



# REPORT

DATE: For the Agenda of December 14, 2001

REPORT NO.: HCR01-135

SUBJECT: Award of Contract for Replacement of Site Concrete at One Public Housing Site (Council District 3)

## SUMMARY

**Issue #1:** Should the Housing Commission approve the withdrawal of submitted bid by apparent low bidder Service on Standby, Inc. in accordance with the applicable provision of the public contracting code allowing for the release of contractor for excusable neglect and errors in bidding?

**Recommendation #1:** That the Housing Commission approve the request of Service on Standby, Inc to withdraw its bid in accordance with the applicable provision of the public contracting code allowing for the release of contractor for excusable neglect and errors in bidding.

**Issue #2:** Should the Housing Commission award a construction contract in the amount of \$150,000 with a ten percent contingency (\$15,000) to Arcco Construction Co. for replacement of site concrete at 4416 Highland Avenue?

**Recommendation #2:** That the Housing Commission approve the award of contract to Arcco Construction Co. and authorize the Chief Executive Officer to execute the Contract (Attachment 1) and expend the contingency if necessary, for items not anticipated in the original scope of work.

**Fiscal Impact:** Funding for this contract is contained the Capital Fund Program CA16-P063-501-01 budget. No local funds are required.

### Certificate of Funding Availability:

Certificate No:	02-107
Amount:	\$150,000
Revenue Source:	Capital Fund Program
Division:	Housing Programs
Line Item:	1450/Site Improvements



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**Equal Opportunity Statement:** Arcco Construction Company is not a Minority or Women Business Enterprise.

**Environmental Review:** This project has been determined to be categorically exempt pursuant to Article 19 Section 1530 of the California Environmental Quality Act.

## **BACKGROUND**

HUD has established the Capital Fund program to provide financial assistance to housing authorities to improve the physical condition and upgrade the management and operation of existing Public Housing projects to assure that such projects continue to be available.

## **DISCUSSION**

The proposed work of this contract provides for the replacement of all concrete flat work, construction of masonry planters and free standing walls, color coating of the existing structure, and irrigation and landscape upgrades at one public housing site located at 4416 Highland Avenue.

On September 18, 2001, an Invitation to Bid was issued for this work. Bid advertisements were placed in the *San Diego Union-Tribune*, the *San Diego Daily Transcript*, *La Prensa* and the *Voice and Viewpoint*. Individual invitations to bid were sent to 192 qualified contractors, of which 33 are Women Business Enterprises (WBE) or Minority Business Enterprises (MBE)

On October 9, 2001, a pre-bid conference was conducted with 11 firms in attendance. The site was made available for contractor viewing and during the bid period, a total of 12 bid packages were provided to interested contractors.

At bid closing on October 22, 2001, three bids were received. Information on the submitted bids is outlined below:

<b><u>Bidder</u></b>	<b><u>Amount</u></b>	<b><u>Responsive</u></b>	<b><u>M/WBE</u></b>
Service on Standby Inc	\$143,000	Yes	No
Arcco Construction Co.	\$150,000	Yes	No
Heffler Company, Inc.	\$178,200	Yes	No

\*in-house estimate \$162,000

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Service on Standby, Inc. submitted the lowest bid and subsequently requested withdrawal of the bid due to clerical error. Upon review of their bid and letters of withdrawal (Attachments 3) it was determined that the contractor failed to include "major participating subcontractors" required to complete the work. This excusable error in bidding caused their bid to be inaccurate and incomplete.

Staff analysis indicates that Arcco Construction Co. has submitted a responsive bid and is capable of successfully completing this project.

Respectfully submitted,

Steve Snyder  
Manager, Asset Management

**Signature on File  
With Original Document**

Approved by,

Elizabeth C. Morris  
Chief Executive Officer

SNYDER

Attachment(s):	1	Contract with Arcco Construction Co. (Ricardo Reyes)
	2	Disclosure, Arcco Construction Co.
	3	Letters from Service on Standby