



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: General Services  
Department No.: 063  
For Agenda Of: April 10, 2012  
Placement: Departmental  
Estimated Time: 20 minutes  
Continued Item: No  
If Yes, date from: N/A  
Vote Required: Majority

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**TO:** Board of Supervisors  
**FROM:** General Services Robert Nisbet, Director (805-560-1011)  
Contact Info: Paddy Langlands, Assistant Director (805- 568-3096)  
**SUBJECT: Lompoc Veterans Memorial Building Renovations, Project # 8694**  
**Award Construction Contract; Fourth Supervisorial District**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Find that the bid submitted by K.J. Cain, Inc. for the Lompoc Veterans Memorial Building (LVMB) Renovations Project is non-responsive; and
- b) Reject the bid of K.J. Cain, Inc. on the basis that it is non-responsive; and
- c) Find that STC Development, Inc. is the lowest responsible bidder submitting a responsive bid; and
- d) Award a Fixed Price Construction Contract in the amount of \$220,000 to STC Development, Inc., subject to the provisions of the documents and certifications as set forth in the plans and specifications applicable to the project and as required by California Law; and
- e) Authorize the chair to execute the Construction Contract upon return of the Contractor's executed contract documents, and the review and approval of County Counsel, Auditor-Controller and Risk Manager or their authorized representatives; and
- f) Authorize the Director of General Services or designee to approve change orders up to the limit specified in Public Contract Code Section 20142, or \$22,000 for this contract; and

- g) Find that pursuant to CEQA Section 15162, no substantial changes are proposed, and no new information of substantial importance has come to light regarding environmental effects of the project, or of the sufficiency or feasibility of mitigation measures, and therefore the contract award is within the scope of the project covered by the Mitigated Negative Declaration and monitoring program approved and adopted by the Board for this project on March 16, 2010, and that, therefore, no new environmental document is required.

**Summary Text:**

This project renovates various components of the LVMB located at 100 E. Locust Avenue identified in a 2007 Building Condition Assessment, including radon mitigation, removal of an enclosed barbecue area, structural upgrades, modifying handrails and remodeling the lobby restrooms for compliance with the American with Disabilities Act (ADA). On February 16, 2012, five bids were received ranging from \$214,000 to \$344,970, with K.J. Cain, Inc. submitting what initially appeared to be the lowest bid. Following the bid opening, a bid protest was filed and one of the issues raised was found to have merit, rendering K.J. Cain's bid non-responsive. Staff therefore recommends K.J. Cain's bid be rejected as non-responsive, and that the award be made to the next lowest bidder, STC Development, Inc., whom staff finds to have submitted the lowest bid that is responsive to the County's Request for Bids. With Board approval of the recommended actions, the construction contract in the amount of \$220,000 will be awarded to STC Development, Inc., and the completion of the project will be scheduled for September 2012. No additional funds beyond those previously authorized by the Board are required as a result of the recommended Board action.

**Background:**

The General Services Department is working collaboratively with the Lompoc Veterans Memorial Building Foundation to restore the LVMB, a designated City Historic Landmark. As such, on September 10, 2007 a condition assessment of the LVMB was completed. The assessment identified areas of the LVMB that were in need of improvement and repair, including radon mitigation to basement areas, demolishing an enclosed barbecue area adjacent to the kitchen, ADA improvements to the lobby restrooms, modification of handrails throughout the building, and installation of structural supports for the chimneys. On January 12, 2012, the Board approved the plans and specifications for these improvements, and authorized General Services to advertise for construction bids. This project will serve to upgrade the building as part of the overall effort to provide a more desirable and safe space for local functions, as well as increasing the rental opportunities of the building.

Construction costs are estimated to be \$270,000 (inclusive of the construction contract that is the subject of this board letter and related tile and/or electrical work to be let under a separate purchase order) and soft costs are estimated to be \$142,000, with an overall project cost of \$412,000. Soft costs are slightly higher for this project, as an historic structures report was needed to identify historical elements of the building.

