



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: JUNE 3, 2025

DEPARTMENT: PUBLIC WORKS DEPARTMENT

FROM: DAVID JACOBS, PUBLIC WORKS DIRECTOR

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TITLE: REJECTION OF BIDS FOR THE CHINATOWN NAVIGATION CENTER BUILDING IMPROVEMENT CIP NO. 9125

RECOMMENDED MOTION:

A motion to approve a resolution rejecting all bids received for the Chinatown Navigation Center Building Improvement Project (CIP 9125).

EXECUTIVE SUMMARY:

Staff is recommending rejection of all bids received for Chinatown Navigation Center Building Improvement CIP No. 9125. On March 11, 2025, three bids were electronically received and publicly opened and examined. The three bidders are David Construction, Premier Builders Inc., and C2 Builders Inc., with total base bids of \$715,844, \$826,164, and \$969,000, respectively. The engineer's estimate is \$661,755, putting proposals received higher than anticipated. Due to lack of available funding, staff recommends rejecting all bids for the Chinatown Navigation Center Building Improvement CIP No. 9125.

BACKGROUND:

In July 2019, when the Chinatown Health Center closed and lease for the building reverted back, City staff began to explore options for use of the building. The immediate concern was re-opening hygiene services, but staff also saw the opportunity to establish a Homeless Navigation Center similar to successful navigation centers throughout the country. On November 1, 2019, the City, in partnership with Community Homeless Solutions (CHS), opened the Chinatown Navigation Center (CNC) beginning with hygiene services.

On March 31, 2020, the CNC began providing housing and navigation services for to up to fifteen (15) participants. Unfortunately, the program was limited to only fifteen (15) participants because of the building configuration, COVID-19 restrictions, and housing limitation for temporary use buildings set by the building code.

The CNC was identified as a City Council priority with the goal of being able to quickly ramp up shelter bed capacity in response to the COVID-19 pandemic. A 3,000 sq. ft. Sprung structure increased shelter bed capacity at the CNC from thirty (30) to fifty (50) individuals experiencing homelessness.

On September 8, 2020, construction for the Sprung structure and utility hookups began. Work was initially delayed to safely relocate and provide temporary housing and services to unsheltered residents prior to the start of construction. The completion of the work was slated for November 15, 2020.

On July 10, 2023, the Community Development Department began collaborating with CSG Consultant Inc. and MEI Architects to develop construction documents based on the station's most urgent needs, including safety, accessibility, hazardous materials, and essential building system upgrades.

On January 17, 2025, the City Engineer approved the project Plans and Specifications and authorized the call for bids for the Chinatown Navigation Center Building Improvement, CIP No. 9125, for January 17, 2025. The project, in general, calls for renovation of interior to the existing building, (replace flooring throughout the building, repaint interior walls and ceiling, renovate shower rooms and toilet rooms including mechanical, electrical and plumbing systems); exterior (repair deficiencies in the roof drain system); slurry seal the parking lot; and minor site electrical work. No work was proposed for the existing sprung structure.

On March 11, 2025, bids were electronically received and publicly opened and examined via a Zoom meeting (see Exhibit A – Bid Tabulation sheet for details). Three bids were received for the Chinatown Navigation Center Building Improvement, CIP No. 9125, from C2 Builders Inc., David Construction & Management, Inc., and Premier Builders, Inc. Table 1 below summarizes the bid results.

Table 1. BID RESULTS

Contractor	Total Base Bid
David Construction & Management, Inc.	\$715,844.00
Premier Builders Inc.	\$826,164.00
C2 Builders Inc.	\$969,000.00
Engineer Estimate	\$661,755.00

Based on provisions of the Project Specifications, “The basis of award shall be the lowest total bid... The City further reserves the right to award or reject the Base Bid or any item(s) within, depending on available funding.” The lowest bidder is from David Construction & Management, Inc. with a total base bid of \$715,844. The engineer’s estimate for total cost of construction is \$661,755, putting the proposals received above the engineer’s estimate.

At this time there are insufficient funds available to fund the project which would ultimately cost approximately \$980,600. Due to lack of available funding, staff recommends rejecting all bids for the Chinatown Navigation Center Building Improvement CIP No. 9125.

In addition, before any further work is done on this project, as was presented in couple of items at the May 27th Council meeting, there is only sufficient funding for the Navigation Center through the end of October 2025; as such, it is important to receive final direction on the long-term viability of the center before investing and committing any more funds, which at this time would need to come from the General Fund. It is anticipated that this discussion will be brought back to the Council in August.

CEQA CONSIDERATION:

Categorical Exemptions. The City of Salinas has determined that the project is exempt from the California Environmental Quality Act (CEQA) because it involves negligible or no expansion of an existing use as identified in Categorical Exemption Class 1 (Section 15301).

STRATEGIC PLAN INITIATIVE:

The item would have supported the City Council’s Strategic Plan 2022-2025 Goal of *Public Safety*.

GOVERNMENT CODE SECTION 84308 APPLIES:

No.

DEPARTMENTAL COORDINATION:

The project began and construction documents were developed under the direction of the Community Development Department, Housing Division. The project was transferred to the Public Works Department for bidding and subsequently construction.

FISCAL AND SUSTAINABILITY IMPACT:

Rejecting the bids received has no fiscal impact.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 24-25 CIP Budget Page	Last Budget Action (Date, Resolution)
n/a	n/a	n/a	n/a	n/a	n/a	n/a

ATTACHMENTS:

Resolution
Bid Tabulation