

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 3/24/08		Item Number: <u>A-3</u>	
AGENDA ITEM: Reject Bid by California Engineering and Contracting, Inc., and Award a Construction Contract to Steiny and Company, Inc. for the Construction of Higuera Street and Eastham Drive Traffic Signal and Intersection Upgrade, P-741, Federal Aid Project, STPL – 5240 (004)			
Contact Persons/Dept.: Wang/PWD		Hong Phone Number: (310) 253-5604	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master Notification List (3/20/08); California Engineering & Contracting Inc., Steiny and Company, Inc., C. T. & F, Inc., Shawnan, Christopher R. Morales, Inc. , Terno, Inc. by telephone on (3/20/08).			
Department Approval: Charles D. Herbertson (3/20/08)		City Attorney Approval: Carol Schwab (by H. Baker) (03/20/08)	
Fiscal Impact Review: Jeff Muir (03/20/08)		City Manager Approval: Jerry B. Fulwood (03/20/08)	
<u>RECOMMENDATION:</u> Staff recommends the City Council: (1) reject the bid by California Engineering and Contracting, Inc., due to its bid being non-responsive and (2) award a construction contract to Steiny and Company, Inc., as the lowest responsive and responsible bidder, to complete the necessary work for the Higuera Street and Eastham Drive Traffic Signal and Intersection Upgrade, P-741, federal aid project STPL-5240 (004). <u>BACKGROUND:</u> The project scope involves the replacement of the aging traffic signal system at the intersection of Higuera Street and Eastham Avenue and the installation of a median island on Eastham Avenue to improve the pedestrian and vehicle traffic flow through the intersection. <u>DISCUSSION:</u> On February 21, 2008, the Deputy City Clerk publicly opened bids. Six Contractors responded with the following bid amounts:			

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<u>CONTRACTOR</u>	<u>BID AMOUNTS</u>
1. California Engineering & Contracting Inc.	\$165,610.00
2. Steiny and Company, Inc.	\$203,946.00
3. C. T. & F, Inc.	\$206,047.32
4. Shawnan	\$207,207.00
5. Christopher R. Morales, Inc.	\$209,725.00
6. Terno, Inc.	\$254,918.00

Staff reviewed the lowest bidder's (California Engineering & Contracting Inc.) bid proposal. Staff is recommending rejecting California Engineering and Contracting, Inc., bid due to it being non-responsive. Staff determined that the company was issued a Contractor's license on January 22, 2007. In the bid proposal submitted by California Engineering and Contracting, Inc., it states that the employees in the company have three (3) years experience with the firm. This information is inconsistent with the information obtained from the State Contractor's license board. The City's Charter provisions regarding public works contracts¹ provide that the City Council, in its discretion, may reject any and all bids presented. Also, the bid specifications state that the City Council may reject any bids to serve the interests of Culver City.

Steiny and Company, Inc. is a reputable and well known traffic signal contractor in California. Although their bid is higher than California Engineering and Contracting, Inc. by an amount of \$38,336, the bid amount is in line with the engineer's estimate of \$190,000. Steiny and Company's bonding information was reviewed and determined to meet City requirements. Furthermore, unlike the bid submitted by California Engineering and Contract, Inc., Steiny and Company's bid was found to be complete, accurate, and fully responsive.

Federal Funding Information

The City has received federal funding which will be applied to this project.

As the City Council may recall, this project has been advertised for construction bids four times over the last nine years. Each year, all of the bids were rejected by the City Council due to insufficient funds available for construction (based upon the high bids prices received) or other technical reasons. The approved federal-aid

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.

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funds on the project will be forfeited if the work is not invoiced by May 16, 2008. No further time extensions for this grant are available. Therefore, it is imperative that the City Council award the contract at its meeting on March 24, 2008 so that sufficient work can be accomplished and invoiced prior to the May 16, 2008 federal funding deadline.

Engineering Division staff will perform construction management. To provide adequate project supervision, a part-time consultant inspector for specific electrical components of the construction will be selected from the City Council approved list of civil engineering and project management firms. Construction is expected to commence in April 2008 and is slated to be completed within 90 calendar days.

FISCAL ANALYSIS:

Sufficient funds are available to award this construction contract in CIP Project 741 – Higuera Street Traffic Signal Upgrade.

Total Adopted Project Budget by Funding Source	
Funding Source	Amount
Gas Tax	\$ 50,059
Capital Improvement & Acquisitions Fund	\$ 90,000
Federal STPL Fund (reimbursable)	\$ 97,383
Total =	\$237,442

Expenditures and encumbrances already committed (as of 3/13/08) reproduction costs	\$ 270
Total Available Funding	\$237,172

Proposed Expenses	
Total Construction Contract Cost	\$203,946
Contingency (10%)	\$20,394
Subtotal:	\$224,340
Construction Inspection and Material Testing	\$ 12,832
Total Proposed Project Cost	\$237,172

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ATTACHMENT:

1. Location Map

MOTIONS:

That the City Council:

- 1) Reject the bid by California Engineering Contracting, Inc. due to its bid being non-responsive.
- 2) Award a construction contract to Steiny and Company, Inc. for construction of Higuera Street and Eastham Drive Traffic Signal and Intersection Upgrade, CIP Project-741, STPL-5240 (004) in the amount of \$203,946, and
- 3) Authorize the Public Works Director/City Engineer to approve change orders, if necessary, in an amount not to exceed \$20,394 (10%).
- 4) Authorize the City Attorney to review/prepare the necessary documents and authorize the City Manager to execute such documents on behalf of the City.