

December 26, 2002

Honorable Mayor and Members of  
The Hermosa Beach City Council

Regular Meeting of  
January 14, 2003

**PROJECT NO. CIP 00-411 SEWER AND STREET IMPROVEMENTS – TARGET AREA 1  
AWARD CONSTRUCTION CONTRACT**

**Recommendation:**

It is recommended that the City Council:

1. Award the Construction Contract to Sialic Contractors Corporation dba Shawnan of Downey, California, based upon their lowest responsible bid of \$731,997.50; and
2. Authorize the Mayor to execute and the City Clerk to attest the construction contract subject to approval by the City Attorney; and
3. Authorize the Director of Public Works to make minor changes as necessary within the contingency of \$73,200.

**SUMMARY:**

On November 21, 2002, Project No. CIP 00-411 was advertised in the Easy Reader, Green Sheet (Construction News Reporter), and Bid America. A total of 11 bid packages were picked up. The City Clerk received 2 bids by the closing date of December 12, 2002. The bids were publicly opened and read aloud. The bid results are as follows:

BIDDER	CITY	TOTAL BID AMOUNT
1. Shawnan	Downey, CA	\$731,997.50
2. Clarke Contracting Corp.	Lawndale, CA	\$803,115.00

All bids were responsive. The bid amount of the apparent low bidder, Shawnan, is \$181,997.50 (approximately 33.09%) above the engineer's estimate of \$550,000.

After discussing the project with the designer and some of the contractors, the low bidder turnout and higher prices can be attributed the difficulty of the project. Installing sewer and street improvements on Palm Drive will be very challenging since it is so narrow. This made it difficult for the general contractors to solicit quotes for materials and subcontract work. Limited accessibility and slow production are most likely the causes for higher prices and fewer bidders.

**Background:**

In May 2002, City Council approved the Professional Services Agreement between the City and Berryman & Henigar for engineering and design services.

The proposed sewer work consists of removing and replacing 8" sewer main, manholes, and lateral connections, and lining of some existing sewer mains. Staff attempted to maximize the use of "no-

dig” technology, but many of the sewers were so damaged that neither lining nor spot repair could be used. Since the streets with proposed new sewers are so deteriorated and the street widths are so narrow, it was appropriate to design total reconstruction of those streets. The proposed street work consists of total reconstruction of the street section with 6” of concrete over 4” of aggregate base. Additional work includes, but is not limited to, traffic markings, adjustment of utility boxes, installation of concrete cross gutters, and handicap access ramps.

**Analysis:**

Staff has reviewed the low bidder’s documents and has found them to be in order. Reference calls have been supportive of the contractor’s work habits.

Upon review of the difficulty of the project and the current construction market, Staff believes re-bidding the project will neither solicit additional bidders nor yield a lower or higher price.

**Fiscal Impact:**

The project funding source is as follows:

160 Sewer funds Available	\$ 841,831
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The bid price and contingency amount to \$805,198; therefore, there are sufficient funds to accommodate the cost of construction.

Alternatives:

1. Approve Staff’s recommendation.
2. Reject all bids.
3. Take no action.

Attachments: Project Location Map

Respectfully submitted,

Concur:

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Tristan D. Malabanan  
Assistant Engineer

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Harold C. Williams, P.E.  
Director of Public Works/City Engineer

Noted for Fiscal Impact:

Concur:

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Viki Copeland

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Stephen R. Burrell

Finance Director

City Manager

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