

AGENDA ITEM NO.

COUNCIL MEETING

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

June 12, 2007

**FROM:** ROBERT N. ANDERSEN, Assistant Director  
Public Utilities Department



**SUBJECT:** AWARD A CONTRACT IN THE AMOUNT OF \$445,203.50 TO AMERICAN PAVING COMPANY FOR THE INSTALLATION OF STREET INFRASTRUCTURE IN NO NEIGHBORHOOD LEFT BEHIND AREA 83 (COUNCIL DISTRICT NO. 7)

**KEY RESULT AREA**

One Fresno

**RECOMMENDATION**

Staff recommends that the City Council award a contract in the amount of \$445,203.50 to American Paving Company as the lowest responsive and responsible bidder.

**EXECUTIVE SUMMARY**

This project is for the replacement or installation of missing street infrastructure in the No Neighborhood Left Behind (NNLB) Area 83 bounded by Belmont, Olive, Cedar and Ninth Avenues in Central Fresno. The work will consist of replacing or installing curb ramps, curb, gutter, valley gutters, alley and driveway approaches, asphalt concrete and sidewalk.

The low bidder, Halopoff and Sons of Porterville has asked for relief from their bid of \$315,038.75 due to an inadvertent clerical error of over \$100,000. Staff recommends that their request be granted and a contract be awarded to the next lowest bidder American Paving Company. in the amount of \$445,203.50 for the installation of missing street infrastructure in the No Neighborhood Left Behind Area 83.

**KEY OBJECTIVE BALANCE**

This project best balances the three Key Objectives of Customer Satisfaction, Employee Satisfaction and prudent Fiscal Management. This project will provide the necessary street infrastructure for this neighborhood in Central Fresno. This project will also enhance the appearance of the neighborhood and provide better storm water drainage. This project was competitively bid which adheres to the key objective of prudent Fiscal Management.

## **BACKGROUND**

This project is for the replacement or installation of missing street infrastructure in the No Neighborhood Left Behind (NNLB) Area 83 bounded by Belmont, Olive, Cedar and Ninth Avenues in Central Fresno. The work will consist of replacing or installing curb ramps, curb, gutter, valley gutters, alley and driveway approaches, asphalt concrete and sidewalk.

Plans and Specifications were prepared and a Notice of Inviting Bids was published in the Business Journal on April 16, 2007, posted on the City's website and faxed to eleven (11) builder exchanges. The specifications were distributed to nine (9) prospective bidders. Six (6) bid proposals were received and opened in a public bid opening on May 17, 2007. Bid proposal prices ranged from \$315,038.75 to \$527,989.61.

Halopoff and Sons submitted the lowest bid price in the amount of \$315,038.75. The day after the bid opening, the City received a request from Halopoff and Sons for relief of their bid, due to an inadvertent clerical error in the preparation of their bid. When they calculated the cost to install concrete sidewalk, they inadvertently left out the clearing and grubbing/subgrade preparation for this item, resulting in an error of over \$100,000. This error has made their bid materially different than what they had intended it to be. The request was submitted in accordance with Section 5103 of the Public Contract Code, and within the time frames prescribed by law.

Staff has reviewed their documentation and recommends that Halopoff and Sons be granted relief from their bid.

American Paving Company submitted the next lowest bid price in the amount of \$445,203.50 and is considered the lowest responsive and responsible bidder.

The Council may award a contract in the amount of \$445,203.50 to American Paving Co. The project will be completed within forty (40) working days from the date of the Notice to Proceed.

The Council may reject all bids. If all bids are rejected, the project will be rebid resulting in a delay of approximately sixty (60) days.

## **CONCLUSION AND RECOMMENDATIONS**

It is recommended that the City Council:

1. Grant Halopoff and Sons relief from their bid due to an inadvertent clerical error.
2. Award a contract to American Paving Co. in the amount of \$445,203.50.

## **FISCAL IMPACT**

See attached.

**FISCAL IMPACT STATEMENT**

PROGRAM:     PW00290, NN83    

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$445,203.50</u>	_____
Indirect Cost	<u>\$ 45,000.00</u>	_____
TOTAL COST	<u>\$490,203.50</u>	_____
Additional Revenue or Savings Generated	<u>      -0-</u>	_____
Net City Cost	<u>\$490,203.50</u>	_____
Amount Budgeted (If none budgeted, identify source)	<u>\$45,000,000.00</u>	_____

Indirect Costs consist of:

Inspection/Surveying      \$45,000.00

**EVALUATION OF BID PROPOSALS**

FOR: NO NEIGHBORHOOD LEFT BEHIND AREA 83

Bid File No. 2676  
Bid Opening: May 17, 2007

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<b>BIDDER'S</b>	<b>TOTAL NET BID AMOUNT</b>
1. Halopoff & Sons, Inc. 140 East Morton Avenue Porterville CA 93257	\$315,038.75
2. American Paving Co. PO Box 4348 Fresno CA 93744	\$445,203.50
3. Granite Construction Company PO Box 50085 Watsonville CA 95077-5085	\$482,050.00
4. BDS Construction 18448 Avenue 24 Chowchilla CA 93610	\$482,085.00
5. Lockwood General Engineering 10533 W Goshen Ave Visalia CA 93291	\$483,014.50
6. WITBRO Inc. dba Sealrite and Grading 959 Clovis Ave Clovis CA 93612	\$527,989.61

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Each bidder has agreed to allow the City sixty-two (62) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, May 23, 2007, 5:00 P.M.

The Engineer's Estimate for this expenditure is \$ 502,000.00. The contract price is 11.3 % above/below the Engineer's Estimate. If the overage is greater than 10% or only one bid was received, give explanation:

**BACKGROUND OF PROJECT** (To be completed by Evaluating Department/  
Division. Explain need for project/equipment):

This project will install or replace infrastructure in the No Neighborhood Left Behind Area 83 which is bounded by Belmont, Olive, Cedar and Ninth Avenues in Council District 7.

The types of infrastructure included in this project are curb ramps, curb and gutter, valley gutters, drive approaches, alley approaches, sidewalk and Asphalt Concrete.

**EVALUATION OF BID PROPOSALS**

FOR: NO NEIGHBORHOOD LEFT BEHIND AREA 83

Bid File No. 2676  
Bid Opening: May 17, 2007

**DEPARTMENT CONCLUSIONS AND RECOMMENDATION:**

Award a contract in the amount of \$ 445,203.50 to American Paving Co. as the lowest responsive and responsible bidder.

Remarks: Halopoff and Sons, the lowest bidder, made a clerical error in their bid and asked to be removed from consideration.

Reject all bids. Reason:

Department Head Approval

  
\_\_\_\_\_

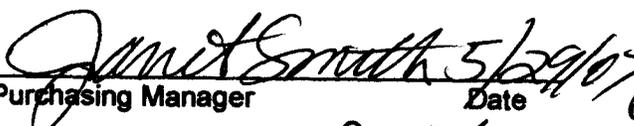
Title: Assistant Director of DPU

Date 5/23/07

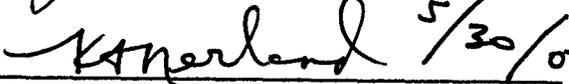
- Approve Dept. Recommendation       Approve GSD/Purchasing Recommendation
- Disapprove       Disapprove
- See Attachment

GENERAL SERVICES DEPARTMENT

CITY MANAGER

  
Purchasing Manager      Date

  
City Manager or Designee      Date

  
Director      Date