

## ITEM 4.17

### **CITY MANAGER'S REPORT JULY 10, 2023, CITY COUNCIL REGULAR MEETING**

**ITEM: REJECT ALL BIDS FOR CONSTRUCTION OF LOUISE AVENUE AND MCKINLEY AVENUE INTERSECTION IMPROVEMENTS, CIP PS 15-02 AND RE-ADVERTISE FOR BIDS**

**RECOMMENDATION: Adopt Resolution to Reject All Bids for Construction of Louise Avenue and McKinley Avenue Intersection Improvements, CIP PS 15-02 and Authorize Staff to Re-advertise for Bids**

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#### **SUMMARY:**

In 2015, City Council approved Capital Improvement Project (CIP) PS 15-02 for Louise Avenue and McKinley Avenue Intersection Improvements (Project). The Project will widen Louise Avenue, modify lane configurations along McKinley Avenue and upgrade the existing traffic signal at the intersection.

Contract plans and specifications for this project were completed and advertised for bid on June 15, 2023 according to the Bidding Procedures in California Public Contract Code (PCC) 22160 and Lathrop Municipal Code (LMC) 2.36.060.

A total of one (1) bid was received and opened by the City Clerk on June 29, 2023. After review and evaluation, staff considers the single bid submitted and high unit prices to indicate poor bidding competition and considers the proposed unit prices too large for the project budgeted.

Therefore, staff requests City Council reject all bids, pursuant to Lathrop Municipal Code 2.36.060(E) and Public Contract Code (PCC) 20166 and 22038. Following bid rejection, staff plans to review the project scope and re-solicit bids at a later time when working environment is more suitable.

#### **BACKGROUND:**

The City's Traffic Monitoring Plan (TMP) calls for upgrades to the Louise Avenue and McKinley Avenue intersection. The Project will provide protected left-turns for both eastbound and westbound Louise Avenue. The intersection will be widened to accommodate exclusive left-turn lanes on all directions and to satisfy the Federal Highway Administration (FHA) Surface Transportation Assistance Act (STAA) truck route requirements for truck accessibility.

Staff prepared an Engineer's Estimate for construction of the Project at an amount of \$1,505,199. A single bid was received and opened by the City Clerk on June 29, 2023 for \$3,789,699.

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**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**TO REJECT ALL BIDS FOR CONSTRUCTION OF LOUISE AVENUE AND MCKINLEY**  
**AVENUE INTERSECTION IMPROVEMENTS, CIP PS 15-02 AND RE-ADVERTISE**  
**FOR BIDS**

After reviewing and evaluating the bid proposal, staff determined that construction of the improvements could not be accomplished under the existing budget.

The submittal of only one bid for the Project indicates poor bidding competition. Thus, pursuant to PCC 20166 and 22038, a public agency may reject all bids for a project no less than two (2) days after notifying the low bidder of such intent.

City staff notified the bidder via email and mail on June 30, 2023 of its intent to recommend City Council reject all bids for the project at the City Council Regular Meeting of July 10, 2023.

Therefore, staff requests City Council reject all bids for construction of CIP PS 15-02 pursuant to Lathrop Municipal Code 2.36.060(E) and PCC 20166 and 22038. Following bid rejection, staff plans to review the project scope and re-solicit bids at a later time when working environment is more suitable.

**REASON FOR RECOMMENDATION:**

The submittal of only one bid for the Project indicates poor bidding competition. Re-advertising the project would allow more potential bidders to submit a proposal and the City to compare unit prices and overall project cost.

**FISCAL IMPACT:**

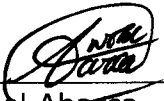
There is no fiscal impact associated with the requested action.

**ATTACHMENTS:**

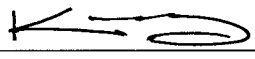
- A. Resolution to Reject All Bids for Construction of Louise Ave and McKinley Ave Intersection Improvement, CIP PS 15-02 and Authorize Staff to Re-advertise for Bids

**CITY MANAGER'S REPORT**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
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**FOR BIDS**


**APPROVALS:**

  
\_\_\_\_\_  
Angel Abarca  
Assistant Engineer

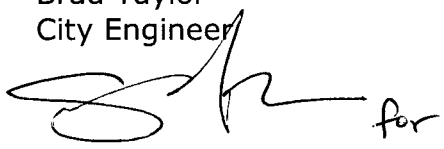
06/30/2023  
Date

 FOR  
\_\_\_\_\_  
Ken Reed  
Senior Construction Manager

6.30.2023  
Date

 FOR  
\_\_\_\_\_  
Brad Taylor  
City Engineer

6.30.2023  
Date

 for  
\_\_\_\_\_  
Cari James  
Director of Finance

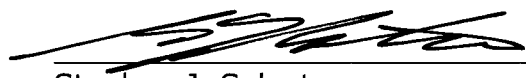
7/3/23  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

6.30.2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

6.30.2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7.5.23  
Date

**RESOLUTION NO. 23-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO REJECT ALL BIDS FOR CONSTRUCTION OF LOUISE AVE AND MCKINLEY AVENUE INTERSECTION IMPROVEMENTS, CIP PS 15-02 AND AUTHORIZE STAFF TO RE-ADVERTISE FOR BIDS**

**WHEREAS**, in 2015, City Council approved Capital Improvement Project (CIP) PS 15-02 for Louise Avenue and McKinley Avenue Intersection Improvements (Project); and

**WHEREAS**, the Project will widen Louise Avenue, modify lane configurations along McKinley Avenue and upgrade the existing traffic signal at the intersection; and

**WHEREAS**, contract plans and specifications for this project were completed and advertised for bid on June 15, 2023 according to the Bidding Procedures in California Public Contract Code (PCC) 22160 and Lathrop Municipal Code (LMC) 2.36.060; and

**WHEREAS**, a total of one (1) bid was received and opened by the City Clerk on June 29, 2023; and

**WHEREAS**, after review and evaluation, staff considers the single bid submitted and high unit prices to indicate poor bidding competition and considers the proposed unit prices too large for the project budgeted; and

**WHEREAS**, pursuant to Lathrop Municipal Code 2.36.060(E) and Public Contract Code Sections 20166 and 22038, a public agency may reject all bids for a project no less than two (2) days after notifying the apparent low bidder of such intent; and

**WHEREAS**, City staff notified the bidder via email and mail on June 30, 2023 of its intent to recommend City Council reject the bid for the subject project; and

**WHEREAS**, staff requests City Council reject the single bid received for the subject project.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby reject the single bid received for construction of Louise Avenue and McKinley Avenue Intersection Improvements, CIP PS 15-02 and authorize staff to re-advertise for bids.

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

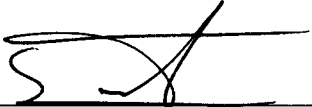
ABSENT:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

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