



Agenda Item No. 2

To: Building and Operating Committee/Committee of the Whole
Meeting of August 13, 2009

From: Christian N. Stark, Marine Projects Manager, Ferry Division
James P. Swindler, Deputy General Manager, Ferry Division
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE REJECTION OF BIDS RELATIVE TO CONTRACT NO. 2010-FT-2, INSTALLATION OF NEW PROPULSION SYSTEM FOR RE-POWERING AND DRY-DOCKING OF THE M.V. DEL NORTE**

Recommendation

The Building and Operating Committee recommends that the Board of Directors authorize rejection of bids relative to Contract No. 2010-FT-2, *Installation of New Propulsion System for Re-Powering and Dry-Docking of the M.V. Del Norte*:

Summary

On May 26, 2009, the District issued Contract No. 2010-FT-2, *Installation of New Propulsion System for Re-Powering and Dry-Docking of the M.V. Del Norte*. By the proposal due date of July 28, 2009, the District received bids from three shipyards in response to the Invitation for Bids (IFB), as follows:

1. Vigor Industrial/Vigor Marine, Portland, Oregon
2. Ice Floe, Inc. dba Nichols Brothers Boat Builders, Freeland, Washington
3. Bay Ship and Yacht, Alameda, California

District staff reviewed the bids received in response to the IFB, and determined that all three bids contained irregularities. In consultation with the Attorney for the District, staff determined that, under the statutory rules governing competitive bidding, many of these irregularities were not minor ones that the District could waive. Staff therefore believes that the best course of action is to reject all bids and re-bid this contract. Staff will advise all three bidders of their bid irregularities so that all three bidders will have an equal opportunity to respond to the re-bid with responsive bids in full compliance with the requirements of the specifications. Staff also will clarify and make small revisions to the IFB documents and advertise the re-bid of the contract in time to bring a recommendation for award to the September 25, 2009, Board meeting.

Presently, District staff is estimating that the re-power shipyard period will take between five and six months. This delay, due to the re-bid, will require the presently scheduled routine shipyard period of the *M.V. Mendocino* to be delayed.

The *M.V. Del Norte* was originally built in 1997 to begin the District's high-speed ferry program. The vessel's engines now have 31,000 hours of operation and no longer meet current EPA emissions regulations. Given these conditions, the District applied for and has received a State Carl Moyer grant to repower the *M.V. Del Norte*. The Carl Moyer program provides funds to replace older marine diesel engines with new engines meeting current EPA standards.

Fiscal Impact

There is no fiscal impact associated with this action.