

MEMO



Department of Public Works

File: 0735-10-TF391

DATE: December 21, 2016

TO: Honorable Mayor Casillas Salas and City Council

VIA: Gary Halbert – City Manager
Maria Kachadoorian – Deputy City Manager

FROM: Richard Hopkins – Director of Public Works

SUBJECT: Rejection of Bids for “Sign Reflectivity Replacement FY 2015/2016 (CIP# TF391)”

On August 31, 2016, the Director of Public Works received three (3) sealed bids for the subject project at various locations. The project consists of the evaluation of existing roadway sign condition(s) and the removal and installation of roadway signs.

On August 31, 2016, the Director of Public Works received three (3) sealed bids as follows:

CONTRACTOR		BASE BID TOTAL
1	Chrisp Company	\$324,310
2	S&B Engineering Inc.	\$344,894
3	Willkom Inc.	\$555,815

The apparent low bid by Chrisp Company of \$324,310 is \$109,310 (approximately 51%) above the Engineer's estimate of \$215,000.

A bid analysis by City Staff revealed that sign evaluation as advertised is an inefficient method for maintaining the City's Signs. FHWA specifies seven methods can be used for maintenance/evaluation of sign reflectivity. These seven methods can be categorized as either evaluation with replacement or scheduled replacement. The project specifications required an evaluation by a driving survey where the bid was approximately \$40 per sign. This is eight times higher than the Engineer's estimate of \$5. Additionally, submitted sign replacement costs were between \$150 and \$200. With evaluation costs higher than expected and those costs being nearly 20% the price of replacement, City Staff recommend to not proceed with this method of sign maintenance/evaluation.

With the rejection of bids, the City will select a sign maintenance plan focusing on replacement of signs by zone within the City. The signs in a number of zones will be replaced on a rotating cycle based on the expected service life of signs. Re-advertisement of the project is anticipated for early 2017.

cc: William Valle – Assistant Director of Engineering / City Engineer
Iracema Quilantan – Assistant Director of Public Works Operations
Jose Gomez – Principal Civil Engineer
Silvester Evetovich – Principal Civil Engineer
Frank Rivera – Principal Civil Engineer