



City of Arts & Innovation

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: SEPTEMBER 27, 2016**

**FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT      WARD: 4**

**SUBJECT: REJECT ALL BIDS AND RELEASE ALL BID BONDS FOR THE BROWN ROOM REMODEL AT VILLEGAS PARK, BID NO. 7386**

## **ISSUE:**

Reject the bids received for the Brown Room Remodel at Villegas Park, Bid No.7386.

## **RECOMMENDATIONS:**

That the City Council:

1. Reject all bids received for the Brown Room Remodel at Villegas Park, Bid No.7386; and
2. Release all Bid Bonds from further obligation.

## **BACKGROUND**

The Brown Room at Villegas Park is primarily used for the Time for Tots early childhood education program. Bid No. 7386 was issued for remodeling of the Brown Room including reconfiguration of the existing kitchen area and restroom for Americans with Disabilities Act (ADA) accessibility, and improvements to the ceiling, electrical, lighting, flooring, and interior paint.

The Community Development Block Grant (CDBG) allotted \$175,000 of funding towards this project. The account balance and expenditures are as follows:

Initial CDBG account balance	\$175,000
Design, engineering, bid document preparation fees	-\$25,565
Purchase of replacement heating, ventilation, and air conditioning unit (HVAC)	-\$2,488
Purchase of LED lighting parts	-\$670
City plan check fees	-\$527
<b>Balance</b>	<b>\$145,750</b>

Replacement of the HVAC unit and the LED lights have not yet been completed, but will be accomplished either by City staff or under individual construction contracts.

**DISCUSSION:**

On July 1, 2016, three responsive bids were received for Bid No. 7386, the Brown Room Remodel. The bids were within 8% of each other, indicating that bid prices are likely fair. The lowest responsive price was \$346,780, thus exceeding the available funding for the project. The construction estimate was developed using typical construction costs for similar work. Factors that could have influenced pricing include the scale of the project, construction contract duration/timing, and other site specific considerations that may have increased anticipated costs for the contractors.

As a result of insufficient project funding, it is recommended that the bids be rejected.

Staff is evaluating options for making the desired improvements to the Brown Room. The scope of work of the project that is contracted out will be reduced to fit the current available CDBG funding. In-house City staff will complete some portions of the project.

**FISCAL IMPACT:**

There is no fiscal impact resulting from the recommended action to reject all bids and release the bid bonds for the Brown Room Remodel at Villegas Park, Bid No.7386.

Prepared by:	Adolfo Cruz, Parks, Recreation and Community Services Director
Certified as to	
availability of funds:	Scott G. Miller, PhD., Chief Financial Officer/City Treasurer
Approved by:	Alexander T. Nguyen, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment:	Bid Rejection Recommendation
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