

Meeting Date: 10/20/2015

Report Type: Consent

Report ID: 2015-00900

Title: Rejection of Bids: Convention Center Roof Replacement Project B16171131001

Location: 1400 J Street, District 4

Recommendation: Pass a Motion rejecting all bids for the Convention Center Roof Replacement project.

Contact: Russ Haynes, Administrative Officer, (916) 808-7360, Dan Goodwater, Project Manager, 808-7668; Jody Ulich, Director, (916) 808-8225, Convention and Cultural Services Department; Katherine Robbins, Interim Procurement Manager, 808-1562, Finance Department

Presenter: None

Department: Convention & Cultural Services

Division: Conv Ctr Operational Admn

Dept ID: 17001151

Attachments:

1-Description/Analysis

City Attorney Review

Approved as to Form

Maila Hansen

10/15/2015 10:25:59 AM

Approvals/Acknowledgements

Department Director or Designee: Russ Haynes - 10/8/2015 8:21:11 AM

Description/Analysis

Issue Detail: The roof of the Sacramento Convention Center, located at 1400 J Street, was last replaced in 1995 during the Center's expansion. The roof is now at the end of its useful life with the rainy season only a few months away. This project comprises installation of a new roof system, and the project's work consists of providing the labor, materials, equipment, services, and administration required to complete the project.

On August 5, 2015, Bid No. B16171131001 was released via the City's bid portal (Planet Bids). The Invitation for Bid allowed bidders to submit proposals using the specified roofing material or a substitute material upon prior approval from the City. The apparent low bidder, Joseph Murphy Construction, Inc. (JMC), submitted a bid using a substitute material, but failed to obtain City approval prior to the bid opening on August 19, 2015, as required by the Invitation for Bid. Thus, JMC was deemed nonresponsive. As a result, the City issued a notice of intent to award the contract to the next lowest responsive and responsible bidder, MCM Roofing.

JMC then filed a bid protest. After further investigation, City staff determined that the language in the Invitation for Bid regarding substitution materials and the pre-approval process was ambiguous and potentially inconsistent. In addition, special provisions regarding the substitution requirements were inadvertently omitted from the Invitation for Bid. Therefore, staff recommends rejecting all bids and re-advertising the project with revised specifications.

Policy Considerations: The action requested herein is consistent with the City Administrative Policy Instruction 4002, Section 8.5(b), which states: for contracts of \$100,000 or more, only the City Council has authority to reject bids.

Economic Impacts: None.

Environmental Considerations: The project is exempt from the California Environmental Quality Act ("CEQA") based on CEQA Guidelines sections 15061(b)(3) and 15301(d).

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: Although the roofing material proposed by JMC was not approved prior to bid opening, as required by the Invitation for Bid, staff conducted additional analysis and found that the bid specifications advertised contained ambiguities and omitted material which made it difficult to directly compare the product specified with any substitutes. The confusion in the bid specifications potentially limited additional firms from competing and prohibited bidders from considering alternate roofing materials which may be cheaper than the one specified in the Invitation for Bid. Clarification of the substitution materials permitted and the pre-approval process will provide notice to all bidders of approved substitutes well in advance of the bid deadline so they can revise

their bids accordingly. Therefore, rejecting all bids and re-advertising the project after revising the bid documents will potentially result in increased competition and lower cost.

Financial Considerations: Because analysis by City staff showed that the Invitation for Bids was unclear regarding the requirements for substitution materials and the pre-approval process, staff recommends rejecting all bids and re-advertising. Rejecting all bids, amending the bid documents, and re-advertising the project as amended will allow increased competition likely resulting in a lower cost to the City.

Local Business Enterprise (LBE): Not applicable to this action.