

**City of Culver City, California
Agenda Item Report**

Meeting Date: 7/28/2014		Item Number: <u>C-7</u>	
CITY COUNCIL AGENDA ITEM: 1) Waiver of Irregularity/Informality on Ramona, Inc. Bid; and 2) Award of a Construction Contract to Ramona, Inc. in an Amount Not-to-Exceed \$54,660 (\$48,860 Base Bid and \$5,800 in Change Order Authority) for the Construction of Jefferson Boulevard Sewer Main Extension Project. PZ-230			
Contact Person/Dept.: Lee Torres/PW		Phone Number: 310-253-5623	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Agenda and Meetings – City Council (07/23/2014); (E-Mail) All Bidders (07/21/14); Mr. McDermott (07/23/14)			
Department Approval: Charles D. Herbertson (07/18/14)		City Attorney Approval: Carol Schwab (by H. Baker) (07/22/14)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (07/22/14)		City Manager Approval: John M. Nachbar (07/23/14)	

RECOMMENDATION:

Staff recommends that the City Council 1) waive an irregularity/informality on the Ramona, Inc. bid; and 2) award a construction contract to Ramona Inc. as the lowest responsive and responsible bidder, in an amount not-to-exceed \$54,660 (\$48,860 base bid and \$5,800 in change order authority) to complete the necessary work for the Jefferson Boulevard Sewer Main Extension Project, PZ-230.

BACKGROUND/DISCUSSION:

Mr. McDermott, property owner of 9450 Jefferson Boulevard, requested to be connected to the City's sanitary sewer system. His property is currently utilizing a private septic system. In order to connect to the sewer system, a new sewer main must be constructed. It is the City's policy to provide each property owner a public sewer main and lateral to service their property. Also, it is in the interest of health and water quality to eliminate private septic systems.

The proposed sewer improvement project will consist of constructing about 80 feet of new standard 8-inch diameter sewer main, one 36-inch diameter sewer manhole, and 20-feet of new 6-inch diameter sewer lateral pipe.

Pursuant to Culver City Municipal Code Section 3.07.090.B and the City's Purchasing Policy, because the estimated cost of construction is less than \$75,000 and included in the current fiscal year adopted budget, prior approval by the City Council of the plans and specifications and authorization of the publication of a notice inviting bids, were not required.

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Staff published a notice inviting bids in several bid-noticing newspapers and posted the notice on the City website. On June 12, 2014, the City Clerk's Office publicly opened the bids. Ten (10) contractors responded with the following bid amounts:

	<u>CONTRACTOR</u>	<u>BID AMOUNTS</u>
1	Ramona, Inc.	\$48,860.00
2	GRFCO	\$57,000.00
3	Mike Prlich & Sons, Inc.	\$68,306.00
4	Williams Pipeline	\$70,040.00
5	Excel Paving Company	\$79,597.00
6	BALI Construction, Inc.	\$83,345.00
7	Kordich Construction, Inc.	\$86,500.00
8	Vaslij, Inc.	\$88,850.00
9	SND Construction, Inc.	\$89,490.00
10	John T. Malloy, Inc.	\$89,950.00

Staff reviewed the bid proposal of the lowest bidder, Ramona, Inc. (Ramona) and found one irregularity/informality on its bid proposal. Ramona did not acknowledge the receipt of Addendum #2 dated June 5, 2014. Ramona was contacted via telephone and e-mail regarding the missing Addendum #2. Ramona has accepted and signed the Addendum #2 and agreed to maintain their original bid amount and fulfill the sewer improvement work per the plans and specifications.

After further discussion and review of the bid document with the City Attorney's Office, it was determined that the initial omission of acknowledgement of receipt of Addendum #2 may be considered an irregularity and/or informality and may be waived by the City Council, pursuant to CCMC Section 3.07.075(E)(2).

Ramona has completed similar projects with other municipal agencies in the local region, including the cities of Manhattan Beach and Los Angeles. Staff contacted their references and was told that Ramona did satisfactorily complete the work, but they did have disputes on contract change orders. Nevertheless, staff is recommending the construction contract be awarded to Ramona, as the contractor has been constructing pipelines and completing projects since 1979, disputes on change orders are not uncommon, and despite such change order disputes, staff believes Ramona to be the lowest responsive and responsible bidder.

Public Notification

Approximately two weeks prior to commencement of construction activity, adjacent businesses will be provided with written information on the project scope and contact information. The Construction Notice will be posted on the City website.

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FISCAL ANALYSIS:

Proposed Project Budget	
Sewer Local & Emergency Repair, PZ230	\$65,000.00

Estimated Project Expenses	
Construction Contract	\$48,860.00
12% contingency	\$5,800.00
Subtotal	\$54,660.00
Construction Inspection	\$7,800.00
Geotechnical Construction Services (Observation & Testing)	\$2,500.00
Total Estimated Project Expenses	\$64,960.00

ATTACHMENT:

1. Location Map

MOTIONS:

That the City Council:

- 1) Waive the irregularity/informality in the Ramona, Inc. bid per the staff report;
- 2) Award a contract to Ramona, Inc. as the lowest responsive and responsible bidder, for the Jefferson Boulevard Sewer Main Extension Project, PZ-930, in an amount not-to-exceed \$54,660 (\$48,860 base bid and \$5,800 in change order authority); and,
- 3) Authorize the Public Works Director/City Engineer to approve change orders in an amount not-to-exceed \$5,800, if necessary; and,
- 4) Authorize the City Attorney to review/prepare the necessary documents; and,
- 5) Authorize the City Manager to execute such documents on behalf of the City.