



City of Culver City

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Staff Report Details (With Text)

File #: 15-919 **Version:** 1 **Name:** Award Construction Contract for Municipal Fiber Network
Type: Minute Order **Status:** Consent Agenda
File created: 6/17/2016 **In control:** City Council Meeting Agenda
On agenda: 6/27/2016 **Final action:**
Title: CC - Award of a Construction Contract to HP Communications, Inc. as the Lowest Responsive and Responsible Bidder, in an Amount Not-to-Exceed \$4,306,246 and Change Order Authority in an Amount Not-to-Exceed \$645,937 (15%), for the Municipal Fiber Network, Project No. PT-003.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2016-05-09 Item C-15 Approval to Release Bid-Waive Bidding on Const Mtl's

Date	Ver.	Action By	Action	Result
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CC - Award of a Construction Contract to HP Communications, Inc. as the Lowest Responsive and Responsible Bidder, in an Amount Not-to-Exceed \$4,306,246 and Change Order Authority in an Amount Not-to-Exceed \$645,937 (15%), for the Municipal Fiber Network, Project No. PT-003.

Contact Person/Dept: Michele Williams, Information Technology
Mate Gaspar, Public Works

Phone Number: 310-253-5950 or 310-253-5602

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☐ No ☒

Public Hearing: ☐

Action Item: ☒

Attachments: Yes ☒ No ☐

Commission Action Required: Yes ☐ No ☐ **Date:**
Commission Name:

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/21/16); All bidders (via phone calls on various dates)

Department Approval: Charles Herbertson, Public Works Director/City Engineer (06/17/16)

RECOMMENDATION

Staff recommends the City Council award a construction contract to HP Communications, Inc. as the lowest responsive and responsible bidder, in an amount not-to-exceed \$4,306,246, and change order

authority in an amount not-to-exceed \$645,937 (15% of project), for the Municipal Fiber Network, Project No. PT-003.

BACKGROUND

On May 9, 2016, the City Council approved the Final Plans and Specifications prepared by MOX Networks (MOX) and authorized the publication of a Notice Inviting Bids for the construction of the Municipal Fiber Network, Project No. PT-003. The City Council report for this action is attached (Attachment 1).

DISCUSSION

The Notice Inviting Bids was published in a local newspaper, industry trade journals, and posted on the City's website. On June 14, 2016, the City Clerk's Office staff publicly opened the bids. Three contractors responded with the following bid amounts:

<u>Contractor</u>	<u>Base Bid Amount</u>	<u>Alternate Bid Amount</u>
1. HP Communications, Inc., Corona, CA	\$4,304,396	\$1,548,832
2. DBX, Inc, Temecula, CA	\$4,690,738	\$2,585,372
3. Henkels & McCoy, Inc., Pomona, CA	\$6,184,779	\$1,251,295

Staff reviewed all contractors' bid documents and determined HP Communications, Inc. submitted the lowest responsive total base bid, which is the basis for contract award. There was one minor calculation error in HP Communications' bid documents, which was corrected. The initial bid documents inadvertently did not include one listed item of \$1,850 for Traffic Control to the total calculation for the base bid. This accounts for the difference between the total on its bid form (\$4,304,396) and the total amount recommended for award (\$4,306,246). Staff reviewed the bid proposal from HP Communications, Inc. and found the bid documents responsive and complete (once the mathematical error was corrected). Its bid bond, contractor's license, and worker's compensation insurance were reviewed and determined to meet City requirements. HP Communications, Inc. has completed other fiber optic projects for the following California public agencies: City of Santa Monica, City of Laverne, and the City of Vista. Additionally, private sector clients include Wilcon (Los Angeles, CA) and Zayo Bandwidth LLC (Louisville, CO). Staff contacted the client references that were provided in the bid response and HP Communications, Inc.'s work for these agencies and private companies was found to be satisfactory. The City staff project team also conducted a site visit to HP Communications' office in Corona, CA, and was very impressed with its operations facility.

The bid schedule contained the following items:

- 288 Count Fiber on Core Fiber Design (The Baseline)
- 288 Count Fiber w/ Additional 2" Conduit
- 576 and 432 Hybrid w/ Additional 2" Conduit
- 576 Count Fiber w/ Additional 2" Conduit

In conducting outreach to the business community regarding the Municipal Fiber Project, staff has come to realize that there is a high demand for the broadband services that can ultimately be

delivered by utilizing the Municipal Fiber Network. Staff recommends installing the higher fiber count (576 strands) compared to the 288 strand count which was initially designed for this project. Also, it is recommended that additional conduit be installed during construction which will facilitate the City's ability to easily increase fiber capacity in the future.

Staff was made aware two Council Members will not be present at the meeting of June 27, 2016. So as not to delay the project schedule (expected construction start date is August 1, 2016), this staff report requests that Council award the construction contract with the baseline bid as originally designed (288 fiber strand count without additional 2" conduit). This will allow staff to proceed with the administrative process of contract execution. At the July 11, 2016 meeting when it is expected that all Council Members will be present, staff will request a contract change order and associated budget amendment to increase the fiber strand count to 576 with additional conduit. It is expected that the budget amendment will be for an approximate amount of \$1.4 million.

It is important to note that if the Council directs staff to proceed with installing the 576 count fiber with additional conduit capacity on July 11, 2016, HP Communications will still remain the lowest responsive and responsible bidder.

Pursuant to the City Council approval on May 9, 2016, MOX is responsible for procuring the fiber optic construction materials necessary for this project.

As approved by the City Council on November 9, 2015, the construction management and inspection of the project will be provided by MOX as part of its consultant agreement with the City.

Should the City Council take the recommended action, the construction project is scheduled to begin on August 1, 2016 and is expected to be completed by August 2017.

FISCAL ANALYSIS

Estimated Construction Expenses:

Construction Contract Amount	\$4,306,246
Construction Contingency	\$ 645,937
Fiber Construction Material (procured by MOX)	\$1,200,000
Construction Management & Inspection (by MOX)	\$ 825,659
Total Estimated Project Expenses	\$6,977,842

Available Construction Funding:

20580000.730100. PT003 Improvements	\$6,003,943
20580000.910200. PT003 Contingency	\$ 855,662
<u>20580000.619800. PT003 Contractual Services</u>	<u>\$ 825,659</u>
Total Available Funds:	\$7,685,264

ATTACHMENTS

City Council report dated May 9, 2016, Municipal Fiber Project

RECOMMENDED MOTIONS

That the City Council:

1. Award a construction contract to HP Communications, Inc., as the lowest responsive and responsible bidder, in an amount not-to-exceed \$4,306,246 and Change Order Authority in an amount not-to-exceed \$645,937 (15% of construction bid), for the Municipal Fiber Network, Project No. PT-003;
2. Authorize the Public Works Director/City Engineer to approve change orders in an amount not-to-exceed \$645,659, if necessary;
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.