

TO: JAMES L. APP, CITY MANAGER
FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: CDBG-FUNDED IN-ROADWAY SIGNAL SYSTEM: REJECT ALL BIDS
DATE: JUNE 15, 2004

Needs: For the City Council to reject all bids for the installation of an in-roadway signal system (LED-lighted crosswalk) at the intersection of 24th and Oak Streets.

- Facts:
1. The Council has allocated a total of \$50,000 from 2002 and 2003 Community Development Block Grant (CDBG) funds to install an in-roadway signal system (LED-lighted crosswalk) at the intersection of 24th and Oak Streets.
 2. On May 18, bids were opened. The City received two lump-sum bids, the lower bid was submitted by Lee Wilson Electric of Arroyo Grande for \$59,500; the higher bid was submitted by Templeton Engineering Contractors for \$69,580.
 3. Templeton Engineering Contractors filed a bid protest. The City Attorney has reviewed this protest and a response from Lee Wilson Electric. The City Attorney has concluded that the lower bid, because it did not list the manufacturer of the signal equipment, may not be defensible. Copies of protest and response letters and the "Major Suppliers" bid forms (from both bidders) are attached.
 4. The Cost estimate for this project was \$41,000.
 5. In the same vicinity as the proposed crosswalk, the City plans to install a traffic signal at the intersection of 24th and Vine Streets during Fiscal Year 2005.

Analysis and
Conclusion:

Both bids exceed the current budget for this project. There are some unused 2002 CDBG funds that were designated for the design of improvements to 28th Street that could be administratively transferred to the In-Roadway Signal System project. However, there are not enough of those funds to cover the cost of project as currently bid.

The contract documents specify that the signal equipment is to be manufactured by LightGuard, *or equivalent*. The City Attorney has advised that, because a major component of the costs of this project is the signal equipment, it is necessary to identify the manufacturer.

Because the City plans to install a traffic signal at the intersection of 24th and Vine Streets during Fiscal Year 2005, a question has been raised about the propriety of continuing to pursue installation of an LED-lighted crosswalk at the intersection of 24th and Oak Streets. City staff has scheduled a discussion of the location of the LED-lighted crosswalk for the Council's meeting of July 6, and has solicited comments from Paso Robles Public Schools.

It is suggested that the Council direct that any direction to re-bid the project be subject to confirmation from the Council to proceed with installation of the LED-lighted crosswalk at the intersection of 24th and Oak Streets

Policy

Reference: Public Contract Law

Fiscal Impact: No impact the General Fund.

- Options:
- A. Adopt Resolution No. 04-xx to reject all bids for the In-Roadway Signal System Project and, subject to City Council confirmation (preliminarily scheduled for July 6, 2004) that the system should be located at the intersection of 24th and Oak Streets, direct staff to revise the contract documents to clarify the need to identify manufacturers and rebid the project.
 - B. Amend, modify or reject the above options.

Prepared By:

Ed Gallagher
Housing Programs Manager

Attachments:

1. Resolution Rejecting the All Bids for the In-Roadway Signal System Project
2. Bid Protest Letter from Templeton Engineering Contractors
3. Letter from Lee Wilson Electric Responding to Bid Protest
4. Major Suppliers Bid Forms from both contractors

ED\STIMPS\LED CROSSWALKS 02\BIDS\CCR REJECT BIDS 061504

RESOLUTION NO. 04-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
REJECTING ALL BIDS FOR AN IN-ROADWAY SIGNAL SYSTEM
(CDBG-FUNDED DPW 04-13)

WHEREAS, via Resolutions 02-38 and 03-29, the City Council has allocated a total of \$50,000 from 2002 and 2003 Community Development Block Grant (CDBG) funds for the installation of an in-roadway signal system (the "Project") at the intersection of Oak and 24th Streets; and

WHEREAS, via Resolutions 02-156 and 03-147, the Council has appropriated \$50,000 in CDBG funds to this project into Budget Account No. 227-910-5452-341; and

WHEREAS, the bid opening for the Project was held on May 18, 2004; two bids were received; the lower bid for \$59,500 was submitted by Lee Wilson Electric Co. of Arroyo Grande; the higher bid for \$69,580.00 was submitted by Templeton Engineering Contractors of Templeton; and

WHEREAS, Templeton Engineering Contractors filed a bid protest; the City Attorney has reviewed this protest and a response from Lee Wilson Electric and has believes that the lower bid, because it did not list the manufacturer of the signal equipment, may not be defensible as being responsive; and

WHEREAS, the cost estimate for this project was \$41,000; and

WHEREAS, there are insufficient CDBG funds allocated and appropriated to the Project to cover either bid.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of El Paso de Robles as follows:

1. Rejecting all bids for the Project;
2. Directing the City Manager to revise the contract documents to clarify the need to list manufacturers and to rebid the Project, subject to City Council confirmation that the Project should be located at the intersection of 24th and Oak Streets.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 15th day of June 2004 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

TEMPLETON ENGINEERING CONTRACTORS

May 18, 2004

Ed Gallagher, Housing Program Manager
City of Paso Robles
1000 Spring Street
Paso Robles, CA. 93466



Subject: In Roadway Signal System

DEAR MR. GALLAGHER:

This is a formal protest to the award of this contract to the apparent low bidder, Lee Wilson Electric. The apparent low bidder did not list a manufacturer for the In Roadway Signal System.

