



Legislation Text

File #: 2017-0415, **Version:** 1

DATE: October 10, 2017

SUBJECT:

RESOLUTION REJECTING ALL BIDS FOR CONTRACT NO. 2016-05 TENTH AVENUE MARINE TERMINAL ENTRY GATE SECURITY IMPROVEMENTS PROJECT DUE TO ALL BIDS EXCEEDING THE PROJECT BUDGET, AND AUTHORIZING REVISIONS TO REDUCE SCOPE AND RE-ADVERTISE THE CONTRACT

EXECUTIVE SUMMARY:

Contract No. 2016-05 Tenth Avenue Marine Terminal Entry Gate Security Improvements is a construction contract to provide and install a new unclimbable fence, vehicle bi-fold speed gates, and pedestrian security turnstile gate, at Tenth Avenue Marine Terminal. Other work will include demolition of existing fence, gates, pedestrian gate, bollards, arms, curb and gutter, placing concrete curb and gutters, footings, bollards, installing conduits and electrical system and other site preparations.

On August 22, 2017, three (3) bids were received ranging from \$497,000.00 to \$557,950.00. The lowest responsive bidder exceeds the project budget of \$340,000. Staff recommends that the Board reject all bids, authorize revisions to reduce the scope of work, and re-advertise the contract for new bids.

RECOMMENDATION:

Adopt a resolution rejecting all bids for Contract No. 2016-05, Tenth Avenue Marine Terminal Entry Gate Security Improvements Project due to all bids exceeding the project budget, and authorizing revisions to reduce scope and re-advertise the contract for new bids.

FISCAL IMPACT:

Rejecting all bids, authorizing revisions to reduce the scope of the Tenth Avenue Marine Terminal Entry Gate Security Improvements Project, and re-advertising the contract for new bids will result in no fiscal impact to the District. The Tenth Avenue Marine Terminal Entry Gate Security Improvements Project is funded by the Port Security Grant Program (PSGP) Round 15 and from District matching funds within the FY16/17 and FY17/18 Major Maintenance programs totaling \$407,447.00.

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal(s).

- A Port that is a safe place to visit, work and play.

DISCUSSION:

The Tenth Avenue Marine Terminal was identified as a high vulnerability/risk area by the 2010 Regional (United States Coast Guard and Department of Homeland Security) Strategic Risk Management/Mitigation and Trade Resumption/Resiliency Plan (SRMMP/TRP), USCS Maritime Security Risk Analysis Model (MSRAM) and the 2008 California National Guard Unified Port of San Diego Vulnerability Assessments. A grant proposal was prepared based on these assessments and submitted to the Port Security Grants Program. In 2015, the Port was awarded a grant and a project was initiated to construct the improvements.

The scope included the demolition of existing fence, gates, pedestrian gate, bollards, arms, driveway, curb and gutter, and the installation of an unclimbable fence, vehicle bi-fold speed gates, vehicle sliding gates, pedestrian security turnstile gates, placing concrete curb and gutter, bollards, installing conduits and electrical system, and pavement markings at the Tenth Avenue Marine Terminal.

Contract documents were advertised on July 20, 2017 with an Engineer's Estimate and project budget of \$340,000. On August 22, 2017, Three (3) bids were received. The apparent low bid was \$497,000 as shown below. Detailed bid tabulations are provided in Attachment A.

Company	Bid Amount
Conan Construction Inc.	\$497,000.00*
AZ Construction Inc. dba ACE Fence Co.	\$544,168.00
Jennette Company, Inc.	\$557,950.00

**Conan Construction was deemed non-responsive*

The apparent low bid, submitted by Conan Construction, Inc. in the amount of \$497,000 is considered non-responsive as they do not carry the required A license; the second lowest bid, submitted by AZ Construction Inc. dba ACE Fence Co. in the amount of \$544,168, is considered responsive and responsible. However, it is over the project budget of \$340,000 which would require an additional \$243,000 to fund the necessary hard and soft costs and contingency. Therefore, staff recommends adopting a resolution to reject all bids and authorizing revisions to reduce scope, and re-advertise the contract for new bids.

After reviewing bids, staff concluded that variance between the engineer's estimate and low bid was due to the specialized nature of the specified speed gates, and the competitive construction environment that the industry is currently facing. These gates provide the clearance necessary for break bulk cargo movement, and are designed to open and close quickly; giving guards the ability to control vehicle and pedestrian traffic from the Guard house.

In early September, project stakeholders including Maritime, Harbor Police, Procurement and Engineering-Construction Departments, met to review the bid results and determine a way forward for the project. The efforts resulted in a recommendation to reduce the scope and re-bid the project so that the bids would be within the project budget. Scope reduction will eliminate items that are less critical. Scoping item identified for deletion were to be located along Water Street including;

demolition of existing fence, driveway, curb and gutter, the installation of an unclimbable fence, vehicle sliding gates, pedestrian security turnstile gate, placing concrete curb and gutter, installing conduits and electrical system.

Staff recommends the Board reject all bids and authorize revisions to reduce scope, and authorize staff to re-advertise the contract for new bids.

General Counsel's Comments:

The Office of the General Counsel has reviewed the bid specifications and contractors' bids and approves staff's recommendation as to form and legality.

Environmental Review:

The proposed Board action does not constitute a "project" under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because it will not have a potential to result in a direct or indirect physical change in the environment and is therefore not subject to CEQA. If a project is formulated as a result of re-advertising the contract for bids, appropriate CEQA review will be conducted by the appropriate lead agency prior to approval of the same, if necessary. No further action under CEQA is required.

In addition, the proposed Board action allows for the District to implement its obligations under the Port Act and/or other laws. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

Finally, the proposed Board action does not allow for "development," as defined in Section 30106 of the California Coastal Act, or "new development," pursuant to Section 1.a. of the District's Coastal Development Permit (CDP) Regulations. Therefore, issuance of a CDP or exclusion is not required for the proposed Board action. If development is formulated as a result of re-advertising the contract for bids, the appropriate processing under the District's CDP Regulations will be conducted if the project is within the Coastal Zone before the District approval of the developments.

Equal Opportunity Program:

Not applicable.

PREPARED BY:

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Attachment(s):

Attachment A: Tabulation of Bids