



CITY OF MENIFEE

SUBJECT: Reject all Bids for Murrieta Road Resurfacing and Improvements Project

MEETING DATE: November 16, 2022

TO: Mayor and City Council

PREPARED BY: Kevin Bohne, Associate Engineer

REVIEWED BY: Nick Fidler, Public Works Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Authorize the City Manager to reject all bids submitted for the Murrieta Road Resurfacing and Improvements Project, Capital Improvement Project No. CIP 23-07.

DISCUSSION

Murrieta Road is a major north–south transportation corridor within the city. The Murrieta Road Resurfacing and Improvements Project (“Project”) would complete resurfacing improvements that were started in 2020 when the northern portion of Murrieta Road, from Camino del Sol Norte to McCall Boulevard, was completed. The Project’s improvements consist of resurfacing Murrieta Road from San Quintin Road to Camino Del Sol Norte, installation of raised medians both north and south of Newport Road, and reconstructing cross gutters at the intersection of Murrieta Road and Newport Road. The length of the project is approximately 0.9 linear miles.

Staff administered a competitive bid process and the Project was legally advertised in accordance with the California Public Contract Code. An electronic bid opening was held on October 17, 2022, and a total of six bids were received as summarized in Table 1 on the following page.

Table 1- Bid Result Summary

Firm Name	Total Bid Amount	Lowest Responsible Bidder
<i>Engineers Estimate</i>	<i>\$1,663,185.58</i>	
Granite Construction Company	\$2,600,332.00	X
ATP General Engineering Contractors	\$2,717,331.70	
Hardy & Harper, Inc.	\$2,740,000.00	
All American Asphalt	\$3,049,333.00	
Aid Builders Inc	\$3,158,089.41	
R.J. Noble Company	\$3,181,498.40	

Due to unprecedented escalations in construction costs, coupled with material and labor shortages nationwide, the bid amounts received were well above the initial engineering estimate of \$1,663,185.58 established previously. At this time, the anticipated construction cost for the project is \$2,880,565.20, which includes construction, materials testing, labor compliance, inspection, and other costs typically associated with a construction project to deliver a turn-key ready facility. Given the higher than expected construction costs received in the bid responses, an additional \$1,212,013.92 would be required to move forward with the project based on the apparent lowest bidder's pricing.

Public Contract Code §20166 allows a legislative body, in its discretion, to reject any bids and readvertise a project. In an effort to accommodate the Project's current available funding, it is recommended that the City reject all submitted bids and allow staff to perform value engineering to the current scope of work and re-bid the project.

Staff plans to revise the project documents to identify cost saving opportunities and re-bid the project in a timely manner. By doing so, the project will be able to obtain bids more in line with the approved budget for the project and still meet the intent of the original scope of work.

STRATEGIC PLAN OBJECTIVE

Safe and Attractive Community

FISCAL IMPACT

There is no fiscal impact associated with the recommended action.

ATTACHMENTS

1. Project Location Map