Page 15 of your bid documents clearly states "The bidder is required to furnish the following information on major materials and manufacturers. No changes will be allowed in materials or manufacturers without the prior approval of the Engineer." This lack of information should make his bid non-responsive. The apparent low bidder has been given an unfair opportunity to "Bid Shop" this signal system to any manufacturer he chooses if he is awarded this contract.

He also listed Rose Supply as a material supplier. Rose Supply is an electrical supply house. There is no more than \$2,500.00 of pipe and wire on this project. Lee Wilson Electrical conveniently listed Rose Supply providing \$6,000.00 of electrical materials. I would like to have Lee Wilson provide a complete listing of the materials Rose Supply will be providing, and to send me a copy of this list. Lee Wilson very conveniently used Rose Supply to barely make the DBE goal for this project.

I request that this letter be provide to your City Attorney to obtain his or her legal interpretation of these issues. Please call me at 510-377-3771 for any questions you may have.

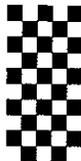
Sincerely,

A handwritten signature in black ink that reads "David J. Radojevich". The signature is written in a cursive, flowing style.

David J. Radojevich, President

CC: Lee Wilson Electric

CC: City Manager

**LEE WILSON**ELECTRIC COMPANY
ESTABLISHED 1929P.O. BOX 250 • ARROYO GRANDE, CALIFORNIA 93421-0250
1151 EL CAMINO REAL • PHONE (805) 489-4216 • FAX (805) 489-0248

May 24, 2004

Attn: Ed Gallagher
City of Paso Robles
1000 Spring St.
Paso Robles, CA 93446

RE: Bid for In-Roadway Signal System, DPW Project No. 04-13

Dear Mr. Gallagher:

This letter is in response to the bid protest submitted to you on May 18, 2004 by Templeton Engineering Contractors for the above-mentioned project.

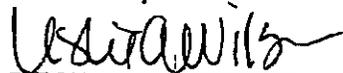
The only manufacturer for the lighting equipment that meets the specs for this project is Light Guard. At bid time, the only supplier in our area for Light Guard products was JTB Supply. Rose Supply purchases equipment from JTB Supply and Rose Supply is a Cal Trans Certified MBE material supplier. Electric supply houses are material suppliers and lighting systems are purchased from them.

The title of the form in the bid package requesting information is "Proposed Material Suppliers." Because of the title only, we quickly wrote the name of the "material supplier" assuming this was the information you wanted. Not also writing Light Guard as the manufacturer was a clerical error and in no way is there any bid shopping going on. Light Guard is the only system that meets your specs, JTB is the only supplier for Light Guard, and Rose Supply will purchase the system from JTB.

As far as listing Rose Supply on the DBE information sheet....isn't that what we are supposed to do? Rose is a DBE and we are purchasing material from them. We completed the form to show that along with our complete good faith effort, we are satisfying the goal for this federally funded project. The City of Paso Robles certainly has the right to audit us at the end of any project to verify that these goals have been met but I guarantee you there is no "funny business" going on here.

Should you require any further information to clarify the above statements, please contact me as soon as possible.

Sincerely,

LEE WILSON ELECTRIC CO.
A California CorporationBy: 
Leslie A. Wilson
Corporate Secretary

PROPOSED MAJOR MATERIAL SUPPLIERS

The bidder is required to furnish the following information on major materials and manufacturers. No changes will be allowed in materials or manufacturers without the prior approval of the Engineer.

1. HAVESIDE- HEATING
DISTRIBUTOR OF LIGHTING SYSTEM
2. _____
3. LIGHT GUARD
MANUFACTURER OF
4. LIGHT IN SYSTEM
5. _____
6. _____
7. _____
8. _____

David Radford
Signature of Bidder

05/10/04
Date

from Lee Wilson Electric Co.'s bid

PROPOSED MAJOR MATERIAL SUPPLIERS

The bidder is required to furnish the following information on major materials and manufacturers. No changes will be allowed in materials or manufacturers without the prior approval of the Engineer.

1. ~~JTB Supply Co. Inc.~~ *ch*

2. Rose Supply

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

~~UA~~

Signature of Bidder

5-18-04

Date