



# AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING  
Meeting Date: May 21, 2019

Agenda Item 6-R

**Approvals:**

City Manager JMA

Dept. Head JVB

Attorney [Signature]

Finance [Signature]

**Department:** Public Works / Engineering Division  
**Prepared By:** Amir K. Ilkhanipour, Senior Civil Engineer AKI  
Tom Bonigut, Public Works Director/City Engineer

**Subject:** *REJECT BIDS FOR THE VIA MONTEGO / VIA CASCADITA STORM DRAIN IMPROVEMENTS, PROJECT NO. 13017.*

**Fiscal Impact:** None, if bids are rejected.

**Summary:** Staff recommends consenting to the request of GCI Construction Inc. to relieve it of its bid, and rejecting remaining bids for the Via Montego / Via Cascadita Storm Drain Improvements project as further discussed below.

**Discussion:** The approved Capital Improvement Program includes a project to install a new storm drain on portions of Via Montego and Via Cascadita to connect to the nearby Prima Deshecha Canada (Facility No. M01) drainage channel (see location map in Attachment 1). A bid package for a proposed storm drain system was prepared by a consultant and advertised for public bidding on April 17, 2019. Bids ranged from \$928,544 to \$1,425,000 as shown in the Bidder's Listing in Attachment 2.

The low bid of \$928,544 was from GCI Construction, Inc. of San Clemente, California. On April 22, 2019, the City received a letter from GCI Construction, Inc. (GCI) requesting relief of its bid pursuant to Sections 5100-5110 of the Public Contract Code. GCI stated that there were mistakes which caused its bid to be materially different than what GCI intended, and that the mistakes were due to completing the bid and not due to error in judgment. Staff reviewed the documentation provided by GCI and determined that GCI did properly establish the conditions set forth in Section 5103 of the Public Contract Code that:

- a) A mistake was made.
- b) GCI gave the City written notice within five working days after the opening of the bids of the mistake, specifying in the notice in detail how the mistake occurred.
- c) The mistake made the bid materially different than what GCI intended it to be.
- d) The mistake was made in filling out the bid and not due to error in judgment or to carelessness in inspecting the site of the work, or in reading the plans or specifications. Specifically, values from detailed estimating worksheets were incorrectly entered in the master bid sheet.

Therefore, staff recommends relieving GCI of its bid, which in this case will not require GCI to forfeit its bid security. Pursuant to Section 5105 of the Public Contract Code, a bidder who claims a mistake shall be prohibited from participating in further bidding

on the project on which the mistake was claimed. Therefore, GCI will no longer be able to bid on this project.

The bids are significantly higher than the current project budget of about \$620,000 and available funding in the Storm Drain fund is limited. Therefore, staff recommends rejecting the remaining bids and re-bidding the project in two phases, which will allow the downstream segment to be constructed before Winter 2020 and the upstream segment to follow in the future when sufficient funds have accrued in the Storm Drain Fund. Section 21066 of the Public Contract Code gives the City Council the discretion to reject any bids and re-advertise the project.

***Recommended***

***Action:*** STAFF RECOMMENDS THAT the City Council:

1. Consent to relieve GCI Construction, Inc. of its bid pursuant to Section 5101(b) of the Public Contract Code;
2. Reject all other submitted bids for the Via Montego / Via Cascadita Storm Drain Improvements, Project No. 13017, pursuant to Section 20166 of the Public Contract Code; and
3. Authorize staff to revise the bid package and re-bid the Via Montego / Via Cascadita Storm Drain Improvements, Project No. 13017.