On February 16, 2012, five bids were opened for the LVMB renovations. Bids ranged from \$214,000 to \$344,970 with an average bid of \$259,708. K.J. Cain, Inc. of Santa Maria submitted what appeared initially as the low bid with their bid of \$214,000. However, on March 6, 2012, a letter protesting the consideration of the apparent low bid was received from the second lowest bidder, STC Development, Inc. The protest suggested that K.J. Cain, Inc.'s bid was non-responsive; asserting that one of K.J. Cain Inc.'s listed subcontractors is not licensed to perform the work related to the trade(s) they would be performing, and claiming that K.J. Cain, Inc. is not qualified to self-perform the roofing scope of work

on the basis of the project's technical specifications. On Thursday, March 29, 2012 a response by staff was provided to STC Development, Inc.'s bid protest concluding that K.J. Cain's bid should be considered non-responsive based on the following:

1. The County's specifications state that the roofing installer must be a "Company specializing in performing the work of this section with minimum five years documented experience." Cain's response is that Cain will self-perform the work with its own employees, but Cain has been a contractor for less than five years, does not specialize in roofing, and the CSLB reference for his license states that he has no employees.
2. Accepting Cain's bid would require a waiver of what they might characterize as a minor deviation from the bid specs, but under California law, such a waiver is not available when it confers a benefit or advantage not available to other bidders.
3. In this case, STC complied with the specification, calling for a specialty roofing installer even though they have seventeen years experience as a B licensed contractor and could have performed the work in house except for the requirement for a specialty installer. Not complying with the County's specification would therefore confer an economic advantage on Cain.
4. Furthermore, Cain's 'Designation of Subcontractors' list did not list all the information called for. The location of the subcontractors' businesses were not set forth as required by Public Contract Code Section 4104: "any person making a bid or offer to perform the work, shall, in his or her bid or offer, set forth: (a) (1) The name and the location of the place of business of each subcontractor who will perform work or labor or render service".
5. Furthermore, the subcontractor list contained the wrong license numbers for Ian Tanner and Elevation Engineering, and it does not appear as if the correct numbers were provided within 24 hours after the bid opening as required by Section 4104(a)(2)(A).

In light of these deviations from the bid specifications and the Public Contract Code, but particularly the roof specialty defect, it is recommended that STC Development, Inc.'s protest be found to have merit, that K.J. Cain, Inc.'s bid be considered non-responsive, and the construction contract be awarded to the second lowest bidder, STC Development, Inc. in the amount of \$220,000.

With Board approval of the recommendations, construction is planned to begin in April 2012 with completion in September 2012.

**CEQA:**

A Mitigated Negative Declaration for the construction of the LVMB renovation was accepted by the Board on March 16, 2010 and is on file in the General Services Office located at 1105 Santa Barbara Street. Pursuant to CEQA Section 15162, no substantial changes are proposed, and no new information of substantial importance has come to light regarding environmental effects of the project or of the sufficiency or feasibility of mitigation measures, and therefore the contract award is within the scope of the project covered by the Mitigated Negative Declaration and monitoring program; therefore, no new environmental document is required.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
HUD Special Project Grant	\$ 412,000.00		\$ 412,000.00
Total	\$ 412,000.00	\$ -	\$ 412,000.00

**Narrative:**

Construction for this project is estimated to cost \$270,000 with a total project cost of approximately \$412,000. The project is being funded by a portion of a Special Project Grant in the amount of \$807,000 from the U.S. Department of Housing and Urban Development (HUD) which was adopted by the Board on January 15, 2008 as part of the 2008 Legislative Platform. Funds are available through reimbursement to Fund 0030, Department 063, Program 1930, Account 8700, Project 8694.

**Staffing Impacts:**

**Legal Positions:**  
0

**FTEs:**  
0

**Special Instructions:**

Please send one copy of the minute order to Jill Van Wie, General Services Department – Support Services Division, Courthouse East Wing.

**Attachments:**

1. Draft copy of the Construction Contract
2. Bid protest documents
3. Contract Summary

**Authored by:**

Jill Van Wie, Project Manager, (560-1079)