



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: JULY 1, 2025

DEPARTMENT: PUBLIC WORKS DEPARTMENT

FROM: DAVID JACOBS, P.E., L.S., PUBLIC WORKS DIRECTOR
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TITLE: AWARD OF THE NATIVIDAD CREEK PARK RESTROOM
REHABILITATION PROJECT NO. 9346

RECOMMENDED MOTION:

It is recommended that the City Council approve a resolution:

1. Approving the Plans and Specifications for the Natividad Creek Park Restroom Rehabilitation Project (CIP 9346);
2. Awarding a construction contract to David Construction & Management, Inc. for the Natividad Creek Park Restroom Rehabilitation Project (CIP 9346), in an amount not to exceed \$137,874;
3. Transferring \$109,819.29 of Community Development Block Grant (CDBG) funds from Fund (2910) to CIP 9346; and
4. Authorizing the City Engineer to approve contract change orders up to an additional 20% of the contract amount (\$28,000) for construction contingencies.

EXECUTIVE SUMMARY:

On May 7, 2025, staff advertised the Natividad Creek Park Restroom Rehabilitation Project No. 9346. On June 10, 2025, two (2) bid proposals were received from David Construction & Management Inc. and C2 Builders Inc. The lowest responsive and responsible bidder, David Construction & Management Inc., submitted a base bid in the amount of \$137,874. Staff recommends approval of resolution to approve the plans and specifications, award the Natividad Creek Park Restroom Rehabilitation Project No. 9346, to David Construction & Management Inc., transfer of \$109,819.29 of CDBG funds (Fund 2910) to CIP 9346, and authorize the City Engineer to approve change orders for an amount 20% of the contract, \$28,000 for construction contingencies.

BACKGROUND:

The Alisal Vibrancy Plan and Parks, Recreation and Libraries Master Plans identified the rehabilitation of the Natividad Creek Park restrooms as a priority project for the community. In response to this identified necessity, Community Development allocated Community Development Block Grant (CDBG) entitlement Funds for this project. City staff published the Request for Proposals (RFP) for this project twice. The first RFP was published on December 17, 2023, with a submission deadline of January 17, 2023. From this, a total of three (3) proposals were received of which two (2) were disqualified for failure to provide all required bid materials and one (1) was rejected by Council action on April 4, 2023, due to a proposed bid amount 48% higher than the engineer's estimate. The second RFP was released on April 4, 2023, with a submission deadline of May 9, 2023. Consequently, no bids were received. In May 2023, in accordance with CDBG regulations, and in consultation with the City Attorney, staff directly solicited proposals from two previous bidders with only one respondent.

On June 20, 2023, the City awarded a construction contract to HA Construction for the Natividad Creek Park Restroom Rehabilitation Project ("Project") in the amount of \$151,000.00. Construction began on May 6, 2024, and the contractor had 90 working days to complete the Project. During construction, unforeseen conditions and unanticipated events occurred which changed the scope of the work. A total of 12 change orders were issued for this Project resulting in an increased total project cost to \$229,674.96.

Due to significant delays, substandard construction, labor compliance discrepancies, use of unauthorized subcontractors, and falsification of records, the City made the difficult decision to terminate its construction contract with the HA Construction on August 14, 2024. The Project was partially completed, and on December 3, 2024, the Council approved a Resolution partially accepting the Project's driveway approach and two ADA parking stalls elements. This action allowed the City to assume maintenance and responsibility of these elements, open the overflow parking lot and start the process to bring on a different contractor to complete the Project.

Following the termination of HA Construction, the City has been actively working with the Contractors State License Board (CSLB) and the bonding company to pursue damages related to the contractor's performance. In addition, the City retained WRD Architects to revise the plans and specifications for Natividad Creek Park Restroom Rehabilitation Project No. 9346 into a format suitable for rebidding. The scope of work includes, but is not limited to, the furnishing of all labor, materials, tools, equipment, mobilization, construction best management practices, traffic control, and all incidental and appurtenant improvements and restorations required for the removal/demolition, disposal, and the construction of the Natividad Creek Park Restroom Rehabilitation Project as shown on the plans and technical specifications. The City Engineer approved the project plans and specifications and authorized the call to bids for this project with bid submittal date of June 10, 2025.

On June 10, 2025, bid proposals were received via PlanetBids, publicly opened and read via a Zoom meeting. Two bid proposals were received by the City from David Construction & Management Inc. and C2 Builders Inc. in the amount of \$137,874 and \$192,500, respectively.

CONTRACTOR	BASE BID
David Construction & Management Inc.	\$137,874.00
C2 Builders Inc.	\$192,500.00
Engineer's Estimate	\$200,000.00

The engineer's estimate for the project base bid was \$200,000. David Construction & Management Inc., the apparent low bidder, submitted a base bid of \$137,874, which is approximately 30% below the engineer's estimate.

Based on the proposals received, staff recommends awarding the project to the apparent lowest, responsive, and responsible bidder, David Construction & Management Inc., in an amount not to exceed \$137,874. Staff recommends a 20% construction contingency in the amount of \$28,000. The total construction costs are estimated at \$165,874.

Construction is anticipated to begin in August 2025 with 60 working days allowed to complete the construction.

ANTICIPATED COSTS	
Description	Anticipated Expenditure
David Construction & Management Inc. Bid	\$137,874
Contingency (20%)	\$28,000
Direct Project Cost Subtotal	\$165,874
Administrative Overhead	\$50,000
Public Art Fee (1%)	\$1,400
City Staff Project Management and Admin	\$14,000
Construction Inspection	\$14,000
Labor Compliance	\$14,000
Soft Project Cost Subtotal	\$93,400
TOTAL PROJECT COSTS	\$259,274
ROUNDED TOTAL PROJECT COSTS	\$260,000

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 1501(a)).

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No, because this contract was competitively bid.

STRATEGIC PLAN INITIATIVE:

This project addresses the current City Council's Goals of Infrastructure and Environmental Sustainability, Economic Development and Public Safety.

DEPARTMENTAL COORDINATION:

The Public Works Department is collaborating with Library Community Services and Community Development Departments for the construction of this project and with Legal and Finance Departments during the procurement process.

FISCAL AND SUSTAINABILITY IMPACT:

As identified in the table, sufficient funds are available to proceed with the construction for this project.

Fund	CIP (5800)	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 24-25 Operating Budget Page	Last Budget Action (Date, Resolution)*
2302	9346	55.9346- 66.4000	Capital Outlays Improvements	\$307,971	\$150,181	n/a	6/11/24, 22979
2910	n/a	30.3240.66.3600	Capital Outlays-Bldg Construction	\$3,621,173	\$109,819.29	n/a	6/4/2019, 21614

* The FY 24-25 Adopted Budget was adopted on June 11, 2024.

ATTACHMENTS:

Resolution
Bid Tab