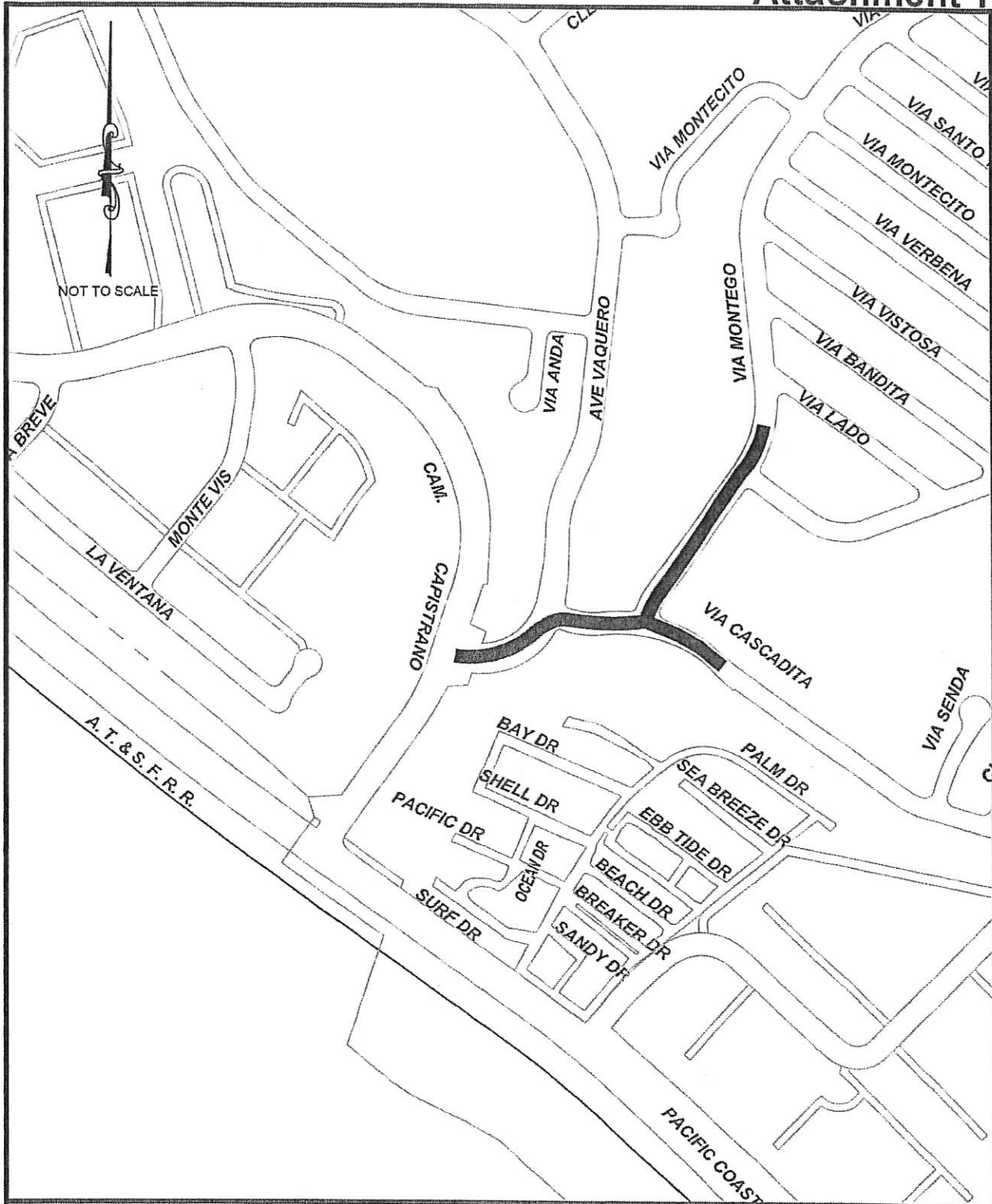
***Attachments:***

1. Location Map
2. Bidder's Listing

***Notification:*** Project bidders.

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# Attachment 1



S:\er\public\CHM\05\Users Files\Jale O'hara\CAD\Location Plan (Admin Report).dwg Thursday, April 18, 2019 11:34:36 AM



*City of San Clemente*

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**LOCATION MAP**  
**Via Montego / Via Cascadita**  
**Storm Drain Improvements**  
**PN 13017**

# BIDDER'S LISTING

## ATTACHMENT 2

BID OPEN TIME: 11:00 AM

BID OPEN DATE: 4-17-19

PRESENT: 

Subject:

Bid Opening: Via Montego – Via Cascadita Storm Drain Improvements, project No. 13017

No. of Bids: 8

Company Information	Bid Bond, Etc.	City Bidder is From	1# Addendums	2# Addendums	Amount
Cedro Construction	✓	Santa Paula, CA	✓	✓	1,286,839 <del>1,268,</del>
C.H.I Construction	✓	Anaheim, CA	✓	✓	1,048,200
GCI Construction, Inc.	✓	San Clemente, CA	✓	✓	928,544
Palp, Inc. DBA Excel Paving	✓	Long Beach, CA	✓	✓	1,157,215
Gwinco Construction & Engineering, Inc.	✓	Ontario, CA	✓	✓	1,298,440
KEC Engineering	✓	Corona, CA	✓	✓	1,154,950
GRFCO, Inc.	✓	Brea, CA	✓	✓	1,425,000
H7 Contracting & Engineering Inc.	✓	Temecula, CA	✓	✓	1,375,002