



City of Culver City

Mike Balkman Council
Chambers
9770 Culver Blvd.
Culver City, CA 90232

Staff Report

File #: 23-653, **Version:** 1

Item #: C-10.

CC - CONSENT ITEM: (1) Cancellation of Construction Contract Award to R2Build for Phase 1 Transportation Facility Electrification Project; and (2) Authorization to Release a New Invitation for Bids for the Project .

Meeting Date: February 27, 2023

Contact Person/Dept: Nicholas Szamet, Manager of Administration/Transportation Department
Phone Number: (310) 253-6523

Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Attachments: Yes ☐ No ☒

Commission Action Required: Yes ☐ No ☒

Public Notification: (E-Mail) Meetings and Agendas - City Council (02/22/2023); R2Build (02/22/2023)

Department Approval: Diana Chang, Transportation & Mobility Planning Manager (02/15/22)

RECOMMENDATION

Staff Recommends the City Council (1) cancel the construction contract bid (IFB #2302) awarded to R2Build in the amount of \$4,055,000 for Phase 1 and 2 of Transportation Facility Electrification Project; and (2) authorize the release of a new invitation for bids for the Project.

BACKGROUND/DISCUSSION

On December 12, 2022, City Council authorized the Transportation Department (Transportation) to enter a construction contract with R2Build for building of Phase 1 and Phase 2 of Facility Electrification Infrastructure as outlined in the Electrification Master Plan approved by City Council in September of 2021.

Subsequent to the award of the contract, Transportation elected not to perform future phase activities in the near term as it would be cost prohibitive and serve no operational purpose given Southern California Edison will not install excess capacity on site in anticipation of future electricity needs beyond Phase 1 and 2. Pursuant to the bidding documents, Transportation informed R2Build that Transportation would be eliminating some of the bid items related to future phase activities.

Transportation has sought additional details that would identify how R2Build priced their bid to facilitate the reduction in scope of work and cost savings. Throughout January 2023, multiple meetings were held between Transportation and R2Build to formalize cost savings that would result from the reduced scope of work. Ultimately, Transportation and R2Build could not reach agreement about the price and scope of work.

After consultation with the City Attorney, Public Works, and consulting partners, Transportation staff determined City Council should consider cancelling the contract award and issue a new invitation for bids (IFB) in the future. Therefore, staff is seeking City Council approval to cancel the \$4,055,000 contract awarded on December 12, 2022 and the IFB #2302. Further, staff is seeking City Council's approval to release a new IFB in the future. In preparation for the future IFB, staff will complete an additional requirements analysis, which will minimize future bid issues such as those associated with IFB #2302.

FISCAL ANALYSIS

Cancellation of the awarded contract with R2Build will have no immediate fiscal impact. All funding for this project is secured in Transportation Capital Improvement Project PB002. Funds will be encumbered upon successful execution of a contract resulting from a future invitation for bids.

ATTACHMENTS

None

MOTIONS

That the City Council:

1. Cancel the contract award for R2Build authorized on December 12, 2022 in the amount of \$4,055,000; and
2. Authorize Transportation to release a new Invitation for Bids upon completion of requirements analysis and bid package documentation.