

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 08/13/07		Item Number: <u>A-4</u>	
AGENDA ITEM: Consideration to Reject All Bids Received for Slope Reconstruction Adjacent to Cranks and Tellefson Roads, P-867 and Authorize Staff to Negotiation with all Bidders for this Project and other Contractors as Staff Deems Appropriate.			
Contact Persons/Dept.: Mate Gaspar and Charles Herbertson, PW		Phone Number: (310) 253-5602 and (310) 253-5635 respectively	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☐	
Public Notification: Environmental Construction, Inc., CalEx Engineering, and Clarke Contracting, via telephone call on August 8, 2007, and residents of 10745, 10747, and 10751 Cranks Road and 5722 and 5724 Tellefson Road and their respective attorneys were notified by e-mail on August 9, 2007, and Master Notification List on August 8, 2007.			
Department Approval: Charles D. Herbertson (08/08/07)		City Attorney Approval: Heather Iker (08/08/07)	
City Controller Approval: Marlee Chang (08/08/07)		City Manager Approval: Jerry B. Fulwood (08/08/07)	

RECOMMENDATION:

Staff recommends the City Council reject all bids received for the slope reconstruction adjacent to Cranks and Tellefson Roads and authorize staff to negotiate with the bidders and other contractors.

BACKGROUND/DISCUSSION:

On May 21, 2007, the City Council approved the final plans and specifications and authorized staff to advertise for bids for the construction of the slope reconstruction behind the properties located at 10745, 10747, 10751 Cranks Road and 5722 and 5724 Tellefson Road. On June 21 and June 28, 2007 the project was advertised for construction bids.

On July 26, 2007, the bids were publicly opened by the Deputy City Clerk, yielding the following bids:

CONTRACTOR	BID AMOUNT
Environmental Construction, Inc.	\$2,870,732.50
CalEx Engineering	\$4,163,000
Clarke Contracting	\$5,107,000

The bids greatly exceed the estimated construction cost of the project. Staff believes that through negotiations with the bidders and other contractors experienced with this type of work, a more affordable cost can be achieved for the

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City. Staff believes these negotiations would be in the best interests of the City and recommends that the City enter into negotiations with the three bidders and other contractors. In order for these negotiations to proceed, all bids received on July 26, 2007, must first be rejected.

The City's Charter provisions regarding public works contracts¹ give the Council the authority to reject any and all bids presented. In addition, the Council, by a four-fifths vote, may award a contract without complying with the bidding procedures, provided a public hearing is held on the award of the contract. As such, it would be legally permissible for the City to negotiate with all the bidders and other interested contractors, once all prior bids are rejected.

Staff anticipates reaching agreement with a contractor for the slope reconstruction project; however, if no agreement is achieved, staff will make further recommendations to the City Council regarding re-bidding the project.

Should the negotiations be successful, the proposed agreement would be presented to the City Council for consideration and potential award.

FISCAL ANALYSIS:

The item presented to the City Council this evening does not create a fiscal impact. However, if the negotiations are successful, the City Council would be asked to allocate funding for any proposed contract at the time of the Council's consideration of the award of contract.

ATTACHMENTS:

None.

MOTIONS:

That the Council:

1. Reject all bids for a construction contract for the slope reconstruction adjacent to Cranks and Tellefson Roads, P-867.
2. Authorize staff to negotiate with the three bidders and other contractors on behalf of the City.

¹ Charter Section 2007 provides that the procedures for awarding public works contracts as set forth in the "old" Charter will remain in effect until such time as the City Council establishes, by ordinance, different procedures. Therefore, the current procedures are set forth in "old" Charter Section 1304.