



City of Arts & Innovation

# City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 8, 2024

FROM: GENERAL SERVICES DEPARTMENT WARD: 2

SUBJECT: REJECT ALL PROPOSALS FOR REQUEST FOR BIDS NO. 8112 FOR THE REHABILITATION AND MODIFICATION OF THE MULTI-RESIDENTIAL HOUSING FACILITY LOCATED AT 2800 HULEN PLACE AND AUTHORIZE STAFF TO RELEASE A REVISED REQUEST FOR BIDS

## **ISSUE:**

Reject all bids for Request for Bids No. 8112 for the rehabilitation and modification of the multi-residential housing facility located at 2800 Hulen Place due to the lack of certification requiring all bidders to comply with the California Public Contract Code, which specifically requires all bidders to list all licensed sub-contractors to perform the scope of work as identified in the bid specifications exceeding one half of one percent of the total bid amount.

## **RECOMMENDATIONS:**

That the City Council:

1. Reject all bids for Request for Bids No. 8112 for the rehabilitation and modification of multi-residential housing facility located at 2800 Hulen Place; and
2. Authorize staff to release a revised Request for Bids for the rehabilitation and modification of the multi-residential housing facility located at 2800 Hulen Place.

## **BACKGROUND:**

On August 3, 2021, the City Council approved a Lease Agreement with the County of Riverside to facilitate \$2,338,176 in building renovations of a City-owned property located at 2800 Hulen Place for the operations of a Permanent Supportive Housing (PSH) Program administered by the Riverside University Health Systems – Behavioral Health (Project). Westgroup Design Inc. was recommended to develop the design and technical specifications for the project and was approved by the City Council on December 22, 2022. The construction plans were approved by the City of Riverside Building & Safety Division on June 6, 2024.

## **DISCUSSION:**

On June 26, 2024, the General Services Department, in conjunction with the City's Purchasing Division, issued Request for Bids (RFB) No. 8112 via the City's Electronic Bidding System, PlanetBids Vendor Portal, and published a public notice in the Riverside Press-Enterprise

newspaper, seeking experienced and qualified contractors to bid on the project at 2800 Hulen Place. The PlanetBids notification was sent to 576 City of Riverside vendors and 500 external vendors. A non-mandatory pre-bid meeting and site visit was held on July 18, 2024, and attended by 20 contractors. With 119 prospective bidders, RFB No. 8112 closed on August 14, 2024, with a total of six bids. The results are listed below.

<b>Proposer</b>	<b>Location</b>	<b>Amount</b>
Veritas Managed Solutions, Inc*	Corona, CA	\$79,555.95
Fasone GBC*	Santa Fe Springs, CA	\$3,984,676
CALIBA, INC*	Stanton, CA	\$4,098,000
Dalke & Sons Construction, Inc*	Riverside, CA	\$4,600,000
The Nazerian Group	Encino, CA	\$4,944,123
PCN3, Inc.*	Los Alamitos, CA	\$5,572,000

\*nonresponsive vendor

Veritas Managed Solutions, Inc was deemed nonresponsive for not having the required California State License Board (CSLB) license. Fasone GBC and CALIBA Inc. were determined to be non-responsive for failing to list all licensed subcontractors required to perform the work not being self-performed by the general contractor. Dalke & Sons Construction, Inc and PCN3, Inc were found non-responsive for not having a current registration, or their subcontractors not having current registration, with the California Department of Industrial Relations (DIR) as required. The sole responsive bid from The Nazerian Group was found to exceed the department’s budget.

The cumulative issues with the bids—specifically, the failure to list subcontractors as required under the California Public Contract Code—have irreparably skewed the results of Bid No. 8112. Therefore, staff recommends rejecting all bids and issuing a new Request for Bids that specifically addresses compliance with the California Public Contract Code, particularly Section 4104, and emphasizes that all bidders and their listed subcontractors must be registered with the California DIR at the time of bidding.

Purchasing Resolution 24101, Section 507 states: “Rejection of Bids. The Manager may, at his/her discretion, reject any and all bids, or any segregable portions thereof, for any one or more types of Goods, Services, or Construction included in the Specifications when the public interest is served thereby, provided that any potential award does not otherwise require consideration by the Awarding Entity, in which case any rejection or award shall be made by the Awarding Entity. The Awarding Entity may also take any other action permitted by Section 1109 of the City Charter.”

The Purchasing Manager concurs that the recommendation to reject all proposals is in accordance with Purchasing Resolution No. 24101, Section 507.

The Housing and Human Services Director concurs with this report.

**STRATEGIC PLAN ALIGNMENT:**

This item supports Strategic Priority No. 6 – *Infrastructure, Mobility & Connectivity* and supports Goal 6.2 – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

This item aligns with EACH of the Cross-Cutting Threads of the City’s Strategic Plan as described below:

1. **Community Trust** – The request to reject all proposals is agendaized for City Council consideration, ensuring public transparency and creating community trust.
2. **Equity** – All proposals received through PlanetBids are reviewed for completeness and adherence to the proposal requirements, ensuring equitable treatment.
3. **Fiscal Responsibility** – The formal procurement process ensure that the best possible pricing is obtained.
4. **Innovation** –The planning and proposed development of this project demonstrates the collaborative partnership between the City of Riverside and the County of Riverside to creatively address the need for housing solutions for the un-housed community within the City.
5. **Sustainability and Resiliency** – All of General Services Department’s capital projects are planned with sustainability and resiliency in mind.

**FISCAL IMPACT:**

There is no fiscal impact associated with this action.

Prepared by:	Robert Wise, Senior Project Manager
Approved by:	Carl Carey, General Services Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager/Chief Financial Officer/ Treasurer
Approved as to form:	Phaedra A. Norton, City Attorney
Attachment:	Bid Rejection Recommendation