

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION AWARDING THE SHERWOOD RECREATION CENTER
BUILDING IMPROVEMENT, CIP 9535 TO PRECISION CONSTRUCTION SERVICES**

WHEREAS, the City of Salinas (City) receives and administers United States Department of Housing and Urban Development (HUD) entitlement Community Development Block Grant (CDBG) funds for addressing identified needs in the 2020-2024 Consolidated Plan that identified the Sherwood Recreation Center as a priority project; and

WHEREAS, the Project will be fully funded using HUD CDBG funds as authorized by Council in its U.S Department of Housing and Urban Development FY 2021-22, 2022-23, 2023-24, and 2024-25 Annual Action Plans and Substantial Amendments; and

WHEREAS, On January 30, 2025, City staff submitted the Request for Release of Funds and Certification to HUD and on March 7, 2025, the City received the Authority to Use Grant Funds from HUD which then allowed City staff to issue the project bid on June 4, 2025; and

WHEREAS, On September 9, 2025, City Council voted to reject all bids and authorize rebidding the project due to said complaints regarding a subcontractor under the lowest bidder. During the Council meeting, Councilmembers inquired about the desire to award the project to a local contractor and to include provisions in the bid to allow for such award.; and

WHEREAS, pursuant to the federal procurement standards applicable to CDBG funds, non-federal entities must conduct procurements that provide full and open competition and must not apply state, local, or tribal geographic or local-preference provisions when evaluating bids or proposals (see 2 C.F.R. § 200.319 and 2 C.F.R. §§ 200.318–200.327; HUD CDBG regulations at 24 C.F.R. Part 570); and

WHEREAS, City staff revised the Plans and Specifications and readvertised the project for bid via PlanetBids on September 19, 2025, with a shortened advertising period and due date of October 14, 2025.; and

WHEREAS, Representatives of the Public Works Department and Community Development Department on October 14, 2025, at a public meeting held via a Zoom meeting publicly opened and read all bids received via the PlanetBids website for the Sherwood Recreation Center Building Improvement , CIP 9535 in accordance with the specifications; and

WHEREAS, two bids were received from Precision Construction Services and Marvulli, Inc; and

WHEREAS, On October 17, 2025, the City received a bid protest from Marvulli, Inc., the apparent second low bidder. The bid protest stated that the apparent low bidder, Precision Construction Services (“Precision”), should be considered non-responsive due to utilizing partial of their subcontractor’s (Val’s Plumbing) proposal.; and

WHEREAS, On October 20, 2025, Precision provided a response to the bid protest citing that none of the bids received from Val's Plumbing included language, explicit or otherwise, stating that the bid was not to be divided.; and

WHEREAS, On December 5, 2025, Marvulli submitted a formal withdrawal of their bid protest in its entirety citing that their protest relied on information that Mavulli now understands to be factually inconsistent.; and

WHEREAS, The engineer's estimate for the project base bid was \$2,724,077. Precision Construction Services, the apparent low bidder, submitted a base bid of \$2,230,401, ~20% below the engineer's estimate.; and

WHEREAS, Based on the proposals received, staff recommend awarding the project to the apparent lowest, responsive, and responsible bidder, Precision Construction Services, in an amount not to exceed \$2,230,401. Staff anticipate a construction contingency in the amount of \$450,000, approximately 20% of the contract amount. The total project costs are estimated at \$3,060,401.; and

WHEREAS, City staff thereupon reported the results of the bid to the City Council at its regular meeting on December 9, 2025, and the City Council in open session at said meeting examined the report of staff.

NOW, THEREFORE, BE IT RESOLVED pursuant to Salinas Municipal Code Section 12-21, in reference to the "Sherwood Recreation Center Building Improvement , CIP 9535", that all of said bids or proposals are rejected except the bid from Precision Construction Services, (hereinafter referred to as "The Successful Bidders"), being the lowest and best bids (based on the specification's criteria for award) which is hereby accepted. The subject contract is hereby awarded to said Successful Bidders for the sum of \$2,230,401 and more specifically at the unit prices set forth and contained in the Proposal for the "Sherwood Recreation Center Building Improvement, CIP 9535", of said Successful Bidders, filed in the office of the City Clerk. Said sum shall be paid by the City of Salinas to said Successful Bidder, payable at the time and manner specified in the plans and specifications and contract documents for the project, entitled, "Sherwood Recreation Center Building Improvement, CIP 9535"; and; and

BE IT FURTHER RESOLVED that said plans and specifications are hereby accepted and adopted for said work and are also referred to for all of the details and particulars thereof, and said plans and specifications are by reference incorporated in and hereby made a part of this resolution; and

BE IT FURTHER RESOLVED that that the Mayor of Salinas is hereby authorized and directed on behalf of the City of Salinas to execute a contract consistent with the Proposal of said Successful Bidder for said work; and

BE IT FURTHER RESOLVED that the City Council approves a construction contingency allowance for contract change orders up to an additional \$450,000 for the Sherwood Recreation Center Building Improvement, CIP 9535; and

BE IT FURTHER RESOLVED that the City Council authorizes to appropriate \$3,060,401 from Community Development Block Grants (CDBG) funds to the CIP 9535 fund.

PASSED AND APPROVED this 9th day of December 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Dennis Donohue, Mayor

ATTEST:

Patricia M. Barajas, City Clerk