

June 17, 2002

Honorable Mayor and Members of  
The Hermosa Beach City Council

Regular Meeting of  
June 25, 2002

**PROJECT NO. CIP 95-507 VALLEY PARK IMPROVEMENTS  
AWARD CONSTRUCTION CONTRACT**

**Recommendation:**

It is recommended that the City Council:

1. Reject the bid from Ecology Construction, apparent low bidder;
2. Award the construction contract for Project No. CIP 95-507 Valley Park Improvements to Terra-Cal Construction, Inc. of Baldwin Park, California, in the amount of \$1,075,044.00 for the base bid;
3. Approve additional \$196,810.20 for alternate bid items;
4. Approve estimated revenue of \$235,214 (\$178,000 from the Per Capita Grant and \$57,214 from Roberti-Z'berg Grant) and appropriate the funds to this project;
5. Authorize the Mayor to execute and the City Clerk to attest the construction contract subject to approval by the City Attorney;
6. Authorize the Director of Public Works to make minor changes as necessary within the contingency of \$130,000.00; and
7. Authorize the City Clerk to attest and the Mayor to execute said agreement upon approval as to form by the City Attorney.

**Background:**

On February 25, 2002, City Council authorized advertising for bids. The project was advertised in the Easy Reader, Greensheet (Construction News Reporter) and Construction Market Data. The contractors picked up a total of 19 bid packages. The City Clerk received 14 bids by the closing date of April 25, 2002. The bids were publicly opened and read aloud. The bid results are as follows:

BIDDERS	CITY	BASE BIDS	ALTERNATES
1. Ecology Construction	Canoga Park	1,058,446.75	155,067.00
2. Terra-Cal Construction	Baldwin Park	1,075,044.00	251,567.70
3. Valley Crest	San Fernando	1,141,200.00	196,288.00
4. Pima Corporation	Los Angeles	1,154,752.72	187,674.00
5. S & R Construction	Garden Grove	1,197,020.65	209,892.50
6. Los Angeles Engineering	Rosemead	1,211,598.20	185,370.03
7. EMAE International	Huntington Beach	1,250,492.00	182,085.00
8. USS Cal Builders	Garden Grove	1,283,192.55	532,179.00
9. Metro Builders	Newport Beach	1,422,999.00	532,179.00
10. ASHCO Inc.	Los Angeles	1,474,986.46	312,364.40
11. Zondiros Corp. Peninsula Landscaping	Torrance	1,496,010.00	Incomplete

12. Begl Construction	Van Nuys	1,796,000.85	179,201.00
13. Anderson/White	Anaheim	1,860,926.00	1,058,556.00
14. Pulsar Construction	Seal Beach	Incomplete	Incomplete

The apparent low bidder is Ecology Construction, and their base bid plus alternate bid items in the amount of \$1,213,513.75 is 22% less than the engineer's estimate of \$1,550,000.00.

The apparent second low bidder, Terra-Cal Construction, submitted a letter of protest stating that Ecology Construction is non-responsive per the Public Contract Code (See attachment A). Under this Government Code, each bidder shall set forth the names and location of the place of business of each subcontractor who will perform work or labor or render service to the prime contractor in or about the construction of the work or improvement in an amount in excess of one-half (1/2) of one percent (1%) of the prime contractor's total bid, and shall further set forth the portion of the work which will be done by each subcontractor.

The Department of Public Works with the assistance of the City Attorney investigated this matter. The protest letter was forwarded to Ecology Construction and they have responded in writing (See attachment B). After reviewing the letter, the Department of Public Works sent a letter to Ecology Construction for further clarification of their response (See attachment C). After receiving that letter, they responded on the phone that they would not contest the protest submitted by Terra-Cal Construction but have not responded in writing. Therefore, Staff is recommending that City Council reject Ecology Construction's bid and award the construction contract to Terra-Cal Construction.

The second low bidder, Terra-Cal Construction, listed all the necessary subcontractors for successful completion of the project and complied with the Government Code of the State of California. All other bid documents are in order and their base bid plus alternate bids in the amount of \$1,271,854.20 is approximately 18% less than the engineer's estimate of \$1,550,000.00. Additionally, their references were verified by calling the Cities of Santa Clarita and Huntington Beach.

Staff will return with an agenda item for Construction Management/Inspection at the July 9, 2002 Council Meeting.

**Fiscal Impact:**

The available project funding for FY 02-03 is as follows:

<b>FUNDING SOURCE</b>	<b>PROJECT BUDGET</b>
125 Parks & Rec. Fund	556,000
126 4% Utility Users Tax	311,000
150 CA Prop 12 Grant	235,214
160 Sewer Fund	200,000
301 Capital Improvements Fund	913,000
<b>TOTALS</b>	<b>\$2,215,214</b>

In addition, access revenue in the amount of \$80,000 will be available for this project after execution of the contract between the City and the Los Angeles County Regional Park & Open Space District. At this time, the anticipated general fund grant from the California Department of Parks & Recreation for \$68,950 is impounded by the State. When this grant is available to the City, it will be applied to this project for construction.

Below is a breakdown of proposed project spending:

Proposed budget for FY 02-03	\$2,215,214.00
Base bid for construction	(1,075,044.00)
Alternate bid items:	
1. Wood monument signs	(15,400.00)
2. AC paving	(24,356.70)
3. Concrete wheel stops	(1,170.00)
4. H/C parking and circulation signs	(900.00)
5. Sand Channel drainage system	(83,700.00)
6. Color concrete paving (mesa beige)	(10,951.50)
7. Underground utilities	(8,000.00)
8. Install 8" lining for sanitary sewer	(24,850.00)
9. Install 10" lining for sanitary sewer	(27,482.00)
Contingency	(130,000.00)
<b>Remaining Project Budget</b>	<b>\$ 813,359.80</b>

Terra-Cal's total amount for alternate bid items, as read by the City Clerk at the bid opening was \$251,567.70, but the correct amount is \$196,810.20 since installation of concrete paving is also included in the base bid. Therefore, the cost to provide color concrete as an alternate bid item is reduced from \$65,709.00 to \$10,951.50.

Sufficient funds are available at this time.

Alternatives:

- 1) Approve base bid only: \$1,075,044.00
- 2) Approve base bid plus all of alternate bid items: Add \$251,567.70
- 3) Approve base bid and select some of alternate bid items: Cost will vary depending on items selected.

Attachments:

- A) Copy of letter from Terra-Cal Construction
- B) Copy of letter from Ecology Construction
- C) Copy of letter from the Department of Public Works
- D) Construction plan, sheets C1 & 2
- E) Detail drawing of wood monument sign
- F) Brochure of Sand Channel drainage system

Respectfully submitted,

Concur:

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Kenneth Kim  
Assistant Engineer

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Harold C. Williams, P.E.  
Director of Public Works/City Engineer

Noted for Fiscal Impact:

Concur:

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Viki Copeland  
Finance Director

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Stephen Burrell  
City Manager

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