

REPORT

**To the Honorable Mayor and City Council
And the Redevelopment Agency Board
From the City Manager and the Executive Director**

December 11, 2006

Subject

Rejection of Bids -- Downtown Wayfinding Signage Program.

Recommendation

By motion, reject all bids for the fabrication and installation of the Wayfinding Signage Program, direct return of all bid securities and authorize the re-advertisement for bids.

Background

The Wayfinding Signage program was adopted by the City Council on March 27, 2006. In response to a recent bid advertisement, bids were received for a scope of work that includes new signs on existing poles, new signs on new poles or salvaged historic poles, and the removal and disposal of existing signs and hardware. The work specified in the bid advertisement is considered Phase I of the overall "Gateways and Signage" project proposed as part of the Downtown Funding Plan approved by the Agency Board in Fiscal Year 2003/04. Phase 2 will include the signage to be installed within Cal Trans rights-of-way. Phase 3 will be comprised of gateway signs to be designed and installed at major gateways into the downtown (i.e. El Camino Real & Jefferson, Broadway & Woodside, and Veteran's & Jefferson).

On November 29, 2006, two (2) bids were received for the first phase of the Wayfinding Signage program as described above. The total base bid prices are summarized below:

Rank	Bidder	Bid Amount
1.	Serigraphics Sign Systems	\$ 183,350.00
2.	Arrow Sign Company	\$ 253,887.59

The low bid of \$183,350.00 is non-responsive as the company does not have a California contractor's license as specified in the bid documents. The bid received from Arrow Sign Company, while responsive, was for \$253,887.59, which is 27% higher than the consultant's estimate. Staff is recommending that the bids be rejected and that the project be re-bid and that Phase 1 and Phase 2 be combined with the intent of

achieving some economy of scale and bringing the two phases more in line with the funding currently budgeted for the project.

A total of \$253,888 is currently budgeted and available for this project. When construction administration and staff services required for the project are taken into consideration, estimated at 10% of the bid price or \$25,389 as well as a recommended 10% general construction contingency of \$25,389 the total cost for the project based upon the only responsive bid received would be \$304,666, which exceeds the funding available and leaves the two subsequent phases of the project unfunded.

Staff therefore recommends rejecting the bids received and combining Phase 1 and Phase 2 work of the project with the intent of achieving lower overall costs.

Alternative

Approve the contract documents and award the contract for the Wayfinding Signage project to Arrow Sign Co. of Oakland for their bid of \$253,887.59 and authorize the transfer of sufficient funding from the Redevelopment Capital Budget Contingency account to cover all necessary costs including construction administrative services, a project contingency and ultimately, the Phase 2 work. This is not recommended as it would substantially deplete the Capital Budget Contingency Account without taking advantage of the economy that may be achieved by combining work required for the Cal Trans signs with the fabrication and installation of the signs comprising Phase 1.

The Agency Board could also redesign the project with the goal of reducing costs. Much thought and consideration has been given to the design and location of signs and staff does not recommend this option.

Fiscal Impact

There is no fiscal impact at this time if the bids are rejected and the project re-bid as recommended.



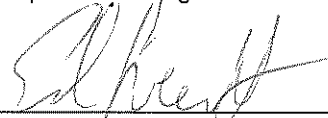
Claudia Olalla
Community Development Analyst



Susan Moeller
Redevelopment Manager



Peter Ingram
Community Development Director



Ed Everett
City Manager

Copies of the bid results are available in the Office of the City Engineer