



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 4, 2014

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Rejection Of El Estero Wastewater Treatment Plant Tertiary Filtration Plant Replacement Project Bids

RECOMMENDATION:

That Council reject the bids for construction of the El Estero Wastewater Treatment Plant Tertiary Filtration Plant Replacement Project, Bid No. 3688, and authorize the Acting Public Works Director to re-bid the project.

DISCUSSION:

PROJECT DESCRIPTION

The 25 year old the Tertiary Filtration Plant is in need of significant refurbishment due to corrosion and needs optimization to allow for the effective production of recycled water. In addition, the existing filter complex is a challenge to operate efficiently and safely.

The project preliminary design consisted of demolishing the existing 1989 constructed Tertiary Filter Plant and constructing a new Microfiltration/Ultrafiltration (MF/UF) Filtration Complex. In the course of design, additional work was found to be necessary, which included rehabilitation of the recycled water storage reservoir; replacement of the chlorine contact basin pumps, motors and variable frequency drives; reconfiguring piping and existing chemical storage sites; and improvements to the storm water drainage system.

CONTRACT BIDS

A total of four bids were received for the subject work, ranging as follows:

BIDDER	BID AMOUNT
1. Cushman Contracting Corporation, Goleta, CA	\$8,412,000
2. GSE Construction, Livermore, CA	\$8,861,000
3. Stanek Constructors, Inc., Escondido, CA	\$8,870,000
4. C.W. Roen, Danville, CA	\$9,233,000

The City received timely bid protests from the second lowest bidder, GSE Construction (GSE), against Cushman Contracting Corporation (Cushman), and from the third lowest bidder, Stanek Constructors, Inc. (Stanek), against both Cushman and GSE.

GSE asserts that Cushman's bid should be rejected as non-responsive because Cushman's *Proposed Equipment and Material Manufacturer* form is incomplete, and the proposed subcontractor list does not contain all of the required information. Stanek asserts that Cushman's bid should be rejected on grounds similar to those raised by GSE, and raises an additional allegation that Cushman failed to list an asphalt subcontractor. Furthermore, Stanek asserts that GSE's bid should be rejected as non-responsive because GSE listed more than one equipment manufacturer on their *Proposed Equipment and Material Manufacturer* form, GSE's bid is unbalanced, and GSE failed to list an asphalt and demolition subcontractor.

Staff has reviewed and evaluated issues asserted by GSE and Stanek, and the subsequent correspondence received from all parties responding to the issues raised in protest. The analysis has found that the City's project specifications did not properly designate City standardized sole source equipment used at El Estero. It was apparent from reviewing the discrepancies in all the bids that the City's specifications lacked the appropriate statements required by the state's Public Contract Code for sole sourcing City standardized equipment. Due to this, bidders were left to interpret the City's intent as to whether or not an equivalent item, or substitution, would be permitted.

Since the City reserves the right to reject all bids (Charter Section 519), staff feels it prudent to re-bid the project. Revisions will be made to the project specifications, and the project will be promptly re-bid. A new proposed contract will return to Council for approval in the next 60 to 90 days.

Council Agenda Report
Rejection Of El Estero Wastewater Treatment Plant Tertiary Filtration Plant Replacement
Project Bids
March 4, 2014
Page 3

PREPARED BY: Lisa Arroyo, Supervising Civil Engineer/sk

SUBMITTED BY: Rebecca Bjork, Acting Public Works Director

APPROVED BY: City Administrator's Office