



4.16

COUNCIL AGENDA MATERIAL

MTG. DATE 10/29/91 ITEM NO. 4.16
FROM: CITY CLERK'S OFFICE

DEPARTMENT OF
GENERAL SERVICES

CITY OF SACRAMENTO
CALIFORNIA

5730 - 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
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OFFICE OF THE DIRECTOR
October 25, 1991

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City Council
Sacramento, California

DIVISIONS:

Honorable Members in Session:

COMMUNICATIONS
FACILITY MANAGEMENT
FLEET MANAGEMENT
PROCUREMENT SERVICES

SUBJECT: STAFF REPORT RECOMMENDING REJECTION OF ALL BIDS FOR
RENOVATION OF THE SACRAMENTO MEMORIAL AUDITORIUM
AND AUTHORIZATION TO FOR THE CITY CLERK TO READVERTISE

LOCATION AND COUNCIL DISTRICT

APPROVED
BY THE CITY COUNCIL

1515 J Street (Sacramento Memorial Auditorium); Council District #1.

OCT 29 1991

OFFICE OF THE
CITY CLERK

SUMMARY

This report requests the City Council reject all bids received on October 22, 1991 for renovation of the Sacramento Memorial Auditorium and authorize the City Clerk to readvertise and receive bids on the project.

BACKGROUND INFORMATION

On July 23, 1991 the City Council approved the general construction documents for renovation of the Sacramento Memorial Auditorium and authorized release of bid documents establishing the bid submittal date of October 22, 1991. Interested bidders were required to pay a \$350 non-refundable document fee.

City staff conducted multiple tours of the facility for interested contractors and received questions and informational requests relating to the bid documents. Questions submitted by contractors were addressed in two separate addenda. During preparation of the second addenda several contractors requested the bid time be moved from the City's standard receipt time of 10:30 am to 2:00 pm. Contractors sited the complexity of the project as justification for the revised bid opening time, and further insisted they could obtain more competitive bids from their sub-contractors if the opening

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time was extended to later in the afternoon. City Staff attempted to extend the bid receipt time until 2:00 pm, in the City Clerk's Office, with bid opening occurring at 2:30 pm in the 13th & I Street hearing room. It was necessary to relocate bid opening to avoid conflicts with previously scheduled activities in the Council Chambers. However, coordination and logistics necessitated the bids be opened in the Council Chambers. As a result, the second addendum was issued stating that bids would be received until 12:00 pm in the City Clerks Office and opened in the Council Chambers at 12:30 pm. While this revision responded to requests of contractors it inadvertently conflicted with State law requiring bids be received until the bid opening time. This irregularity in the bid documents was not identified until the morning of October 22. Once the irregularity was identified the City Clerk contacted the City Attorney's Office. Based upon recommendations by the City Attorney's Office the City Clerk took immediate action at 10:30 am to verbally notify all general contractors present that bids would be received until 12:30 pm; however, insufficient time existed to issue a written addendum and distribute it to the more than 150 bidders that had received plans and specifications on the project. All general contractors bidding on the project received verbal notification from the City Clerk prior to receipt of bids. From a total of ten bidders, five elected to submit bids prior to 12:00 pm and five elected to submit bids after 12:00 pm but prior to 12:30 pm. The apparent low bidder submitted their bid after 12:00 pm; however the apparent second low bidder submitted their bid prior to 12:00 pm..

Confusion resulting from this irregularity can best be resolved by rejecting all bids, revising the drawings to include both existing addenda, eliminating document irregularities and reissuing the bid documents. Firms that have already paid the \$350 non-refundable fee will be provided the opportunity to receive new bid documents at no cost. All other firms interested in bidding the project will be required to pay the existing \$350 non-refundable fee.

STAFF RECOMMENDATION

This report recommends the City Council reject all bids received on October 22, 1991 for renovation of the Sacramento Memorial Auditorium and authorize the City Clerk to readvertise and receive bids on the revised bid documents.

FINANCIAL CONSIDERATIONS

Readvertisement and bidding will result in additional reproduction, mailing and administrative costs; however, neither construction cost nor total project cost are expected to exceed current budget limits.

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POLICY CONSIDERATIONS

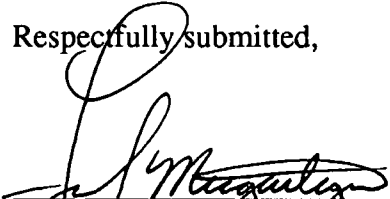
The City has received 6 written protests expressing objection to the bidding process and possible selective or total rejection of all bids. Due to bid document irregularities, the resulting protests received from bidders, and the potential for litigation, rejection of all bids appears to provide the most equitable resolution to everyone involved.

Rejection of bids and readvertisement is consistent with requirements set forth in the bid documents and City Code Section 58.304 and Section 58.306.

WBE/MBE EFFORTS

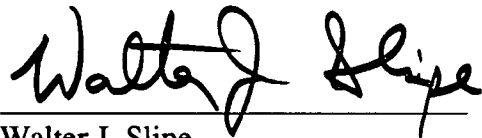
This report does not affect MBE/WBE provisions.

Respectfully submitted,



Frank Mugartegui
Director of General Services

RECOMMENDATION APPROVED



Walter J. Slipe
City Manager

October 29, 1991
District #1

Contact Persons:
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