



AGENCY:	City Council
MEETING DATE:	February 27, 2017
DEPARTMENT:	Public Works
PRESENTED BY:	T. Varga

AGENDA ITEM SUMMARY

TITLE:

RECEIVE REPORT AND CONSIDER ADOPTION OF CITY COUNCIL RESOLUTION ACCEPTING THE BID OF FORT BRAGG ELECTRIC, INC. AS THE LOWEST RESPONSIVE BID, AWARDING THE CONTRACT FOR THE CV STARR FLOOR DRAIN IMPROVEMENT PROJECT, CITY PROJECT 2017-01, TO FORT BRAGG ELECTRIC, INC., AND AUTHORIZING CITY MANAGER TO EXECUTE CONTRACT (AMOUNT NOT TO EXCEED \$163,795; ACCOUNT NO. 810-4812-0751) AND APPROVING BUDGET ADJUSTMENT NO. 2017-21 AMENDING THE FY 2016/17 BUDGET TO APPROPRIATE \$53,795 FROM CV STARR ENTERPRISE FUND CAPITAL RESERVES, FUND 810 TO ACCOUNT NO. 810-4812-0751

ISSUE:

Bids for the CV Starr Floor Drain Improvement Project were opened on February 2, 2017. A single bid from Fort Bragg Electric, Inc. was received. After a review of the bids, Fort Bragg Electric, Inc. was determined to be a responsible bidder. Their bid is in the amount of \$163,795.00. However, project funds available for construction amount to \$110,000.00. A Budget Amendment in the amount of \$53,795.00 is necessary to fully fund construction costs.

RECOMMENDED ACTION:

Accept the bid of Fort Bragg Electric, Inc. and adopt the Resolution awarding the contract for construction of the CV Starr Floor Drain Improvement Project and approve Budget Amendment 2017-21 Allocating Amount Not to Exceed \$53,795.00 to Provide Supplemental Project Funding from CV Starr Enterprise Fund Capital Reserves, Fund 810 to Account No. 810-4812-0751.

ALTERNATIVE ACTION(S):

Council can choose to reject the bid. The project could be re-bid if so desired or set aside until some future date.

ANALYSIS:

The CV Starr Floor Drain project will correct some drainage problems in the Wet Vestibule and the Family Dressing Area in the CV Starr Center. Water from the pool area has been puddling in the vestibule and not completely draining. The problem is exacerbated by water which pools in the Family Dressing Area due to over-spray from the showers which spills into the vestibule. This drainage problem is one of the most frequent complaints of the visitors to the CV Starr Center. CV Starr staff vacuum up the water several times during the day for sanitary and safety reasons, but this is not an effective solution. This has been a priority project in two budget cycles. Given the importance of resolving this problem, it is most practical to undertake the project now. There is little evidence that re-bidding the project or otherwise waiting for a more competitive bidding environment will improve the situation.

Bids were solicited in the middle of winter when the bidding environment is the most competitive. The one bid received was nearly 50% above the budget amount. The original design architect did not provide a construction estimate. To develop a budget amount, a quote was solicited and supplied by Fort Bragg Electric, Inc. (which also does business as Fort Bragg Plumbing).

The matter of the high bid amount was considered by the MCRPD Board at their meeting on February 15, 2017. The Board concurred with the recommendation to move forward with the contract and to budget the necessary additional money from the CV Starr Capital Reserve Fund to fully fund the project as bid.

Recently, bids for various capital projects have come in substantially above original project construction estimates. Consequently, staff at the City and MCRPD chose to solicit bids for this project from a much wider area than has been done previously. For the Floor Drain project, plumbers and related contractors as far away as Ukiah and Cloverdale were invited to bid. Unfortunately, out of town contractors declined to bid on the project. There appear to be several factors causing the limited bidding the City is experiencing. Fort Bragg is relatively remote; making it more expensive for out-of-area contractors to travel to a job site here and even more expensive if it is necessary to room and board employees. The regional volume of construction work, both heavy construction and building, has been steadily recovering to the point that many contractors have sufficient work already without taking on new projects. Finally, projects for public agencies are becoming more challenging. Federal and State contract mandates (e.g. prevailing wages, disadvantaged business enterprises, "Buy America" requirements, etc.) require substantial effort on the part of bidders and contractors on public agency projects. Not all potential bidders have the resources or interest to take on these challenges. It should be noted that Fort Bragg Electric, Inc. is a local company and has experience in performing other public contracts for the City of Fort Bragg.

FISCAL IMPACT:

A Budget Amendment in the amount of \$53,795.00 will be necessary to provide adequate funding to complete the project. This amount is available from the CV Starr Enterprise Fund Capital Reserves, Fund 810. In the adopted FY 2016/17 Budget, the Capital Reserve Fund was projected to have a year-end balance of \$286,603. Approving the budget amendment will result in a proportionate reduction in the Capital Reserve Fund.

IMPLEMENTATION/TIMEFRAMES:

Following Council action to award the contract; it can be executed. The required supporting documents (e.g. insurance, bonds, etc.) will be completed within two weeks afterwards. Construction can begin in early March. It will be completed by the end of April.

ATTACHMENTS:

1. Resolution, contract award and budget amendment
2. Summary of Bid Opening
3. Contract between City and Fort Bragg Electric

NOTIFICATION:

Dan Keyes, MCRPD District Administrator

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Agency Action	<input type="checkbox"/> Approved	<input type="checkbox"/> Denied	<input type="checkbox"/> Approved as Amended
Resolution No.:	_____	Ordinance No.:	_____
Moved by:	_____	Seconded by:	_____
Vote:	_____		
<input type="checkbox"/> Deferred/Continued to meeting of:	_____		
<input type="checkbox"/> Referred to:	_____		