



COUNCIL AGENDA: 04-26-05

ITEM: 3.7

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jim McBride
Scott P. Johnson

SUBJECT: NEW CITY HALL
RELOCATION SERVICES

DATE: 04/21/2005

Approved

Date

4/21/05

Citywide

RECOMMENDATION

- 1) Reject all bids for relocation services for new City Hall.
- 2) Direct the Finance Director to solicit quotes for relocation services for the new City Hall.
- 3) Adoption of a resolution authorizing the City Manager to award a contract to the most advantageous quotation.

BACKGROUND

On March 9, 2004, Council directed staff to proceed with the procurement of technology, furniture, equipment and relocation services (TFE&R). In addition, a work plan for implementation of individual procurements and cost saving strategies was reviewed and approved by Council.

Included in the work plan is relocation services with a cost estimate, titled "R1 - Relocation Services". The budget for this portion of the relocation services is \$1.05 million.

ANALYSIS

On March 18, 2005 a request for bids for relocation services for New City Hall was released to the public. The request for bid was advertised on the City's Bid Line and on the DemandStar system, which proactively notifies all suppliers via fax and/or e-mail of the requirement. In addition, staff notified all companies that had contacted the City expressing an interest in this procurement.

On April 4, 2005 a mandatory pre-bid conference was held. Seven prospective contractors attended. Of these, six submitted bids by the April 13th deadline. Bid results were as follows:

Company	Bid Amount
Graebel	\$586,253.00
Valley Relocation	\$592,987.61
Corovan	\$610,057.00
Sudduth	\$673,999.42
Doubleday	\$747,911.00
NorCal	\$1,074,274.04

The bid set minimum requirements regarding past experience and capability to perform a large and complex move. In reviewing the documentation submitted by bidders, staff has determined that all bidders failed to meet one or more of the general minimum requirements. As an example, the general requirements call for each contractor to list three (3) project related references for work performed in moving a minimum of 1,000 people in a multi-phased move. These requirements were set based on a staff determination of the logistical needs of the move based on the phasing plan and on discussion with industry representatives at the mandatory pre-bid conference about their experience and capabilities. None of the attendees at the meeting indicated the requirements would be a challenge. But when the bids were submitted none of the contractors met all of the requirements. Most of the contractors can demonstrate that they have moved 1,000 plus people in a multi-phased move. Based on their stated experience, many are clearly qualified and able to perform this move.

The City Attorney has advised that waiving these requirements and awarding the current bid is not a legal option. Therefore staff recommends that Council reject all bids and direct the Finance Director to re-advertise and quote the project with modified evaluation factors allowing for past experience and capability to perform the job.

Under the quotation process, the project scope of work and expectations would remain the same. However, staff would revise the general requirements to be able to better determine a contractor's relevant experience and qualifications for this work. In an effort to award the contract as soon as possible, staff is prepared to immediately re-advertise the project. The quotation would be open for 3 days and be in accordance with City municipal code section 4.13.040 governing purchasing for general services contracts. The City would then award the contract to the vendor with the most advantageous quotation based on the criteria specified in the municipal code. Under this process we would expect the same vendors to quote and prices to stay in the same general range. Time is of the essence to award a contract to allow sufficient advanced preparation for moves beginning in early June. Therefore, to avoid delay staff is also requesting that the City Manager be authorized to award a contract without further Council action.

OUTCOME

Approval of these recommendations will enable staff to move forward with the procurement for relocation services for the new City Hall in accordance with the move schedule.

SUMMARY

Staff recommends rejection of all bids, direct the Finance Director to solicit quotes for relocation services and authorize the City Manager to award a contract to the most advantageous quotation. The final award information will be reported back to Council through the TFE&R update report.

Local and Small Business Preference

The original bid was covered under City Ordinance 27136 adopted June 18, 2004 which provides for a price reduction of 2.5% if a business is local (located in Santa Clara County) and an additional price reduction of 2.5% if the business is small (35 employees or less). This preference would also apply to new quotes.

Managed Competition

The City does not have the current staff or resources to complete this project.

Schedule

The proposed contract requires the relocation to begin in early June and be completed in August.

PUBLIC OUTREACH

Significant outreach was conducted to notify the bidding community of this project. Prospective vendors who have contacted the City expressing interest were notified of the bid. In addition, the project was posted on the City's Bidline and actively distributed through DemandStar.

COORDINATION

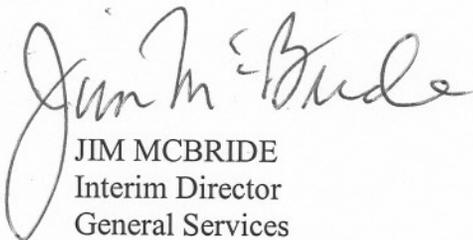
This project and memorandum have been coordinated with the City Attorney's Office and the City Manager's Budget Office.

COST IMPLICATIONS

A total of \$45.25 million is budgeted for furniture, technology, equipment and relocation costs for the new City Hall. Included in this amount is \$1.7 million for relocation programming services, of which approximately \$1.05 million is earmarked for this portion of the relocation services. Based on the initial bids for this service that ranged from \$586,000 to \$1.07 million, it is anticipated that the budget for this portion of the work will be sufficient and will most likely generate savings as no major changes in the bids are expected.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC #	Total Appn	Amount Allocated for Relocation Programming Services (R1)	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
473	5152	Technology, Furniture, Equip	132849	\$37,242,422	\$1,745,380	V-1127	10/12/04, Ord. No. 27267


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