



# City of Emeryville

CALIFORNIA

## MEMORANDUM

**DATE:** September 17, 2019  
**TO:** Christine Daniel, City Manager  
**FROM:** Andrew Clough, Public Works Director  
**SUBJECT:** **Resolution Of The City Council Of The City Of Emeryville Rejecting All Bids For The Early Childhood Development Center Rehabilitation, CIP No. 16475013, And Authorizing The City Engineer To Advertise For Public Bids For The Child Development Center Roof Replacement Project; CEQA Determination: Exempt Pursuant To 15301(D)**

### RECOMMENDATION

Staff recommends that the City Council adopt the above entitled resolution.

### BACKGROUND

The Early Childhood Development Center (ECDC) is located at 1220 53<sup>rd</sup> Street and was originally constructed in 1991. The Capital Improvement Program ("CIP") adopted by the City Council in June 2016 includes funding for the ECDC Rehabilitation Project (CIP No. 16475013). The City had preliminarily estimated the cost of the project and budgeted \$750,000 for the construction work as part of the CIP planning process.

A main goal of the project is to replace the existing roofing and rain gutters. There are also several other building elements that require attention. These additional project elements include HVAC replacement, lighting upgrades, interior painting, earthquake anchoring of furniture and water heaters, upgrades to improve disabled access, and replacement of floor coverings and some casework.

### DISCUSSION

The City Council authorized staff to solicit bids for the ECDC Rehabilitation Project ("Project") on June 18, 2019. The bidding period for the Project closed on August 15, 2019. Unfortunately, the City only received one bid for the Project.

Due to the recent trend of escalating construction costs, the scope of the Project was scaled back. To provide flexibility in the award of a contract in the event bids were high, the Project was bid with a base bid consisting of re-roofing, replacement of floor coverings, and minor associated work and additive alternates for the interior painting and exterior painting. The HVAC replacement, lighting upgrades, earthquake anchoring of furniture and water heaters, upgrades to improve disabled access, and other work were pulled out of the overall Project and were planned to be pursued independently.

Despite these efforts, the single bid submitted by EF Brett & Company, in the amount of \$1,415,000 for the base bid, was still significantly higher than anticipated. The bid for the

interior painting was \$107,000 and the bid for the exterior painting was \$72,800. The amount bid for the total Project was \$1,594,800.

As part of the bidding process, the City hired a third-party professional estimator to prepare an estimate of probable construction costs for the scaled-down Project. Their estimate for the base bid in the current, inflated construction market was \$932,000. Their estimate for the additive alternates was \$315,000. Their total estimated Project cost was \$1,247,600.

The bid result is over twice the funds budgeted for the Project. While some of that is due to the current bidding climate, a major contributing factor to the high bid price is lack of competition. Another factor is the markup that the prime contractor has added to the bids for the painting and roofing subcontracts.

Considering the Project needs and budget, staff has identified five options to consider:

1. Find and allocate an additional \$800,000 to \$1 million to cover construction and contingency costs and award a contract for the Project as previously bid.
2. Reject bids and rebid the Project again in the late Winter with a targeted construction window of the summer of 2020.
3. Reject bids and assemble a revised bid package that removes the flooring from the plan. Rebid the roofing-only project as soon as feasible. Rebid the flooring and painting separately at a later date.
4. Reject bids and prepare a bid documents for a larger scope that includes all ADA and other project improvements identified as part of the original CIP Project scope.

Option 1: allows the Project to proceed as planned and provide the majority of the refurbished facilities desired for the (ECDC). However, this option would also require a substantial increase in the budget allocation and no funding has been identified for this alternative.

Option 2: provides the opportunity to rebid the Project in a potentially more attractive and competitive bid environment and hopefully provide a lower overall Project cost. The delay associated with this option would impact ECDC operations and require a longer relocation period. There is no assurance that the relocation facility would remain available.

Option 3: would require a minor amendment to the design Architect's contract to revise the bid documents to reflect roof replacement only. This option would extend the duration of ECDC's relocation and require an extension of the license for the relocation site, however the German School has already indicated this can be accommodated. This option would result in the critical element of the project, the replacement of the roof, continuing as originally planned.

Option 4: requires that the original scope be revisited and expanded to include all previously identified items, which are substantial. The benefit of this option is that all improvements would be completed. This would remove the pressure represented by the California Building Code trigger for ADA upgrades as part of building improvement

projects. These upgrades often impact other elements of the facility and require completely different trades for design and construction. Therefore, doing them piecemeal as they are triggered is inefficient. However, this option would require a substantial budget enhancement and funding has not been identified to support this approach.

## **RECOMMENDATION**

Staff recommends Option 3. This option would provide for the completion of the most critical element of the Project; the roof replacement. This approach should be effective in reducing costs and/or increasing the value of the project by:

- Allowing roofing contractors to bid the project without having to work under a prime contractor with a General license, thereby reducing bid prices,
- Rebidding the project during a period of reduced construction activity (winter) and thereby attracting more interest and competition,

Staff is hopeful that this approach would produce bids that are within the amount budgeted for the project.

Based on the bid amounts and recommendation, staff has taken the initiative to work with on-call contractors to complete some of the small but high-value improvements for the facility such items as:

- Refurbishing some lavatory cabinetry
- Patch repair of playground surfaces
- Carpet cleaning and waxing of hard flooring surfaces
- Detail cleaning of HVAC registers and upper windows

## **ENVIRONMENTAL REVIEW**

The Project (and any portion thereof) is determined to be exempt under categorical exemption Class 1 Existing Facilities, State CEQA Guidelines Section 15301(d) because the Project is rehabilitating an existing building.

## **FISCAL IMPACT**

Funds have been allocated for this project and are available in the General Capital Fund (Fund 475) and Major Maintenance (Fund 650).

## **STAFF COMMUNICATION WITH THE PUBLIC**

There was no communication with the public. Staff has informed the apparent low bidder of the recommendation to reject all bids.

## **CONCLUSION**

Staff requests that the City Council adopt the attached Resolution rejecting all bids and authorizing the City Engineer to readvertise the revised project.

**PREPARED BY:** Andrew Clough, PW Director

**APPROVED AND FORWARDED TO THE  
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



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Christine Daniel, City Manager

**ATTACHMENTS**

- Bid Results
- Draft Resolution