RECOMMENDED ACTION AND JUSTIFICATION:

Resolution Rejecting Bids for the Yosemite West Wastewater Facilities Project and Authorize Public Works to Re-Advertise the Project for Bids

Public Works received two bids for the above referenced project. Mauldin Dorfmeier was the apparent low bidder in the amount of $2,296,088. Subsequent discussions with the apparent low bidder indicated that the contractor now is requiring an excessive amount of additional funds ($588,900) to hold the bid until the Proposition 218 process is completed in May, 2004. As a result, staff is recommending that the Board reject the bids and allow Public Works to advertise for new bids. Sufficient funds have been programmed in the assessment report for possible additional costs and contingencies and re-bidding the project should result in cost savings as compared to the present bids.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Board has taken a number of actions regarding this complex project. On September 23, 2003, the Board instructed staff to bid the project prior to the assessment vote in order to determine the amount of funds needed to construct the facility. More recently, the Board considered the authorization to distribute ballots for the Proposition 218 assessment vote necessary to fund this project.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

The Board may instruct staff to continue negotiations with the apparent low bidder with the intent to determine a reasonable and justifiable amount of funds to hold the bid. Continuing negotiations may result in an unnecessary delay of the project.