

CITY OF SANTA ROSA
CITY COUNCIL

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

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by motion, award Contract No. C00780, Fulton Rd Reconstruction - Occidental Rd to W 3rd St, in the amount of \$3,824,037.50 to the lowest responsible bidder, Ghilotti Bros, Inc. of San Rafael, CA, approve a 15% contract contingency, and authorize a total contract amount of \$4,397,643.13; the source of funds are Utility Impact Fee Fund, Capital Facilities Fund and SB1 Funds and no City General Fund money is included in this project.

EXECUTIVE SUMMARY

This motion will award a contract to Ghilotti Bros, Inc., of San Rafael, California, approve a 15% contract contingency and authorize a total contract amount of \$4,397,643.13 to reconstruct Fulton Road between Occidental Road and W 3rd Street, install a new sewer manhole, storm drain manhole, fiber optic cable and update pedestrian ramps to current ADA standards.

BACKGROUND

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

PRIOR CITY COUNCIL REVIEW

On October 23, 2018, the City Council, by Resolution No. 2018-184, rejected all bids.

ANALYSIS

1. The project was previously advertised on July 12, 2018 and bids 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. Base bid and Alternate 1 – hot mixed asphalt estimates were based on bids from similar sized projects the previous summer, adjusted for inflation. This was the best available data at the time because no projects of similar scope and size had been bid since the October fire. The Alternate 2 – roller compacted concrete estimate was provided by representatives from the California Nevada Cement Association since there was no data available in our area. This was subsequently used as the basis for the engineer's estimate.

The primary reason these bids came in high was due to the economy. Contributing factors to the higher bids received include the high demand for construction services, the relatively small size of this project compared with the cost of mobilizing a temporary batch plant, the need for a specialized superintendent, higher traffic control costs due to longer cure times and the subsequent need for extended road closures and detours.

3. The Transportation and Public Works Department's prior recommendation to reject all bids was based on the best available data at the time. The unprecedented bid prices came during a time when contractors were extremely busy and local fire recovery projects were in progress.

It was decided to rebid the project during the winter months where we typically see an increase in the number of bidders accompanied by lower bid prices. Meanwhile, The California Nevada Cement Association reached out to local plants about the feasibility of batching roller compacted concrete with existing local plant equipment, eliminating the need to import a costly mobile batch plant from out of state.

The project was rebid as a roller compacted concrete project with no alternates due to the large savings shown in the previous bid. A limited sample of recent capital improvement project bids showed price increases of 40 to 100 percent over pre-fire bids, which is consistent with the initial assessment that the higher prices were

related to the increased demand for construction services. The engineer's estimate was consistent with the bids received.

Bidding the project during the winter had a minimal effect on the overall bid prices. Contractors stated that the trucking shortage, worsened by the Camp Fire debris clean up work in Paradise, was a factor in the bids. Another factor was their decision to use roller compacted concrete subcontractors rather than renting the equipment and performing the work themselves due to unfamiliarity with the specialized equipment and processes. Contractors also expressed concern whether local batch plants could produce enough roller compacted concrete at the required production rates and specifications.

4. The project was re-advertised on January 24, 2019 as a roller compacted concrete project, and bids were received on February 13, 2019. A total of four (4) bids were received, ranging from \$3,824,037.50 to \$4,310,627.00. The low bid was 3.65% under the Engineer's estimate.
5. The low bidder, Ghilotti Bros, Inc., possesses a valid contractor's license of the required class, as verified by the Contractor's State License Board, and is registered with the State Department of Industrial Relations (DIR).
6. The contract agreement has been reviewed and approved by the City Attorney.
7. Construction is anticipated to begin approximately May, 2019. The length of the contract is 80 working days.
8. The Public Participation Plan is required and has been approved by the Transportation and Public Works Marketing and Outreach Coordinator.

FISCAL IMPACT

The source of funds are Utility Impact Fee Fund, Capital Facilities Fund and SB1 Funds. No City General Fund money is included in this project. Funding for this project has been appropriated to Account No.17338.

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

CONTACT

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