



CITY OF MENIFEE

SUBJECT: McCall Boulevard Resurfacing Project (Encanto-Oakhurst),
Capital Improvement Project (CIP) No. 21-13, Bid Rejection

MEETING DATE: July 7, 2021

TO: Mayor and City Council

PREPARED BY: Jennifer Hernandez, Management Analyst I

REVIEWED BY: Nick Fidler, Public Works Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Reject all bids submitted for the McCall Boulevard Resurfacing Project (Encanto-Oakhurst), CIP 21-13.

DISCUSSION

The McCall Boulevard Resurfacing Project (Encanto-Oakhurst), CIP 21-13, consists of various depths of cold-in-place recycling with a 2" asphalt pavement overlay along 1.2 miles of McCall Boulevard between Encanto Drive and Oakhurst Avenue (Menifee Valley Hospital Entrance). The project also includes the removal and replacement of 13 existing non-compliant accessible curb ramps, curbs, gutters and cross gutters. The project will also include replacement of all striping and adjustment of all utility covers.

In April 2021, staff solicited bids for the construction of McCall Boulevard Resurfacing Project through PlanetBids. Staff received a total of four bids as follows:

Bidders (Lowest to Highest)	Base Bid	Additive Bid "A"	Total Bid
Hardy & Harper, Inc.	\$1,376,991.66	\$280,824.30	\$1,657,815.96
All American Asphalt	\$1,579,822.00	\$277,616.00	\$1,857,438.00
Vance Corporation, Inc.	\$1,685,780.00	\$308,345.00	\$1,994,125.00
R.J. Noble Company	\$1,719,494.00	\$274,925.00	\$1,994,419.00
<i>Engineer's Estimate</i>	<i>\$1,100,000.00</i>	<i>\$259,500.00</i>	<i>\$1,359,500.00</i>

Using the lowest bid amount and including other construction items, the project budget would be:

Construction Contract:	\$1,657,815.96
Construction Contingency (10%):	\$165,781.59
Consultant Labor Compliance:	\$6,900.00
Construction Management/Inspection	\$0
Materials Testing	(previously awarded)
Total Construction Cost:	\$1,830,497.55

The total construction costs are significantly higher than the available funds approved for this project, as shown in the following table:

Description	Account #	Currently Available
Measure DD-McCall Blvd PMP- (Encanto to Antelope)	105-4555-58111	\$276,613.00
Gas Tax-Premier McCall Blvd PMP – (Encanto to Antelope)	200-4555-58111	\$273,780.00
SB1-McCall Blvd (Encanto to Antelope)	201-4555-58111	\$625,569.00
TOTAL		\$1,175,962.00

The project's construction cost was estimated to be \$1,150,000 (less design costs) during budget preparation around February of 2020 based on actual costs from a completed project of similar scope and size. Due to current market trends in labor and material costs, prices have significantly increased causing increases in the overall costs of the project. Neighboring agencies are also facing this issue with their capital project costs.

Available program funds would only cover \$1,175,962, leading to a deficit of \$654,535.55. Additional funds would need to be appropriated from the General Fund to proceed with this project.

Public Contract Code § 20166 allows the legislative body in its discretion to reject any bids and readvertise. Staff recommends utilizing the option, rejecting all bids, and re-bidding the project. Staff will modify the scope and resurfacing method of the project in order to accommodate the project's available funds.

Staff will bring this item for contract award at a future date once the re-bidding process is completed. Below is the tentative schedule reflecting the changes to the re-bid date:

Anticipated Construction Start Date:	September 8, 2021
Estimated Construction Completion Date:	November 10, 2021*
Estimated Council Acceptance Date:	January 6, 2022

****Assumes no delays due to weather or unforeseen conditions.***

STRATEGIC PLAN OBJECTIVE

Safe and Attractive Community

FISCAL IMPACT

There is no fiscal impact associated with the recommended action.

ATTACHMENTS

None.