

STAFF REPORT



ITEM NO. **18**
CITY OF OCEANSIDE

DATE: June 21, 2006
TO: Honorable Mayor and City Councilmembers
FROM: Public Works Department
SUBJECT: **AUTHORIZATION TO REJECT ALL BIDS FOR THE INDUSTRY STREET RECONSTRUCTION PROJECT**

SYNOPSIS

Staff recommends that the City Council reject all bids for the Industry Street Reconstruction project.

BACKGROUND

Industry Street, a collector street that serves an industrial section of the City of Oceanside is in poor condition due to its age, industrial truck traffic and poor soils in the area. The project was to reconstruct a portion of Industry Street from Oceanside Boulevard to a point west of Camelot Drive. The project was intended to completely rebuild the street including full removal and replacement of the existing asphalt and base sections.

ANALYSIS

On April 12, 2006, the City Council approved the plans and specifications and authorized the Director of Public Works to call for bids. A notice inviting sealed bids was advertised in local newspapers, ebidboard, plan rooms, and trade journals in accordance with the City's standard bidding procedures. Eight (8) bids, received and opened on May 25, 2006 are:

<u>BIDDER</u>	<u>CITY</u>	<u>BID</u>
Frank & Son Paving	Chula Vista	\$768,194.19
Hardy & Harper	Santa Ana	\$637,920.24
Hazard Construction	San Diego	\$614,947.50
Koch Armstrong	El Cajon	\$737,271.00
Portillo Concrete	Lemon Grove	\$666,660.00
Sim J. Harris (Note #1)	San Diego	\$546,470.00
Zondiros Corporation	San Marcos	\$746,074.00
SRM Contracting	San Diego	\$760,000.00

Note #1: Sim J. Harris reported a clerical error and requested to withdraw their bid.

The apparent low bid at \$614,947.50, when considered with the need for contract management, inspection, material testing, and construction survey, exceeds funds available.

FISCAL IMPACT

The total estimated project cost, including design, project management, inspection and construction is \$738,000. The CIP allocation for the project is \$422,700; there are insufficient funds for the project. Staff will reconsider the repair method and assess alternate repair concepts.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

COMMISSION OR COMMITTEE REPORT

None.

CITY ATTORNEY'S ANALYSIS

Pursuant to California Public Contract Code, the City Council may reject all bids, at its own discretion.

RECOMMENDATION

Staff recommends that the City Council reject all bids for the Industry Street Reconstruction project.

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