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DEPARTMENT OF
PUBLIC WORKS
OFFICE OF THE DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA
July 23, 1993

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: REJECTION OF BIDS AND AUTHORIZATION
OF THE BARTLEY W. CAVANAUGH GOLF COURSE

LOCATION AND DISTRICT: Freeport, California

RECOMMENDATION:

*need to see
spec book
for estimate
and due
date.
Rec Plans 8-11-93
9-22-93*

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64-5573
ON

This report recommends that the City Council:

- Reject all Bids for the Bartley W. Cavanaugh Golf Course received on June 23, 1993;
- Authorize the City Clerk to re-advertise and receive bids for the Bartley W. Cavanaugh Golf Course.

CONTACT PERSON: Jim Faber, Associate Architect, 264-5529

FOR COUNCIL MEETING OF: August 10, 1993

SUMMARY:

Bids were received for construction of the Bartley W. Cavanaugh Golf Course (OA46) from only two Bidders. Both bids are significantly higher than the estimated cost and the budgeted funds. The limited number of responding Bidders is due to other projects being bid or contractors not having personnel or equipment available to bid or perform the work. Re-bidding of this project to qualified Bidders should result in the receipt of acceptable bids within the project budget.

BACKGROUND INFORMATION:

Council awarded the consultant contract for design of the Bartley W. Cavanaugh Golf Course to Dye Designs International, a firm well-known for site-sensitive, state-of-the-art golf course design. The golf course design developed by Dye includes special construction provisions to respond to golfing safety, operational and course maintenance requirements. Therefore, the project requires contractors who are experienced in the specialized requirements for golf course construction.



On November 5, 1992, Council authorized the pre-qualification of construction firms for bidding of the Bartley W. Cavanaugh Golf Course . Submissions of pre-qualification materials from experienced golf course contractors were reviewed, and a list of 23 pre-qualified Bidders was developed.

Bid Results

On June 23, 1993 the City received only two bids submitted by the pre-qualified Bidders. The low Bid, submitted by the joint venture of Environmental Golf, Inc. and Valley Crest Landscaping in the amount of \$3,940,000, is 36% over the estimated cost of ~~\$2,902,300~~. The second bid submitted by Kiewit Pacific Company was significantly higher at \$4,315,673.

Bid Analysis

As the low bid is so much higher than the estimated cost, City staff has determined that there is no reasonable expectation that negotiating with the low Bidder would acceptably reduce the cost to an amount within budget limitations.

To determine why there was so limited a bid response, firms from the pre-qualified Bidders list were queried as to why they had not submitted a bid. Most of the firms responded that during the bidding period they just happened to have been quite busy (i.e. - bidding on several other golf course projects, completing other golf courses, etc.), and had therefore decided against submitting a bid. Many of those firms also indicated that business conditions had changed for their firms, and that they would now be interested in submitting a bid should the City decide to re-bid the Cavanaugh project. Letters from firms who have expressed their renewed interest in bidding this project have been received by staff.

Dye Designs has reviewed the submitted bids against their final design cost estimate, and has indicated that a re-bidding of the project should result in the receipt of lower bids which are within budget. Several of the pre-qualified Bidders who expressed renewed interest have also indicated that the budgeted amount is reasonable and attainable should the project be re-bid.

Qualifications of Bidders

This project was originally scheduled to bid in February, 1993. Due to adverse weather, it was impossible to finish necessary site work under a separate contract. The length of time from the pre-qualification process (November & December, 1992) to the actual bid, July 1993), undoubtedly had impact on the bidding.

Because weather is again a factor, there is not time to have a separate pre-qualification process and bid process before winter arrives. The bid documents contain qualifying criteria which is required to be a responsible bidder. Along with the originally pre-qualified firms, any contractor who can demonstrate the ability to perform will be allowed to participate.

FINANCIAL CONSIDERATIONS:

The project budget for the Bartley W. Cavanaugh Golf Course (OA46) project is \$9,127,000. The unobligated fund balance as of July 27, 1993 is \$6,349,905. The project budget for award of a construction contract for the golf course, not including the construction change contingency, is \$2,932,000.

The low Bid at \$3,940,000 is \$1,008,000 over the project budget, and there are insufficient project contingency funds to cover this deficit.

The project re-bidding costs for staff time, advertisements and miscellaneous City expenses can be covered by the project contingency within the current budget limitations.

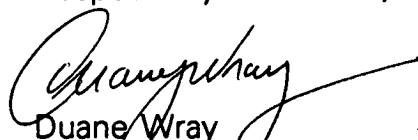
POLICY CONSIDERATIONS:

The "Invitation to Bid" and "Instructions to Bidders" of the bidding documents include provisions reserving the City's right to reject any, or all, bids, and stating that award of a contract is contingent upon receipt of at least one bid within the project budget. Since no bids were received within the project budget, all bids can be rejected. This is also consistent with Chapter 58 of the Sacramento City Code.

MBE/WBE:

Neither bid was from an MBE/WBE. The re-advertisement will be sent to 6 plan rooms, 4 of which are directly involved with MBE/WBE outreach. Staff will actively recruit qualified MBE/WBE contractors to participate in the bid process.


Respectfully submitted,


Duane Wray
Facility Manager

RECOMMENDATION APPROVED:


WILLIAM H. EDGAR
City Manager

APPROVED:


JOHN E. MEDINA
Director of Public Works