

demolish buildings and structures in Attachment 1 Lines 9, 11 and 12.

On June 5, 2018, Council approved, by Resolution 2018-085, demolition of existing structures at 1370 Burbank Avenue (Attachment 1 Line 7).

ANALYSIS

1. The contract was advertised on May 23, 2019, and six (6) bids were received on June 6, 2019. Bids ranged from \$511,000.00 to \$628,680.00. The lowest responsive bid was 4.46% below the Engineer's estimate.
2. The low bidder, AFM Environmental, Inc. (AFM), was judged responsive by City staff.
3. AFM's bid contained a minor irregularity between the unit price and total price set forth for bid items 3) chain link fence and 4) type K temporary railing.
4. On June 17, 2019, the City received a bid protest from Asbestos Management Group of California, Inc. (AMG), the second lowest responsive bidder. AMG claims that:
 - a. *AFM inserted the same figure for both Unit Price and Total Price on the Schedule of Price form for all 17 items. The City, in part, expressly states in the Invitation for Bids, Section 2-1.07 Approximate Estimate; "The quantities given in the contract document are approximate only, being given as a basis for the comparison of bids...." The irregularity impairs the City's ability to make fair bid comparisons. The City cannot accurately or fairly evaluate AFM's bid with the other competing bidders. For this reason, AFM's bid should be considered nonresponsive. And;*
 - b. *AFM holds the following license classification from the California Contractors State License Board: B, C-21, C-22 and an ASB Certification. AFM did not list any Subcontractors on the List of Subcontractors Form. The failure of a prime contractor to list a subcontractor to perform any portion of the work means the prime contractor must perform the work (Public Contract Code §4106). AFM does not hold a C-13 Fencing Classification and cannot self-perform the work, thus rendering its bid nonresponsive.*
5. On June 20, 2019, the City received a response to the bid protest from AFM. AFM responded to AMG's protest:
 - a. *AFM entered in the same amount for the unit price as they did for the total price. Reasoning puts it that AFM would not charge \$3,000.00 a foot for fencing nor would AFM charge \$10,000.00 a foot for K rail. Also, AFM was so sure that their bid was to be \$511,000.00 that it was even written out below the numerical entry. Now using our abilities to reason it is uncertain what AFM wanted their unit price to be. And;*
 - b. *AFM holds a B license which allows for fencing to be performed when there is two or more separate trades on a contract. AFM under its B*

license will along with the fencing will perform the electrical disconnect of the buildings, and the plumbing disconnections. Under this method it is proper for AFM to use its B license for the fencing work.

6. City staff and Attorney's Office have concluded that the contract allows for summing the total column, rather than extending unit prices, to determine total bid cost and if it does not, irregularities are minor and therefore are recommended to be waived by Council.
7. Staff has reviewed AFM's current licensing classifications and found that, in addition to a C-22, AFM is currently licensed as a class B - General Building Contractor. City Attorney's Office has confirmed AFM can self-perform contract fencing work with a class B contractors license.
8. The contract agreement has been reviewed and approved by the City Attorney.
9. Construction is anticipated to begin approximately September 2019. The length of the contract is 50 working days with a completion date of November 2019.
10. A Public Participation Plan is required and has been approved by the Transportation and Public Works Marketing and Outreach Coordinator.
11. Specifications and bid detail can be found at: <http://www.srcity.org/bids>

PROCEDURAL STATUS

1. The Council may decide, pursuant to 3-44.100 of the Santa Rosa City Code, to reject all bids and re-advertise the project, or;
2. Award the contract through the current bidding process as recommended by City staff. If the Council decides to award the contract through the current bidding process, it must either:
 - a. Waive any irregularities in AFM's bid, reject the bid protest, and award the contract to AFM; or
 - b. Grant the protest and award the contract to Asbestos Management Group of California, Inc. as the lowest responsible bidder.

FISCAL IMPACT

No additional General Fund money is being requested for this contract. Funding includes Park Acquisition and Development Fee SW Zone 2, Park Acquisition and Development Fee NE Zone 3, Park Acquisition and Development Fee SE Zone 4, Capital Facilities Fee Fund, Storm Water Enterprise-Creek Restoration, Subregional Wastewater Capital Fund and the General Fund. Sufficient funds were established in previous Capital Improvement Program budgets.

ENVIRONMENTAL IMPACT

Staff has independently reviewed each of the individual sites and determined that each

PROJECT APPROVAL – STRUCTURE DEMOLITION

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project is Categorical Exempt pursuant from the CEQA Guidelines, Section 15301(I) because each individual project consists of demolition and removal of individual small structures such as single-family residences, small commercial structures and accessory structures.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

The Facilities Assessment and Maintenance Analysis results were presented to the Financing for Infrastructure and Housing Ad Hoc Committee on February 5, 2018, with Mayor Coursey and Councilmember Tibbets present. The Committee recommended presenting these findings to other Council members, which occurred May 22, 2018.

NOTIFICATION

Not Applicable.

ATTACHMENTS

- Attachment 1 – Project Locations
- Attachment 2 – Location Maps
- Attachment 3 – Summary of Bids
- Attachment 4 – Bid Protest
- Attachment 5 – Bid Protest Response
- Resolution

CONTACT

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