TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS
DATE: JUNE 28, 2004 CMR:329:04

SUBJECT: REJECT THE BIDS FOR THE 2004 STREET MAINTENANCE PHASE 2 CAPITAL IMPROVEMENT PROGRAM PROJECT PE-86070

RECOMMENDATION
Staff recommends that Council reject all bids received for construction of the 2004 Street Maintenance Phase 2 Capital Improvement Project PE 86070, (Attachment A).

BACKGROUND
Annually, Public Works Engineering manages the resurfacing and reconstruction of various city streets. The candidate streets are surveyed and rated biannually by a computerized pavement management system. The annual project budget ranges from $1.8M to $2M and averages approximately eight lane miles of resurfacing, street reconstruction and concrete pavement repair and approximately eight lane miles of slurry sealing. Phase 1 of the 2004 project was awarded by the Council on April 19, 2004 (CMR:226:04) and will provide Portland cement concrete street repair work only.

DISCUSSION
The annual street maintenance program is funded by revenue from non-local sources including State gas tax and the Traffic Congestion Relief Fund. Use of these non-local funding sources results in a requirement for the contractor and their subcontractors to pay prevailing wage rates and provide documentation in the form of certified payrolls. State law specifies that the City must include any prevailing wage requirement in the notice to bidders. Due to a clerical error the prevailing wage requirement was omitted from the project bid documents. In order to comply with State law notice requirements as well as to ensure a “level playing field” for bidders, the Council must reject all bids received on the Street Maintenance Program Phase 2 Project.

Staff will begin the process to readvertise this project with the prevailing wage rate provision in the bid documents. Staff plans to return to Council for a recommendation to award the Phase 2 street maintenance contract in late July. This will pose a month delay in the start of construction. Staff discussed this situation with the apparent low bidder, Granite Construction, and it informed staff it plans to submit a bid for the project.
Bid Process
A notice inviting formal bids for the 2004 Street Maintenance Phase 2 project was issued on May 6, 2004, and sent to 12 builders’ exchanges and 31 contractors. The bidding period was 27 days and bids were received from 3 qualified contractors on June 1, 2004. See Attachment A for a summary of all bids received on the project. Bids (including add/alternates #1, #2, #3, #4) ranged from a low of $2,076,535 to a high bid of $2,172,847.

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<thead>
<tr>
<th>Summary of Bid Process</th>
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<tbody>
<tr>
<td>Bid Name/Number</td>
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<tr>
<td>Proposed Length of Project</td>
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<tr>
<td>Number of Bids Mailed to Contractors</td>
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<tr>
<td>Number of Bids Mailed to Builder’s Exchanges</td>
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<td>Total Days to Respond to Bid</td>
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<td>Pre-Bid Meeting?</td>
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<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
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<tr>
<td>Number of Bids Received:</td>
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<td>Bid Price Range</td>
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**RESOURCE IMPACT**
This recommendation has no fiscal impact.

**POLICY IMPLICATIONS**
This recommendation does not represent any change to existing City policies.

**ATTACHMENTS**
Attachment A: Bid Summary

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