Atascadero City Council  
Staff Report – Public Works Department

Pre-Qualification Procedure for Ach-08 Bid  
on Historic City Hall Project

RECOMMENDATION:

Council adopt the attached Draft Resolution, authorizing the procedure for pre-qualification of contractors for Bid Package ACH-08 on the Historic City Hall Project.

DISCUSSION:

Section 20101 of the State of California Public Contract Code allows public agencies to establish a pre-qualification procedure for Public Works projects. In order to minimize risk to the City regarding Historic City Hall bid package ACH-08, Hazardous Materials Mitigation, Demolition, Historical Fabric, Shotcrete Structural Stabilization and Interior Finishes, staff recommends pre-qualification of bidders for this bid package only.

Bid package ACH-08 contains the historic work on the rehabilitation of the Administration Building. This building is a registered historic landmark, and in order to fully comply with all of the complex historical and FEMA-funded regulations, it is imperative that the contractor have extensive technical knowledge and background in similar projects. The process would allow a pre-qualification of potential bidders by their responses to a series of objective criteria. Contractors would need to meet the established minimum score in order to bid on this portion of the project.

The benefit of this pre-qualification process is that it would narrow the bidders on ACH-08 to only those with substantial experience in similar sized historical and FEMA-funded projects. Contractors without sufficient experience could cause difficulty with this particular scope.
Improper compliance with NEPA, CEQA, the Secretary of the Interior’s standards for historic buildings, or the California Building Code could potentially result in permanent destruction of the character-defining features of the building. This could cause three problems:

1. Loss of registered historic landmark designation

   An inexperienced contractor could unknowingly cause major interruptions and loss of the historic fabric of the building by rehabilitating incorrectly. This could lead to a withdrawal of the registered landmark status by the State and/or Federal government, likely followed by a punitive lawsuit.

2. Loss of FEMA funding

   There may be severe ramifications related to FEMA funding if the historic regulations are not followed, whether intentionally or unintentionally.

3. Loss of building code flexibility afforded historic structures

   If the character defining features are permanently destroyed, the project would be subject to a different building code than what is now being used to rehabilitate the building. This would trigger City-funded modifications including such big ticket items as the elevator shaft, the stairs, and the energy efficiency rating.

Staff recommends that only bid package ACH-08 be subject to the pre-qualification process since it is the only one that deals with the historic character of the building. At this time, Staff and the consultants believe that all other bid packages should be awarded without a pre-qualification process.

Model guidelines developed by the State of California Department of Industrial Relations were used as the format for the proposed pre-qualification process. Public Contract Code requires that the process include: (1) a standardized questionnaire and financial statement forms; (2) a uniform system of rating bidders on objective criteria, on the basis of the completed questionnaires and financial statements; and (3) an appeal procedure by which a contractor may appeal a decision. Attached are the draft policy, questions, and appeal process.

After the pre-qualification process, the procurement process will continue to be governed by the applicable sections of the California Public Contract Code and the formal bid requirements of the City’s Purchasing Policy. The City will accept sealed bids and will bring forward for Council approval a contract with the lowest price responsive bidder.

Staff expects Bid Package ACH-08 to go out to bid in January, 2011.
FISCAL IMPACT:

The authorization of a pre-qualification process for the Historic City Hall Bid Package ACH-08 will result in no fiscal impact to the City. It may, however, reduce the risk of a potential loss of FEMA funding and exposure to other claims.

ATTACHMENTS:

1. Draft Resolution
2. Pre-Qualification Package
DRAFT RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ATASCADERO, CALIFORNIA
AUTHORIZING THE ESTABLISHMENT OF A
PRE-QUALIFICATION PROCEDURE FOR CONTRACTORS
SEEKING TO BID HISTORIC CITY HALL BID ACH-08

WHEREAS, the City of Atascadero is in the process of restoring the earthquake-damaged Historic City Hall building; and,

WHEREAS, the building is listed on the National Register of Historic Places and is a California registered Historical Landmark; and,

WHEREAS, specific portions of the restoration are historically technical in nature and require significant experience and proficiency; and,

WHEREAS, the City of Atascadero has determined that pre-qualifying contractors for the Historic City Hall Restoration Project bid ACH-08 is in the City’s best interest; and,

WHEREAS, staff has developed a process in compliance with Section 20101 of the Public Contract Code which regulates pre-qualification procedures.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Atascadero, that a pre-qualification procedure is hereby adopted for contractors seeking to bid on Historic City Hall bid ACH-08, Hazardous Materials Mitigation, Demolition, Historical Fabric, Shotcrete Structural Stabilization and Interior Finishes.

On motion by Council Member _______________________ and seconded by Council Member ________________________, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:
AYES:

NOES:

ABSENT:

ADOPTED:  

CITY OF ATASCADERO

By: ________________________________
   Roberta Fonzi, Mayor

ATTEST:

Marcia McClure Torgerson, C.M.C., City Clerk

APPROVED AS TO FORM:

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Brian A. Pierik, City Attorney