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Bid Problems for Streetscape Project

By Cathy Tyson

Although bids for a project that would upgrade sidewalks opened on June 22 - the project has been bumped back to the fall after staff analyzed bid proposals. Engineering Services Manager Tony Coe recommended to the City Council to reject all of the bids received thus far and to start the process all over again in the fall anticipating lower job costs and finding a contractor that meets federal minority- owned business participation goals.

Originally \$350,000 was earmarked from the Downtown Streetlight Replacement Reserve to fix up the south side of Mt. Diablo Boulevard from the Round-Up Saloon to Bank of the West. City staff applied for and received a federal grant under the Transportation for Livable Community (TLC) Program for \$1,290,000, enabling a substantial expansion of the project.

This allows dollars from city coffers to be leveraged, making the project significantly more affordable. While garnering federal funds definitely helps the bottom line, there are a number of very specific strings attached.

At issue are complicated requirements calling for participation of "underutilized disadvantaged business enterprises" (UDBEs). Caltrans dictates that bids must meet UDBE goals or "include evidence that a good faith effort has been made to meet such goals," according to a recent staff report.

Unfortunately the lowest submitted bid, by Elite Landscaping, didn't meet the UDBE goal. The good news is that waiting to bid the job won't jeopardize federal funds - if a winning bid for the construction project is finalized by November.

"It's an awkward system - CalTrans and the Federal government are trying to make it fair," said Associate Engineer Matt Luttrupp. He added, "What would you do for a million dollars?" He explained that while it's possible that a general contractor is minority-owned, what usually happens is some of the subcontracting work is allocated to UDBE businesses - anything from trucking to material suppliers.

According to the California Office of Business and Economic Opportunity, the UDBE program provides a vehicle for increasing the participation of disadvantaged businesses. The program seeks to ensure that small UDBE firms can compete fairly for federally funded transportation-related projects - essentially leveling the playing field. The disadvantaged enterprise must be a for-profit small business that is at least fifty-one percent owned by one or more individuals who are both socially and economically disadvantaged - those groups include women, African Americans, Native Americans, and Asian Pacific Americans.

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