

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 12/11/06		Item Number: <u>PH-3</u>	
AGENDA ITEM: Public Hearing for the Consideration to Approve an Exception to the Usual Method for Awarding a Public Works Contract, and Award a Design-Build Contract to Fast-Track Construction Corporation for the Firing Range Rehabilitation Project			
Contact Persons/Dept.: Elaine Jeng/PW; Craig Bloor/PD		Phone Number: (310) 253-5621; (310) 253-6105	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☒		Action Item: ☐ Attachments: ☒	
Public Notification: Master Notification List on December 7, 2006. Public Notification Advertisement in the Los Angeles Times, on November 30, 2006 and in the Culver City News on December 7, 2006.			
Department Approval: Charles D. Herbertson 12/01/06		City Manager Approval:	
City Controller Approval:		City Attorney Approval:	

RECOMMENDATIONS:

Staff recommends the City Council:

- 1) Approve an exception to the requirements for awarding Public Works Contract to the lowest bidder,
- 2) Award a design-build contract to Fast-Track Construction Corporation (Fast-Track), for a not-to-exceed cost of \$581,772.25, to complete the necessary work for the Firing Range Rehabilitation Project, P-832.
- 3) Authorize the Public Works Director/City Engineer and the Police Chief to approve change orders in a not-to-exceed amount of \$133,227.75 if necessary; and
- 4) Authorize the City Attorney to prepare the necessary documents for the contract and authorize the City Manager to approve the documents.

A 4/5ths vote is required.

PROCEDURES:

1. Mayor seeks motion to receive and file the affidavit and notice of publication.
2. Mayor calls on staff for a brief report.
3. Mayor declares the Public Hearing open, and calls upon the public for comment.
4. Mayor seeks a motion to close the Public Hearing.

City of Culver City, California
City Council Agenda Item Report

5. City Council discusses the matter and arrives at its decision.

BACKGROUND/DISCUSSION:

On November 13, 2006, the City Council approved the following motions:

- Authorize entering into a design-build contract with Fast-Track Construction related to the Firing Range Project, P832, for a not-to-exceed cost of \$650,000;
- Authorize the Public Works Director/City Engineer and the Police Chief to approve change orders in a not-to-exceed amount of \$65,000, if necessary; and
- Authorize the City Attorney to prepare the necessary documents for the contract and authorize the City Manager to approve the documents.

Recently the City Attorney's office discovered that since the project did not award the design-build contract to the lowest bidder, an exception for awarding Contracts for Public Works projects as permitted by the City's Charter must be approved the City Council.

Staff recommended that the City Council award a contract to Fast-Track because their bid proposal was the most responsive of the three submitted.

Section 1304 of the previous City Charter established the procedures for awarding public works contracts to the lowest responsible bidder. That section also permitted the City Council to approve exceptions to that requirement after a public hearing. Section 2007 of the recently adopted Charter provides the previous Section 1304 provisions shall continue in effect until new regulations are established by ordinance. Those new regulations have not yet been established.

Former City Charter Section 1304 states, in part, the following:

"Every public works project to be performed by an independent contractor involving an expenditure of more than Twenty-Five Thousand (\$25,000.00) Dollars... shall be let to the lowest responsible bidder after notice by publication in the newspaper designated by the City Council pursuant to Section 517 hereof by two or more insertions, the first of which shall be at least ten days before the time of opening bids.

The City Council by four affirmative votes may award such a contract without complying with bidding procedures provided a public hearing is held on the award of the contract. Notice of the public hearing shall be published as

City of Culver City, California
City Council Agenda Item Report

provided hereinabove and shall state the name of the proposed contractor, scope of the contract and compensation."

Public Notification

A Notice of Public Hearing for the expenditure of Culver City funds for the construction of the Firing Range project was placed in the Classified Section of the November 30, 2006 Los Angeles Times and the Public Notice Section of the December 7, 2006, issue of Culver City News.

Staff is recommending that the City Council approve an exception to Public Works bidding procedures, as allowed, and award the contract to Fast-Track Corporation, based on staff's determination that their bid proposal is the most responsive (see November 13, 2006, City Council Agenda report attachment). As stated in the old City Charter Section 13.04, a 4/5ths majority vote is required of the City Council to approve the exception to procedures for awarding Public Works contracts.

FISCAL ANALYSIS:

The base bid proposal by Fast-Track is \$581,772.25. In the November 13, 2006, City Council agenda report, staff recommended a not-to-exceed contract amount of \$650,000 to allow for construction contingencies. Under the advice of the City Attorney's office, staff is recommending a not-to-exceed contract amount per the base bid submitted by Fast-Track of \$581,772.25 and to include the contingency (difference between \$650,000 and \$581,772.25 = \$68,227.75) in the change order authority of the Public Works Director/City Engineer and Police Chief. This \$68,227.75 added to the previously approved \$65,000 change order authority provides for a total change order authority of \$133,227.75. The \$133,227.75 contingency amounts equates to 22.9% of the contract amount. The reason for this relatively large contingency amount is the nature of design-build contracts. Design-build contracts need larger contingencies because the design is only in a conceptual stage at the time of project award. As design refinements occur, it is expected that unforeseen issues or conditions may arise that will increase the overall project cost. A larger contingency, therefore, provides more flexibility during the final design process to ensure that the end product fully meets expectations. The total amount of \$715,000 is well within the amount budgeted for this project.

ATTACHMENTS:

1. Council Agenda Report dated November 13, 2006 with attachments
2. Notice of Public Hearing

City of Culver City, California
City Council Agenda Item Report

MOTIONS:

That the City Council:

- 1) Approve an exception to the requirements set by City Charter for awarding Public Works contracts to the lowest bidder,
- 2) Award a design-build contract to Fast-Track Construction Corporation for a not-to-exceed cost of \$581,772.25, to complete the necessary work for the Firing Range Rehabilitation Project, P-832,
- 3) Authorize the Public Works Director/City Engineer and the Police Chief to approve change orders in a not-to-exceed amount of \$133,227.75, if necessary, and,
- 4) Authorize the City Attorney to prepare the necessary documents for the contract and authorize the City Manager to approve the documents.

A 4/5ths vote is required.