

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/13/06	Item Number: <u>A-10</u>
AGENDA ITEM: Award of a Construction Contract to Terno, Inc for the Washington Boulevard Streetlight Improvement Project between Glencoe Avenue and Beethoven Avenue	
Contact Person/Dept.: Lee Torres/Public Works	Phone Number: 310.253.5623
Fiscal Impact: Yes ☒ No ☐	General Fund: Yes ☐ No ☒
Public Hearing: ☐	Action Item: ☒ Attachments: ☒
Public Notification: Master Notification List emailed on November 8 th . Washington Boulevard Businesses (Glencoe Avenue to Beethoven Avenue) and Tom Crabson, County of Los Angeles CDC Community Development Block Grant Division via First Class Postcard, mailed November 3, 2006. Terno, inc.; Dynalectric; and Steiny and Company, Inc. were notified by telephone on November 3, 2006.	
Department Approval: Charles D. Herbertson (11/02/2006)	City Manager Approval: Jerry B. Fulwood (11/08/2006)
City Controller Approval: Marlee Chang (11/07/2006)	
<u>RECOMMENDATION:</u> Staff recommends the City Council award a construction contract to Terno, Inc. as the lowest responsive and responsible bidder, in the amount of \$144,139 to complete the necessary work for the Washington Boulevard Streetlight Improvement Project, P-856. <u>BACKGROUND:</u> On June 10, 2006, City Council approved the specifications and authorized advertising for bids for the Washington Boulevard Streetlight Improvement Project, P-856 (CDBG #600690-04). This year's Capital Improvement Budget includes the Washington Boulevard Streetlight Improvement Project between Glencoe Avenue and Beethoven Avenue, P-856 (CDBG #600690-04). The project was approved by the City Council in January 2006 using Community Development Block Grant (CDBG) funds, as recommended by the City's CDBG Advisory Committee. The existing streetlight system on north side of Washington Boulevard between Glencoe Avenue and Beethoven Avenue requires replacement for several reasons: • It is on series circuit; • It has lead wiring which tends to corrode; and	

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- It runs on high voltage.

The new system will address these issues. Series circuitry is outdated and no longer used for street lighting systems due to its inherent maintenance problems, which include:

- If one section of the circuit is damaged, the other lights on the circuit fail;
- The old lead wiring is much more prone to causing outages than the proposed modern wiring; and,
- Extreme care is required when maintaining the existing high voltage circuitry (the new system will run on low voltage and save considerable energy and costs).

DISCUSSION:

The scope of work along north side Washington Boulevard consists of the removal and replacement of the existing luminaries on nineteen (19) streetlights and its associated circuitry on the north side of the street between Glencoe Avenue and Beethoven Avenue.

Bid Advertisement

The Project was advertised for construction bids and on October 26, 2006, the Deputy City Clerk publicly opened bids. Three Contractors responded with the following bid amounts:

<u>CONTRACTOR</u>	<u>BID AMOUNTS</u>
1. Terno, Inc., of La Mirada, CA	\$ 144,139.00
2. Steiny and Company, Inc., of Baldwin Park, CA	\$ 168,340.00
3. Dynalectric, of Los Alamitos, CA	\$ 187,801.18

Staff reviewed the lowest bidder's bid proposal (Terno, Inc.) and found the bid documents complete. The bonding information, contractor eligibility, and Workmen's Compensation Insurance were reviewed and determined to meet City requirements.

Terno, Inc. recently successfully completed the Krueger-Lindblade Streetlight Improvement Project for the City. This project was accepted by the City Council on October 9, 2006. In addition, Terno has completed several projects for other municipal and county agencies in the past year. A representative from the County of

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Los Angeles indicated that the Company performed in a professional manner, were very responsive and recommended them for future projects.

The construction management and construction inspection will be performed by Engineering Division staff.

In order to avoid construction activities on a major arterial and near Costco and other businesses during the holiday season, the start of construction is scheduled to begin in January 2007 and expected to be completed by March 2007.

FISCAL ANALYSIS:

Current Project Budget	
Washington Boulevard Streetlight Improvement Project, P-856 (CDBG #600690-04)	
Funding Source	Amount
CDBG (42300856)	\$93,405
Special Gas Tax (41800856)	\$36,540
Total =	\$129,945

Estimated Project Expenses	
Washington Blvd Streetlight Improvement Project, P-856 (CDBG #600690-04)	\$144,139
Construction Management and Construction Inspection (In-house)	\$0
Total Estimated Project Cost	\$144,139
Contingency (10 %), if necessary	\$14,414
Total	\$158,553

An additional \$28,608 would be required to sufficiently fund the construction of the project.

As was previously presented to the City Council, inflation on construction projects is running high throughout the industry as shown in recent City bids and this bid result. It is highly unlikely that re-bidding the project will result in lower bids. These higher bid prices are primarily due to higher energy and commodity prices, a shortage of

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contractors, and a worldwide construction boom. These factors are resulting in bid prices higher than estimated on many projects.

Pursuant to the City Council adopted Budget Resolution, the City Manager should the City Council award the contract as recommended, will approve a budget transfer from the Streetlight Upgrade Project, P-684 (41800684) to the project budget to adequately fund the construction of the Washington Boulevard Streetlight Improvement Project, P-856 (CDBG #600690-04). As a result, the Streetlight Upgrade Project will be reduced in scope so that the amount of streetlights to be replaced will be decreased by approximately three streetlights.

ATTACHMENT:

1. Location Map.

MOTION:

That the City Council:

- 1) Award a construction contract to Terno, Inc. for the Washington Boulevard Streetlight Improvement Projects, P-856 (CDBG #600690-04), based on its bid amount of \$144,139;
- 2) Authorize the Public Works Director/City Engineer to approve change orders, if necessary, in an amount not-to-exceed \$14,414; and
- 3) Authorize the City Attorney to prepare the necessary documents for the contract and authorize the City Manager to approve the documents.