

January 5, 2004

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
January 13, 2003

PROJECT NO. CIP 00-630 PIER RENOVATION – PHASE III

Recommendation:

It is recommended that the City Council:

1. Reject all bids for Project No. CIP 00-630 Pier Renovation – Phase III; and
2. Direct staff as to changes in Scope of Work.

Background:

The following bids were received on October 30, 2003, for Project No. CIP 00-630 Pier Renovation – Phase III:

BIDDER	BID AMOUNT	\$ OVER ENGINEER'S ESTIMATE	% OVER ENGINEER'S ESTIMATE
1. Metro Builders & Engineers Group Ltd.	\$4,444,000	\$968,364	27.86%
2. H.A. Lewis, Inc.	\$5,418,000	\$1,942,364	55.89%

Staff recommends rejecting all bids based upon the receipt of only two bids with the lowest bid being approximately \$1 million above the engineer's estimate of \$3,475,636.

Staff recommends changing the scope of work of the project to reduce costs and then re-bidding in time to start construction before summer. If the project is delayed too long then staff recommends delaying construction to start after summer to avoid disruption in lifeguard services over more than one summer. Staff has interviewed the bidders to identify the major cost issues and have developed the following list of potential changes that can be made to help bring this project within budget.

The first change recommended is to separate out from the base bid the interior tenant improvements and the temporary lifeguard facilities. Staff recommends these items be bid as "Additive Alternates" such that they can be eliminated from the contract if desired.

Optional Scope of Work changes for Council consideration:

1. Eliminate granite and slate tile and use colored lithocrete for all pavement designs and compass rose. (Savings of approximately \$300,000).

2. Larger cost savings to Option 1 would be to eliminate a color detail and use a standard colored concrete, which could save \$450,000.
3. Eliminate use of Trespa material for the Lifeguard Building and restrooms and use standard cement-type siding (savings \$50,000).
4. Eliminate the ADA access ramp to the Observation Deck and install a lift next to stairs from the Pier (\$100,000 savings).
5. Larger cost savings to Option 4 would be to eliminate the Observation Deck entirely and build a standard garage roof (\$250,000 savings).
6. Redesign the restroom facility to standard masonry building with flat roof (\$50,000 savings).

In addition to the major cost saving options above, there are a number of detail items that could be changed. Councilmember Tucker has prepared a list (copy attached) for discussion. With Council direction, staff could work with a Council subcommittee and the design consultant to identify other options that could be implemented.

The City's design consultants, Purkiss Rose-RSI, have estimated the cost to change the plans and specifications to implement items 1, 3, and 4 with additional minor changes at \$42,000. It would be reasonable to estimate that design services will cost approximately 10% of cost savings. After receiving Council direction as to the desired changes, staff will negotiate extra work with the consultant and present to Council for approval at the next meeting. Assuming 30 calendar days to make design changes, staff anticipates awarding the construction contract at the first meeting in April and beginning construction in May. The project time is estimated at ten months and allowing 2 months for delays and relocating the lifeguards, should be complete by May/June 2005.

Attachment: List dated 1/5/04

Respectfully submitted,

Concur:

Tristan D. Malabanan
Associate Engineer

Richard D. Morgan, P.E.
Director of Public Works/City Engineer

Noted For Fiscal Impact:

Viki Copeland
Finance Director

Stephen R. Burrell
City Manager

