

April 11, 2002

Honorable Mayor and Members of
The Hermosa Beach City Council

Regular Meeting of
April 23, 2002

**PROJECT NO. NON-CIP 005-01 CORONA STREET AND PROSPECT AVENUE
STREET IMPROVEMENTS – STREET BARRIER
AWARD CONSTRUCTION CONTRACT**

Recommendation:

It is recommended that the City Council select one of the following four options for this project.

1. A) Award the construction contract to Palp, Inc. dba Excel Paving, in the amount for \$23,933.25;
B) Authorize an appropriation of \$12,000 in the 301 Capital Improvement Fund;
C) Authorize the Mayor to execute and the City Clerk to attest the construction contract subject to approval by the City attorney; and
D) Authorize the Director of Public Works to make minor changes as necessary within the contingency of \$2,400.00.
2. Reject all bids and send out for re-bid.
3. Downscope the project and send out for re-bid.
4. Abandon the project.

Summary:

On February 12, 2002, City Council approved the plans authorized advertising for bids. The project was advertised in the Easy Reader, Green Sheet (Construction News Reporter), and Daily Construction Services. The contractors picked up a total of 4 bid packages. The City Clerk received 2 bids by the closing date of March 28, 2002. The bids were publicly opened and read aloud. The bid results are as follow:

BIDDER	CITY	TOTAL BID AMOUNT
Palp, Inc. dba Excel Paving	Long Beach, CA	23,933.25
Zondiros Corporation	Torrance, CA	34,865.00

The price of the apparent lowest bidder, Palp, Inc. dba Excel Paving, is \$9,933.25 (approximately 70%) above the engineer's estimate of \$14,000.

According to DEA, the high bids may be due to the high demand for construction now. Further, the engineer's unit prices were based on similar projects that were completed in the past by the firm. These unit prices are dictated by conditions of the construction market, and since the current market for construction is in high demand, the bids are higher than estimated.

Another reason may be due to a tendency of high mark-ups on small scale projects by contractors, and the designer feels that the contractors' quotes for earthwork (grading), irrigation and landscaping are marked-up high on this account.

If City Council approves the construction contract, then construction would begin in the beginning of June 2002 and be completed by the end of July 2002.

Staff has reviewed the low bidder's documents and has found them to be in order. Additionally, Staff has verified the status of contractor's license through the California Contractors State License Board.

The general scope of work consists of removal of a temporary barricade and asphalt concrete pavement and construction of sidewalk, curb & gutter, irrigation system and planting of turf.

Fiscal Impact:

The available construction budget for this project is \$16,639 from the Street Maintenance Budget (001-3104-4201). Below is an illustration of the fund breakdown.

Current Budget	\$16,639.00
Proposed Contract	(23,933.25)
Proposed Contingency	(2,400.00)
Testing & Appurtenances	<u>(2,000.00)</u>
Grand Total	-\$11,694.25

In order to award the construction contract, an appropriation in the amount of \$12,000 from the 301 Capital Improvement Fund would be necessary.

Attachment: Site Location Map

Respectfully submitted,

Concur:

Kenneth Kim
Assistant Engineer

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

Noted for Fiscal Impact:

Concur:

Viki Copeland
Finance Director

Stephen Burrell
City Manager

