

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

Meeting Date: 12/05/2011		Item Number: <u>C-8</u>	
CITY COUNCIL AGENDA ITEM: (1) Reject Bids submitted by Rafael 26 Construction, Inc. and Araghi Corporation; and (2) Award a Construction Contract to Hoffman Management and Construction Corporation for the Construction of Fire Station #1 Exterior Staircase Reconstruction Project, P-931.			
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 (12/1/11); (Telephone) All Bidders (11/23/11)			
Department Approval: Charles D. Herbertson (11/22/11)		City Attorney Approval: Carol Schwab (by H. Baker) (11/28/11)	
Chief Financial Officer Approval: Jeff Muir (by K. Marsden) (11/29/11)		City Manager Approval: John M. Nachbar (11/29/11)	
<u>RECOMMENDATION:</u> Staff recommends that the City Council: 1) Reject the bids submitted by Rafael 26 Construction Inc. and Araghi Corporation due to their bids being non-responsive; and, 2) Award a construction contract to Hoffman Management and Construction Inc. (Hoffman) as the lowest responsive and responsible bidder to complete the necessary work for the Fire Station #1 Exterior Staircase Reconstruction Project, P-931. <u>BACKGROUND/DISCUSSION:</u> On August 22, 2011, the City Council approved the final plans and specifications to replace the exterior staircase located at the back of Fire Station #1 and authorized the advertising of construction bids. On September 22, 2011, the City Clerk's Office publicly opened the bids. Seven (7) contractors responded with the following bid amounts:			

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CONTRACTOR

BID AMOUNTS

1	Rafael 26 Construction, Inc., Los Angeles, CA	\$38,520.00
2	Araghi Corp., Los Angeles, CA	\$48,574.00
3	Hoffman Mgmt. & Const. Corp., Los Angeles, CA	\$52,857.75
4	Magic Hammer Development, Inc.	\$68,128.00
5	The Richard Group, Murrieta, CA	\$73,000.00
6	Fast Track Const. Corp., Culver City, CA	\$96,800.00
7	Parker Brown Inc., Canoga Park, CA	\$102,291.00

Bid Review

The original bid proposals from Rafael 26 Construction Inc. (Rafael 26), first low bidder, and Araghi Corporation (Araghi Corp.), second low bidder, were reviewed and did not contain relevant construction experience information as required in the bid documents. The third low bidder, Hoffman, provided all the required construction experience information, except a tentative construction schedule.

Due to missing information by all three of the lowest bidders, in consultation with the City Attorney's Office, staff gave an opportunity to the three (3) low bidders to re-submit missing information within two days.

The three low bidders resubmitted the missing items within two days. After thorough review, Rafael 26 and Araghi Corp still did not meet the minimum construction experience required by providing at least two (2) "steel staircase" construction projects and two (2) projects involving water intrusion related repair as required in the bid documents. Hoffman provided a proposed tentative construction schedule which was deemed acceptable.

Rafael 26 and Araghi Corp were both notified by telephone and letter that staff will be recommending the City Council reject their bid proposals due to not meeting the minimum construction experience required in the Plans and Specifications.

Staff verified all references provided by Hoffman and received positive feedback regarding the contractor's performance, and they were highly recommended by other government agencies.

Protest Letter

On November 7th, Staff received a letter from Araghi Corp. protesting the recommended contract award to Hoffman Construction. Araghi Corp states that the staff of their newly established corporation has ample construction experience with structural steel and concrete reinforcement.

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However, Staff clearly requested in the Project Bid Specification specific experience with projects involving “steel staircases”. Araghi Corps’ original proposal, supplemental construction experience submitted on October 7th, and their protest letter all failed to provide the requested information of having specific experience on projects involving “steel staircases”.

Six of the seven proposals received provided at least one project of steel staircase construction experience as outlined in the bid specifications. Therefore, Staff feels that this requirement is neither unreasonable nor too restrictive for general contractors to meet.

Should the City Council award the contract this evening, work is scheduled to begin in January 2012 and be completed in two months.

FISCAL IMPACT:

The following chart contains fiscal information regarding award of the contract:

Proposed Project Budget	
Funding Source	Amount
42000931	\$80,000.00
Total	\$80,000.00

Estimated Project Expenses	
Fire Station #1 Exterior Staircase Reconstruction Project.	\$52,857.75
Contingency	\$12,412.25
Total Estimated Project Expenses	\$65,270.00

Staff recommends a total of \$12,412.25 in contingency to account for any water damage repair work which cannot be fully assessed until the walls are fully exposed.

ATTACHMENT:

- Protest Letter from Araghi Corp dated November 6, 2011
- City’s Response Letter dated November 16, 2011

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MOTIONS:

That the City Council:

- 1) Reject the bids submitted by Rafael 26 Construction, Inc. and Araghi Corporation due to its bids being non-responsive; and,
- 2) Award a contract to Hoffman Management and Construction Corporation for the Fire Station #1 Exterior Staircase Reconstruction Project, P-931, in the amount of \$ 52,857.75, based on its base bid; and,
- 3) Authorize the Public Works Director/City Engineer to approve change orders in an amount not-to-exceed \$12,412.25, if necessary; and,
- 3) Authorize the City Attorney to review/prepare the necessary documents; and,
- 4) Authorize the City Manager to execute such documents on behalf of the City.