



Legislation Text

File #: 19-231, **Version:** 1

Approve an agreement with REM Construction, Inc. of Chico in the amount of \$478,258 for the Claybank Facility Warehouse Freezer Upgrade Project at 2500 Claybank Road in Fairfield; and Authorize the County Administrator or designee to execute the agreement and any amendments within the approved project budget

Published Notice Required? Yes ☐ No ☒

Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Department of General Services recommends that the Board of Supervisors:

1. Approve an agreement with REM Construction, Inc. of Chico in the amount of \$478,258 for the Claybank Facility Warehouse Freezer Upgrade Project at 2500 Claybank Road, in Fairfield; and
2. Authorize the County Administrator or designee to execute the agreement and any amendments within the approved budget.

SUMMARY:

The Department of General Services recommends the Board approve an agreement with REM Construction Inc. for \$478,258 as the sole responsible bidder for the Claybank Facility Warehouse Freezer Upgrade Project (Project) located at 2500 Claybank Road, in Fairfield.

FINANCIAL IMPACT:

The construction agreement in the amount of \$478,258 is fully funded in the FY2018/19 approved project budget in the Accumulated Capital Outlay Fund (Budget Unit 1779).

The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2018/19 Adopted Budget.

DISCUSSION:

This agreement is for the replacement of existing walk-in freezer, providing new insulated partitions, doors, ceilings, associated mechanical modifications and electrical work. Replacement will provide more consistent cooling, ensuring food safety and increased energy efficiency.

The project was advertised by General Services Department, as required by Public Contract Code. A single bid was received with REM Construction, Inc. being the only responsible bidder. The County has exercised the right to negotiate the final contract price with REM Construction Incorporated as the sole bidder, per Specification Section 00 11 00, Notice to Bidders, Item X. The agreement value is based upon the negotiated base scope for a reduced total of \$478,258 from REM Construction Inc.'s initial bid of \$520,438.

ALTERNATIVES:

1. The Board could reject the bid or direct staff to re-bid the Project. This action is not recommended since the Project was advertised in accordance with Public Contract Code requirements and REM Construction, Inc. submitted a responsive bid within the available Project construction budget, and rejection would result in a loss of value in the County's investment in the Project to date. Additionally, costs may escalate with time.
2. The Board could postpone the Project. This action is not recommended because the condition of the existing Walk-In Freezer is deteriorating, it would not be wise to invest additional monies in repairing the unit, and available funding for eventual replacement will lose value over time to cost escalation

OTHER AGENCY INVOLVEMENT:

General Services Department is managing the project, has consulted Facilities Operations regarding technical aspects and has coordinated with the Sheriff's Office staff regarding functional needs. The Department of Resource Management, Building and Safety Services, has approved construction plans, and County Counsel has reviewed the contract as to form.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION