



**CITY OF HAYWARD**  
**AGENDA REPORT**

AGENDA DATE 07/18/06  
AGENDA ITEM 4  
WORK SESSION ITEM \_\_\_\_\_

**TO:** Mayor and City Council  
**FROM:** Director of Public Works  
**SUBJECT:** Skywest T-Hangar Construction and Paving: Rejection of Bids and Authorization to Negotiate with EPIC Aviation to Develop the T-Hangar Project

**RECOMMENDATION:**

It is recommended that the City Council adopt the attached resolutions that:

1. Approve Addendum No. 1, which makes minor revisions to the plans and specifications;
2. Reject all bids; and
3. Authorize the City Manager to negotiate with EPIC Aviation to develop the T-Hangar project.

**BACKGROUND:**

On April 25, 2006, the City Council approved the plans and specifications, and called for bids to be received on May 23, 2006. The project consists of three pre-engineered metal frame aircraft storage hangar buildings including concrete foundation, lighting, individually metered electricity, telephone, fire protection systems, and associated paving work. Also included in the site work is the installation of various required utilities. A "Notice to Contractors" was mailed to approximately 500 contractors, published in the newspaper, and posted on the internet. Staff also called several prospective contractors to invite bids on the project. During the bidding period, Addendum No. 1 was issued to make minor modifications to the plans and specifications in response to planholder's questions, provide necessary design clarifications identified by staff, and extend the bid opening date from May 23 to June 6, 2006.

On June 6, 2006, four bids were received ranging from \$4,991,741 to \$5,548,772. Proven Management, Inc., of San Francisco submitted the low bid in the amount of \$4,991,741, which is approximately 37 percent above the Engineer's Estimate of \$3,650,000. The design consultants reviewed the bids and have indicated that the bids were very high in the areas of mobilization, asphalt concrete, cement concrete, and steel metal building. The consultant also confirmed that contractors in the private sector appear to be busier this year and are able to negotiate price increases on items such as steel and asphalt concrete, as market conditions change. Due to the extremely high bid result, staff recommends that the City Council reject all bids.

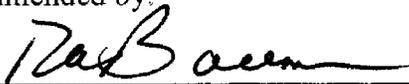
On January 20, 2004, the City and EPIC Aviation, LLC, executed a Commercial Aviation Site Lease which, among other things, outlines the procedures for continuation of the Skywest T-Hangar project, should the City elect to not build the hangars. These procedures include that EPIC would have the first right of refusal to build the same project should the City decide against building the hangars. EPIC would then have 90 days to respond to the City, in writing, to either refuse or accept the City's proposal, which would include an amendment to the lease covering the T-hangar portion. It should be noted that if EPIC builds the project, these T-hangars would be privately owned and at private lease rates. If within the 90-day period EPIC declines its right of first refusal to develop the hangar project, the City would have the right to negotiate with an alternative developer. Therefore, staff recommends that Council authorize the City Manager to negotiate an agreement with EPIC Aviation to develop the site using the approved plans and specifications, as modified by Addendum No. 1, for the project.

Prepared by:



Morad Fakhrai, Deputy Director of Public Works

Recommended by:



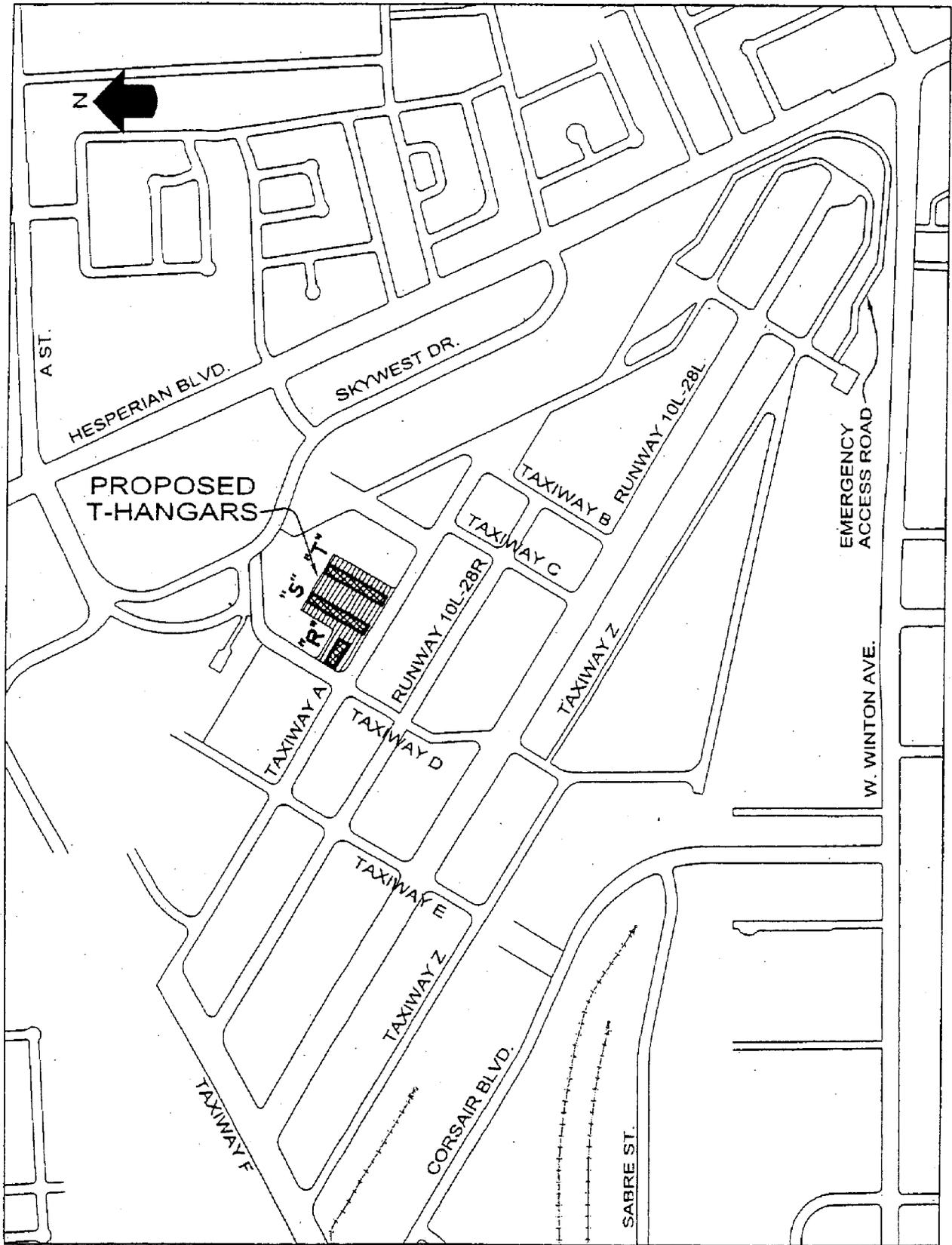
Robert A. Bauman, Director of Public Works

Approved by:



Jesús Armas, City Manager

Attachments: Exhibit A: Location Map  
Exhibits B: Summary of Bids



HAYWARD EXECUTIVE AIRPORT  
 SKYWEST T-HANGAR CONSTRUCTION AND PAVING  
 PROJECT NOs. 6828 & 6829  
LOCATION MAP

CITY OF HAYWARD  
 HAYWARD EXECUTIVE AIRPORT - SKYWEST T-HANGARS  
 PROJECT NO. 6828 & 6829  
 BIDS OPENED: JUNE 6, 2006

(NUMBER OF BIDS RECEIVED - 4)

BID SUMMARY				ENGINEER'S ESTIMATE		PROVEN MANAGEMENT, INC. 706 SANSOME STREET SAN FRANCISCO CA 94111 Ph: (415) 421-9500 Fax: (415) 421-9600	MITCHELL ENGINEERING, INC. 250 EXECUTIVE PARK BLVD #4000 SAN FRANCISCO CA 94134 Ph: (415) 227-1040 Fax: (415) 227-1049	GRANITE ROCK COMPANY, PAVEX CONSTRUCTION DIVISION 120 GRANITE ROCK WAY SAN JOSE CA 95136 Ph: (408) 574-1400 Fax: (408) 365-9548			
ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1.	1	LS	MOBILIZATION	130,000.00	130,000.00	250,000.00	250,000.00	250,000.00	250,000.00	500,000.00	500,000.00
2.	1	LS	BUILDER'S RISK INSURANCE	31,600.00	31,600.00	20,000.00	20,000.00	5,000.00	5,000.00	3,000.00	3,000.00
3.	1	LS	RECYCLING IMPLEMENTATION	20,000.00	20,000.00	2,000.00	2,000.00	200,000.00	200,000.00	1.00	1.00
4.	19,300	SY	AC PULVERIZATION	2.00	38,600.00	6.00	115,800.00	6.00	115,800.00	2.00	38,600.00
5.	1	LS	EARTHWORK AND SITE PREPARATION	130,000.00	130,000.00	225,000.00	225,000.00	200,000.00	200,000.00	261,000.00	261,000.00
6.	24,000	SY	LIME-TREATED SUBGRADE	6.00	144,000.00	8.00	192,000.00	12.00	288,000.00	7.00	168,000.00
7.	3,150	CY	AGGREGATE BASE	35.00	110,250.00	40.00	126,000.00	32.00	100,800.00	100.00	315,000.00
8.	3,200	TON	ASPHALT CONCRETE	64.00	204,800.00	100.00	320,000.00	85.00	272,000.00	110.00	352,000.00
9.	1,520	SY	SLURRY SEAL	2.00	3,040.00	5.00	7,600.00	7.00	10,640.00	8.00	12,160.00
10.	5,200	SF	PAVEMENT MARKINGS	2.00	10,400.00	2.00	10,400.00	3.50	18,200.00 *	3.50	18,200.00
11.	1	LS	SWPPP COMPLIANCE	50,000.00	50,000.00	2,000.00	2,000.00	32,000.00	32,000.00	5,000.00	5,000.00
12.	1,305	LF	PCC VALLEY GUTTER	30.00	39,150.00	40.00	52,200.00	56.00	73,080.00	30.00	39,150.00
13.	303	LF	12" STORM DRAIN, HDPE	30.00	9,090.00	40.00	12,120.00	50.00	15,150.00	85.00	25,755.00
14.	404	LF	15" STORM DRAIN, HDPE	35.00	14,140.00	45.00	18,180.00	55.00	22,220.00	110.00	44,440.00
15.	128	LF	24" STORM DRAIN, HDPE	100.00	12,800.00	90.00	11,520.00	125.00	16,000.00	150.00	19,200.00
16.	384	LF	30" STORM DRAIN, HDPE	120.00	46,080.00	100.00	38,400.00	170.00	65,280.00	200.00	76,800.00
17.	9	EA	CATCH BASIN	2,000.00	18,000.00	4,000.00	36,000.00	5,000.00	45,000.00	2,500.00	22,500.00
18.	3,200	LF	10" FIRE PROTECTION MAIN	64.00	204,800.00	55.00	176,000.00	60.00	192,000.00	150.00	480,000.00
19.	7	EA	10" GATE VALVE	800.00	5,600.00	1,000.00	7,000.00	3,000.00	21,000.00	2,500.00	17,500.00
20.	210	LF	8" FIRE PROTECTION BUILDING LATERAL	55.00	11,550.00	50.00	10,500.00	58.00	12,180.00	85.00	17,850.00
21.	5	EA	8" BUILDING-MOUNTED INDICATOR VALVE	2,000.00	10,000.00	1,200.00	6,000.00	1,800.00	9,000.00	7,000.00	35,000.00
22.	220	LF	6" FIRE HYDRANT PIPING	40.00	8,800.00	50.00	11,000.00	54.00	11,880.00	70.00	15,400.00

Exhibit B

(NUMBER OF BIDS RECEIVED - 4)

<b>BID SUMMARY</b>				<b>ENGINEER'S ESTIMATE</b>		PROVEN MANAGEMENT, INC. 706 SANSOME STREET SAN FRANCISCO CA 94111 Ph: (415) 421-9500 Fax: (415) 421-9600	MITCHELL ENGINEERING, INC. 250 EXECUTIVE PARK BLVD #4000 SAN FRANCISCO CA 94134 Ph: (415) 227-1040 Fax: (415) 227-1049	GRANITE ROCK COMPANY, PAVEX CONSTRUCTION DIVISION 120 GRANITE ROCK WAY SAN JOSE CA 95136 Ph: (408) 574-1400 Fax: (408) 365-9548			
ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
23.	8	EA	FIRE HYDRANT ASSEMBLIES & VALVES	6,500.00	52,000.00	3,000.00	24,000.00	5,000.00	40,000.00	6,500.00	52,000.00
24.	1,350	LF	2" DOMESTIC WATER LINE (HDPE)	9.00	12,150.00	14.00	18,900.00	23.00	31,050.00	12.00	16,200.00
25.	1	EA	BACKFLOW PREVENTER, BASE & ENCLOSURE	5,000.00	5,000.00	8,000.00	8,000.00	25,000.00	25,000.00	7,000.00	7,000.00
26.	1	LS	DOMESTIC WATER SERVICE PIPING (COPPER)	3,525.00	3,525.00	1,500.00	1,500.00	20,000.00	20,000.00	8,000.00	8,000.00
27.	1	EA	SANITARY SEWER PUMP STATION	7,000.00	7,000.00	5,000.00	5,000.00	36,000.00	36,000.00	25,000.00	25,000.00
28.	644	LF	3" SANITARY SEWER (HDPE)	50.00	32,200.00	35.00	22,540.00	26.00	16,744.00	50.00	32,200.00
29.	1	LS	SITE ELECTRICAL/TELEPHONE SYSTEM	45,000.00	45,000.00	120,000.00	120,000.00	90,000.00	90,000.00	368,000.00	368,000.00
30.	1	LS	FENCING, AUTOMATIC ACCESS GATE, AND EQUIPMENT	20,000.00	20,000.00	35,000.00	35,000.00	75,000.00	75,000.00	51,000.00	51,000.00
31.	1	LS	HANGAR 'R'	465,912.00	465,912.00	600,000.00	600,000.00	750,000.00	750,000.00	690,000.00	690,000.00
32.	1	LS	HANGAR 'S'	793,778.00	793,778.00	1,200,000.00	1,200,000.00	950,000.00	950,000.00	740,000.00	740,000.00
33.	1	LS	HANGAR 'T'	750,735.00	750,735.00	1,097,081.00	1,097,081.00	900,000.00	900,000.00	730,000.00	730,000.00
34.	1	LS	ADMINISTRATIVE CHANGE ORDERS	210,000.00	210,000.00	210,000.00	210,000.00	210,000.00	210,000.00	210,000.00	210,000.00
<b>TOTAL</b>				<b>\$3,650,000.00</b>		<b>\$4,991,741.00</b>		<b>\$5,119,024.00 *</b>		<b>\$5,395,956.00</b>	

\* TOTAL DIFFERENT THAN SUBMITTED BID

(NUMBER OF BIDS RECEIVED - 4)

BID SUMMARY				ENGINEER'S ESTIMATE		RGW CONSTRUCTION, INC.	
						550 GREENVILLE ROAD LIVERMORE CA 94550 Ph: (925) 606-2400 Fax: (925) 961-1925	
ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1.	1	LS	MOBILIZATION	130,000.00	130,000.00	264,147.00	264,147.00
2.	1	LS	BUILDER'S RISK INSURANCE	31,600.00	31,600.00	5,000.00	5,000.00
3.	1	LS	RECYCLING IMPLEMENTATION	20,000.00	20,000.00	1,000.00	1,000.00
4.	19,300	SY	AC PULVERIZATION	2.00	38,600.00	1.25	24,125.00
5.	1	LS	EARTHWORK AND SITE PREPARATION	130,000.00	130,000.00	70,000.00	70,000.00
6.	24,000	SY	LIME-TREATED SUBGRADE	6.00	144,000.00	11.40	273,600.00
7.	3,150	CY	AGGREGATE BASE	35.00	110,250.00	48.00	151,200.00
8.	3,200	TON	ASPHALT CONCRETE	64.00	204,800.00	70.00	224,000.00
9.	1,520	SY	SLURRY SEAL	2.00	3,040.00	6.00	9,120.00
10.	5,200	SF	PAVEMENT MARKINGS	2.00	10,400.00	4.25	22,100.00
11.	1	LS	SWPPP COMPLIANCE	50,000.00	50,000.00	1,000.00	1,000.00
12.	1,305	LF	PCC VALLEY GUTTER	30.00	39,150.00	30.00	39,150.00
13.	303	LF	12" STORM DRAIN, HDPE	30.00	9,090.00	60.00	18,180.00
14.	404	LF	15" STORM DRAIN, HDPE	35.00	14,140.00	70.00	28,280.00
15.	128	LF	24" STORM DRAIN, HDPE	100.00	12,800.00	90.00	11,520.00
16.	384	LF	30" STORM DRAIN, HDPE	120.00	46,080.00	100.00	38,400.00
17.	9	EA	CATCH BASIN	2,000.00	18,000.00	3,500.00	31,500.00
18.	3,200	LF	10" FIRE PROTECTION MAIN	64.00	204,800.00	60.00	192,000.00
19.	7	EA	10" GATE VALVE	800.00	5,600.00	3,200.00	22,400.00
20.	210	LF	8" FIRE PROTECTION BUILDING LATERAL	55.00	11,550.00	80.00	16,800.00
21.	5	EA	8" BUILDING-MOUNTED INDICATOR VALVE	2,000.00	10,000.00	5,000.00	25,000.00
22.	220	LF	6" FIRE HYDRANT PIPING	40.00	8,800.00	85.00	18,700.00

CITY OF HAYWARD  
 HAYWARD EXECUTIVE AIRPORT - SKYWEST T-HANGARS  
 PROJECT NO. 6828 & 6829  
 BIDS OPENED: JUNE 6, 2006

(NUMBER OF BIDS RECEIVED - 4)

<b>BID SUMMARY</b>				<b>ENGINEER'S ESTIMATE</b>		RGW CONSTRUCTION, INC.	
						550 GREENVILLE ROAD LIVERMORE CA 94550 Ph: (925) 606-2400 Fax: (925) 961-1925	
ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
23.	8	EA	FIRE HYDRANT ASSEMBLIES & VALVES	6,500.00	52,000.00	8,700.00	69,600.00
24.	1,350	LF	2" DOMESTIC WATER LINE (HDPE)	9.00	12,150.00	35.00	47,250.00
25.	1	EA	BACKFLOW PREVENTER, BASE & ENCLOSURE	5,000.00	5,000.00	9,500.00	9,500.00
26.	1	LS	DOMESTIC WATER SERVICE PIPING (COPPER)	3,525.00	3,525.00	3,000.00	3,000.00
27.	1	EA	SANITARY SEWER PUMP STATION	7,000.00	7,000.00	3,000.00	3,000.00
28.	644	LF	3" SANITARY SEWER (HDPE)	50.00	32,200.00	50.00	32,200.00
29.	1	LS	SITE ELECTRICAL/TELEPHONE SYSTEM	45,000.00	45,000.00	200,000.00	200,000.00
30.	1	LS	FENCING, AUTOMATIC ACCESS GATE, AND EQUIPMENT	20,000.00	20,000.00	42,000.00	42,000.00
31.	1	LS	HANGAR 'R'	465,912.00	465,912.00	880,000.00	880,000.00
32.	1	LS	HANGAR 'S'	793,778.00	793,778.00	1,365,000.00	1,365,000.00
33.	1	LS	HANGAR 'T'	750,735.00	750,735.00	1,200,000.00	1,200,000.00
34.	1	LS	ADMINISTRATIVE CHANGE ORDERS	210,000.00	210,000.00	210,000.00	210,000.00
<b>TOTAL</b>				<b>\$3,650,000.00</b>		<b>\$5,548,772.00</b>	

\* TOTAL DIFFERENT THAN SUBMITTED BID

**DRAFT**

*NH  
7/11/06*

HAYWARD CITY COUNCIL

RESOLUTION NO. 06-

Introduced by Council Member \_\_\_\_\_

**RESOLUTION APPROVING ADDENDUM NO. 1,  
REJECTING ALL BIDS, AND AUTHORIZING THE CITY  
MANAGER TO NEGOTIATE WITH EPIC AVIATION TO  
DEVELOP THE SKYWEST T-HANGAR PROJECT**

WHEREAS, on April 25, 2006, the City Council approved the plans and specifications for the Skywest T-Hangar Construction and Paving Project, Project Nos. 6828 and 6829, and called for bids to be received on May 23, 2006; and

WHEREAS, Addendum No. 1 was added to make minor modifications to the plans and specifications in response to the plan holder's questions, provide necessary design clarifications identified by staff, and extend the bid opening date from May 23 to June 6, 2006; and

WHEREAS, on June 6, 2006, four bids were received ranging from \$4,991,741 to \$5,548,772; Proven Management, Inc., of San Francisco submitted the low bid in the amount of \$4,991,741, which is approximately 37 percent above the Engineer's Estimate of \$3,650,000; and

WHEREAS, the design consultants reviewed the bids and have indicated that the bids were very high in the areas of mobilization asphalt, concrete, cement concrete, and steel metal building; as a result, staff recommends that the City Council reject all bids; and

WHEREAS, on January 20, 2004, the City and EPIC Aviation, LLC, executed a Commercial Aviation Site Lease which provided that EPIC would have the first right of refusal to build the same project should the City decide against building the hangars; and

WHEREAS, staff recommends that Council authorize the City Manager to negotiate an agreement with EPIC Aviation to develop the site using the approved plans and specifications, as modified by Addendum No. 1, for the project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that Addendum No. 1 is hereby approved as part of the plans and specifications for this project.

BE IT FURTHER RESOLVED, that all bids received for the Skywest T-Hangar Construction and Paving Project, Project Nos. 6828 and 6829, pursuant to the plans and specifications approved by Council on April 25, 2006, are hereby rejected.

BE IT FURTHER RESOLVED, by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to negotiate with EPIC Aviation to develop the Skywest T-Hangar Construction and Paving Project, Project Nos 6828 and 6829.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2006

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward