

DRAFT

RESOLUTION 20xx-xxx

**RESOLUTION REJECTING BID FOR CONTRACT NO.
2024-24 FOR THE FREEDOM PARK AT NAVY PIER
STRUCTURAL PIER REINFORCEMENT**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I, (Port Act); and

WHEREAS, on February 26, 2025, the Navy Pier Freedom Park Structural Pier Reinforcement Project, Contract 2024-24, was advertised for public bidding for 36 calendar days; and

WHEREAS, the Navy Pier Freedom Park Structural Pier Reinforcement Project consists of structural reinforcement of the east end of the existing pier mole retaining wall under the headhouse's former location; and

WHEREAS, the methodology to be used is a ground improvement technique that uses high-velocity fluid jets to create cemented soil columns in the ground below the pier deck, thereby stabilizing the soil as the grouted fluid hardens; and

WHEREAS, the bidding documents include provisions requiring a specialty contractor expert with jet grouting work and an established and documented record of at least five years' experience in performing jet grouting operations; and

WHEREAS, the plans and specifications in Contract 2024-24 (Jet Grouting Contract) define the work to include jet grouting along approximately 380 linear feet of retaining wall, including mobilization and demobilization, and other related work; and

WHEREAS, the specifications also require the winning bidder, as well as all subcontractors, to sign a letter of assent to the Project Labor Agreement as authorized by the BPC pursuant to Resolution No. 2023-092 approved on October 10, 2023; and

WHEREAS, at the bid opening on April 2, 2025, the District received one (1) responsive and responsible bid in the amount of \$2,740,403, which significantly exceeded the Engineer's Estimate of \$1,345,000; and

WHEREAS, upon review of the bid, staff believes that this cost variance may have been caused by various factors, both internal and external to the project, such as market conditions, lack of comparable scope and work conditions, and scarcity of qualified local contractors with the capability of performing this specialized type of

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work; and

WHEREAS, due to this variance, the USS Midway Museum (Midway), as the financially responsible party, requested that the bid be rejected; and

WHEREAS, if awarded, the Jet Grouting Contract would be executed by and among the District, the Midway, and the winning bidder, with Midway responsible for all payments to be made to the contractor under the Jet Grouting Contract; and

WHEREAS, as the financial sponsor of the Freedom Park project, Midway also requested that the Jet Grouting Contract be promptly readvertised in an effort to potentially lower costs and minimize delays in ultimate park construction; and

WHEREAS, following any Board of Port Commissioners (BPC) approved rejection, and in accordance with Section 22038 of the California Public Contract Code, District staff intends to readvertise Contract No. 2024-24; and

WHEREAS, there is no anticipated fiscal impact caused by the approval of this action because rejection of all bids will result in no award; and

WHEREAS, staff, in collaboration with and support of the Midway, recommends the BPC reject the bid for Contract No. 2024-24 for the Navy Pier Structural Pier Reinforcement as permitted by the California Public Contract Code and applicable District policy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District rejects the sole bid for Contract No. 2024-24, for the Navy Pier Structural Pier Reinforcement due to (i) the substantial exceedance of the project budget of \$1,345,000 by \$1,395,403 and (ii) the USS Midway Museum, as the party that would be financially responsible for all payments due under the Jet Grouting Contract, communicating its intention to not execute such contract for the low bid amount, and re-advertise the contract for new bid.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy General Counsel

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 6th day of June 2025, by the following vote: