

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	04/10/17	Open	Action	4/03/17

Subject: Ratifying the Release of an Invitation to Bid and Conditionally Awarding the Contract for the 1225 R Street Interior Remodel to RBH Construction, Inc.

## ISSUE

Whether to ratify the release of an invitation to bid and conditionally award the contract for the 1225 R Street interior remodel to RBH Construction, Inc.

## RECOMMENDED ACTION

Adopt Resolution No. 17-04-\_\_\_\_\_, Ratifying the Release of an Invitation to Bid and Conditionally Awarding the Contract for the 1225 R Street Interior Remodel to RBH Construction, Inc.

## FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	145,000
Budget Source:	Capital	Next FY:	\$	0
Funding Source:	Revenue Bonds	Annualized:	\$	
Cost Cntr/GL Acct(s) or Capital Project #:	GL Account: 910800 WBS: F025.08.02	Total Amount:	\$	145,000
Total Budget:	\$ 145,000.00			

## DISCUSSION

RT has leased space in the “Bell Building” at 1409 28<sup>th</sup> Street for a number of departments including Accessible Services, Customer Advocacy, Scheduling, Service Planning, and Long-Range Planning. The lease amount is currently \$12,804 per month and will expire on May 31, 2017. Rather than entering into a new long term lease at a cost of approximately \$15,000 per month, staff proposes to amend the current lease to add a short term extension, then vacate the Bell Building. The Scheduling and Service Planning departments have already been relocated to the Engineering building at 2811 O Street, and Long-Range Planning will be relocated to the Engineering Building by June 30, 2017.

However, there is no other office space for Accessible Services or Customer Advocacy in the existing administrative complex at 29<sup>th</sup> Street, so staff proposes to relocate those two departments to the Customer Service building at 1225 R Street. The Accessible Services Department has specific space needs to accommodate customers with disabilities in compliance with the Americans with Disabilities Act (ADA), and the Customer Service Building needs to be remodeled to meet those space needs. The cost of ADA and other upgrades to the Customer Service Building was estimated at \$82,678.00. Six additive alternates were also included in the bid documents.

Approved:

Presented:

Final 04/05/175

General Manager/CEO

Senior Architect

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Staff released an Invitation to Bid (ITB) document on March 7, 2017. Sealed bids were due on March 31, 2017. RT received one bid, from RBH Construction, Inc. (RBH) in the amount of \$145,000 for the base bid. Because the base bid exceeds the estimate, the award will be for the base bid only, with no additive alternates awarded.

If this were a federally-funded project, RT would be required to perform a cost analysis of the single bid to determine whether the bid price is fair and reasonable prior to making a recommendation for award. While that is not a requirement for this revenue bond-funded procurement, Staff has nonetheless analyzed why only a single bid was received, why it was higher than the Engineer's Estimate, and whether design changes or re-bidding are warranted to attempt to obtain a lower price.

Staff and consultants marketed the project to a number of contractors during the bidding process, and many of them responded that the project was too small to be worthwhile for them to bid on. RBH advised that the electrical and mechanical trades in particular are overly busy in the current market and that the lack of potential subcontractors has caused a significant inflation in the construction cost. RBH provided a copy of its bid breakdown, showing that the subcontractor work alone was about half the bid price even though the scope of that work was relatively small. Based on current market conditions, staff does not believe that redesigning or re-bidding the project would lead to a significantly different result, and would potentially cost RT \$30,000 – 45,000 rent in the several months it would take to rebid the project.

Staff anticipates issuing the Notice of Intent to Award on April 3, 2017; the 10-business day protest period would then expire on April 17, 2017.

Staff recommends that the Board ratify the release of the ITB and award a contract to the sole responsive bidder, RBH Construction, Inc., for the 1225 R Street interior remodel on the condition that a bid protest is not timely filed.

RESOLUTION NO. 17-04-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

April 10, 2017

**RATIFYING THE RELEASE OF AN INVITATION TO BID AND CONDITIONALLY  
AWARDING THE CONTRACT FOR THE 1225 R STREET INTERIOR REMODEL TO  
RBH CONSTRUCTION, INC.**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE  
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby ratifies the release of an Invitation to Bid for the 1225 R  
Street Interior Remodel.

THAT, the Contract between Sacramento Regional Transit District, therein referred  
to as "RT," and RBH Construction, Inc., therein referred to as "Contractor," whereby  
Contractor agrees to complete the 1225 R Street Interior Remodel for an amount not to  
exceed \$145,000 ("Contract"), is hereby approved, provided that a bid protest is not timely  
filed.

THAT, the General Manager/CEO is hereby authorized and directed to execute the  
Contract.

\_\_\_\_\_  
ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary