



# City of Morgan Hill

## Legislation Text

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### **CITY COUNCIL STAFF REPORT** **MEETING DATE: FEBRUARY 1, 2017**

PREPARED BY: Scott Creer, Public Works Deputy Director/Engineering  
APPROVED BY: City Manager

### **REJECT ALL BIDS FOR THE FOURTH STREET & MONTEREY ROAD SIGNALIZATION PROJECT**

#### **RECOMMENDATION(S)**

Reject all bids and direct staff to rebid the project.

#### **COUNCIL PRIORITIES, GOALS & STRATEGIES:**

##### **Ongoing Priorities**

Enhancing public safety

Maintaining fiscal responsibility

#### **REPORT NARRATIVE:**

As part of the City Council's downtown pedestrian safety and traffic calming efforts, the Council approved a new traffic signal at the intersection of Fourth Street and Monterey Road. This project is intended to provide a controlled intersection for pedestrians and vehicles alike. As stated, the project is being done to enhance pedestrian safety at this location and is a key component of the Council's adopted 'Monterey Road Complete Streets Pedestrian Safety and Traffic Calming Improvements' program. Additionally, as the use of the public parking garage increases, the volume of vehicles exiting onto Fourth Street desiring to make a left hand turn to head south on Monterey will also increase. Additional work for this project includes upgrading the accessible ramps at the intersection and relocating a fire hydrant.

In soliciting bids, the City advertised in the Morgan Hill Times newspaper and sent bid packages to eleven Builders Exchanges, ranging north/south between San Francisco and Salinas and east/west between Acampo and Santa Cruz.

The bid opening was held on January 19, 2017 and the bids received are listed below.

Tennyson Electric Inc.

\$398,966

Columbia Electric Inc.	\$636,291
St. Francis Electric Inc.	\$691,750

The apparent low bidder was Tennyson Electric Inc. whose bid was 3% lower than the engineer's estimate of \$413,600. Following the bid opening, Tennyson Electric inc. notified the City in writing within five days of bid opening that their bid was in error since they had failed to include pricing from their subcontractor in their bid. According to the notice received, the error resulted in an omission of \$196,904 from their bid and therefore they asked for "relief of their proposal". Their letter is attached.

Under section 5101(a) of the Public Contract Code, Tennyson may be entitled to relief of its bid because they notified the City within five days that they made a mistake in completing the bid that was not due to an error in judgment or carelessness in reading the plans or submission. No change can be made in the bid because of mistake, but the contract could be awarded to the second lowest bidder.

Staff considered recommending award to the second lowest bidder, Columbia Electric Inc. However, that bid was determined to be exceedingly high and, thus, staff is recommending that all bids received be rejected and the project be re-bid. Staff will review and value engineer the project scope in order to bring the overall cost down and to invite more competitive bids before re-bidding the project. If this action is approved by the Council, staff will have a new bid package ready to advertise within 10 days.

#### **COMMUNITY ENGAGEMENT: Inform**

Affected businesses and/or property owners will be notified of work in their area.

#### **ALTERNATIVE ACTIONS:**

City Council could alternatively elect to award the bid to the second lowest bidder - Columbia Electric, Inc. whose bid was 54% higher than the engineer's estimate. The total authorization for this project, if awarded to Columbia Electric, Inc., would be \$699,920 which includes a 10% contingency of \$63,629. Project funding would come from the following sources:

1. \$225,000 would come from the 2016-2017 Capital Improvement Program budget under New Signal Construction, Project #502Q16 (Fund 346).
2. \$245,000 would come from the 2016-2017 Capital Improvement Program budget under RDCS School Safety Improvements, Project #551008 (Fund 355).
3. \$229,920 would come from the remaining re-appropriated funds for the Fourth Street Reconstruction Project, Project #569014 (Fund 346).

#### **PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

September 16, 2015 - City Council approved the 'Monterey Road Complete Streets Pedestrian Safety and Traffic Calming Improvements' program

April 6, 2016 - City Council received update on 'Monterey Road Complete Streets Pedestrian Safety and Traffic Calming Improvements' program

June 15, 2016 - City Council approved 2016-17 thru 2021-22 Capital Improvement Program

July 20, 2016 - City Council received update on 'Monterey Road Complete Streets Pedestrian Safety and Traffic Calming Improvements' program

### **FISCAL AND RESOURCE IMPACT:**

If bids are rejected, there will be no fiscal impact though it will take additional staff time to complete another bid process.

### **CEQA (California Environmental Quality Act):**

#### Categorical Exemption

The activities described in this Staff Report are categorically exempt under CEQA, specifically pursuant to Section 15301 of the CEQA Guidelines (Existing Facilities), as the subject work involves the repair, maintenance or minor alteration of existing City facilities involving negligible or no expansion of use of those facilities.

### **LINKS/ATTACHMENTS:**

1. Bid Relief Letter from Tennyson Electric
2. Location Map