


Prop. S ICOC
March 18, 2010, Exhibit 4.3

TO: Independent Citizens Oversight Committee
FROM:  Gregg Cantor, Chair
Ad-hoc subcommittee—First 3 bid openings under PSA comparison
DATE: March 18, 2010
RE: Hoover HS Green technology construction project bid

Background: The first Prop S project to be under the rules of the SDUSD Project Stabilization Agreement (PSA) was the Hoover HS Green technology construction project. The lowest apparent bid for the project exceeded the government estimate. Under section 2.3 of the PSA, the District may reject all bids and re-advertise the project with or without application of the PSA if 1) the lowest bid exceeds the government estimate by more than 10% and 2) the increased cost is determined to be due to application of the PSA. The ICOC President pro tempore assigned an ad-hoc committee consisting of Leonard Pinson, Ray Moreno and Gregg Cantor, all experienced construction professionals, to assess the project and report to the full ICOC its findings. The full ICOC may then choose to make a recommendation to the Board of Education when it considers awarding the project.

Findings:

After review of documents provided to prospective bidders, including plans and specifications, and meeting with staff on 2/17, 2/25 and 3/5 to further analyze details of the project, the ad-hoc committee makes the following findings:

1. The government estimate of \$3,465,000 fairly represents the value of the work required to complete the project. The low bid of \$4,150,000 exceeds this estimate by approximately 20%
2. While particular elements of the project specifications may have contributed to a slight increase in bids, they do not explain the disparity between the low bid and government estimate
3. The bid results are not explained by the current bid climate, where bids have been coming in under the engineer's estimates.

Summary:

The ad-hoc subcommittee believes the evidence demonstrates that the lowest bid for the Hoover Green technology construction project was "in excess of ten percent of the engineer's estimate." However, sufficient data is not available to conclude why there was an increase in cost. Staff will be making a recommendation to the Board of Education that the project be re-bid.

If the Board of Education agrees that the project should be a re-bid, the ad-hoc subcommittee recommends a constructability review of the plans by an independent 3rd party.