



Legislation Text

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Report Prepared by: Paul Flores, E.I.T. Assistant Engineer, Engineering Department

SUBJECT: Reject All Bids Received for Project No. CP230060 Merced Yosemite Regional Airport Terminal

REPORT IN BRIEF

Considers rejecting all bids received to construct the new airport terminal due to non-responsive bids.

RECOMMENDATION

City Council - Adopt a motion rejecting all bids received for Project No. CP230060 Merced Yosemite Regional Airport Terminal Project due to non-responsive bidders and direct staff to re bid project.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to conditions as specified by the City Council; or,
3. Deny the request; or,
4. Refer back to staff for reconsideration of specific items as requested by the Council.

AUTHORITY

Charter of the City of Merced, Article II, Section 200 - Powers, City of Merced and Article XI, Section 1109 - Contracts on Public Works.

Merced Municipal Code, Chapter 3.04, Article IV - Public Works Contracts.

The city council, in its discretion, when it is in the best interests of the city to do so, may waive any informalities or minor irregularities in any bid process, may reject any or all bids, or may accept the bid that best serves the public purpose even though it may not be the lowest. The city council may readvertise for bids or, except as otherwise provided in this chapter, proceed with the purchase of the materials, supplies, equipment or contractual services by negotiation in the open market.

CITY COUNCIL PRIORITIES

As provided for in the FY 2022/2023 Adopted Budget.

DISCUSSION

On April 27, 2023, City staff received two (2) bids for the project with the following results:

1	Thompson Builders Corporation., Hilmar, CA	\$	15,093,216.00
2	AMG & Associates Inc.	\$	17,478,537.60

On April 28, 2023 Mead and Hunt reviewed both bid packets and stated multiple irregularities and/or missing items for both bids received.

On May 2, 2023, AMG & Associates (2nd bidder) filed a bid protest against Thompson Builders Corporation's bid proposal via email by a letter (attached). AMG stated Thompsons bid proposal had irregularities that would deem them non-responsive. City Staff then began reviewing their bid protest letter, supporting documentation and Thompsons bid.

On May 31, 2023, City staff concluded that both bids are to be considered non-responsive and recommend that the project be re-bid.

Per the project specifications the basis of award is to be determined as follows:

Bids will be evaluated for price, conformance to the Plans, Specifications, Bid Documents, experience, and other factors as appropriate. Each Bid Schedule and Alternates (if applicable) will be evaluated as a complete Contract Cost. The bid price for each Contract item shall include all costs associated with completing the work included in the item and only those costs. Profit and overhead shall be factored into each item.

If awarded, the City shall award the Contract to the lowest responsible Bidder submitting a responsive Bid. The lowest Bid will be determined on the basis of the Total Bid Price for Total of Bid Schedule A Base Bid, Bid Schedule B Base Bid, and Bid Schedule C Base Bid. The Three Bid Schedules A, B, and C will be evaluated as a complete Contract Cost. The Bid Schedules were developed as a means for various funding sources based on useable units of work. If awarded, all three Bid Schedules will be awarded to a single Contractor for completion of the Contract. The City may reject any Bid which, in its opinion when compared to other Bids received or to the City's internal estimates, does not accurately reflect the cost to perform the Work. The City may reject as non-responsive any Bid which unevenly weights or allocates costs, including but not limited to overhead and profit to one or more particular bid items.

IMPACT ON CITY RESOURCES

This project was established as a Capital Improvement Project with funding from CARES Act Grant and Economic Development Opportunity Fund. Pooled cash will be necessary while grant reimbursement requests are being processed.

ATTACHMENTS

1. Bid Results
2. Bid Protest Letter
3. Protest Response